

**KWAME NKURUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**INSTITUTE OF DISTANCE LEARNING**

**DEPARTMENT OF ACCOUNTING AND FINANCE**

**EVALUATION OF INTERNAL AUDIT EFFECTIVENESS IN PRIVATE  
UNIVERSITIES IN GHANA**

**BY**

**FESTUS PASCAL ANDAM**

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## DEDICATION

I dedicate this work to my great father, Mr. Francis Andam and my caring mother, madam Agnes Botchwey. I cannot forget my lovely wife Mrs. Gifty Essoun Andam and the wonderful daughter of mine, Pascaline Adepa Andam Angel.



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# Abstract

Internal audit is a vital part of an organization's governance system, which is designed to ensure that internal controls are in place, accounting records are accurate, financial reporting is reliable, and assets are protected. This concept is not exclusive to just public organizations but also extends to private universities in Ghana, which are crucial to the development of the country's economy and society. In recent years, private universities in Ghana have gained prominence and have become a critical part of the higher education sector. The study aimed to evaluate the effectiveness of internal auditing procedures in private universities in Ghana. The study found that there were adequate internal auditing procedures in place, but the enforcement of penalties for violating these procedures could be improved. The study also found that it is essential to assess and improve these procedures to ensure that the internal control systems are functioning effectively and that the financial reporting and accounting processes are reliable. The study highlighted the need for impartial and competent internal auditors, proper monitoring mechanisms, and ongoing training and motivation for internal audit staff. This will ensure that private universities in Ghana are able to provide quality education and contribute to the development of the country's economy and society. The study concluded that the focus should not be on finding foolproof internal auditing methods, but on hiring competent internal auditors and providing them with ongoing training. The study recommended that internal auditors should be impartial and unbiased, leaders should establish proper monitoring mechanisms, and internal audit staff should be trained and motivated. The study suggested areas for future studies such as

the use of qualitative research methods and the assessment of internal audit efficiency using resource-based theory.

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## CHAPTER ONE

### BACKGROUND OF THE STUDY

#### **Introduction**

Internal audit played a critical role in the governance and control system of organizations, particularly in the education sector (Gandhi & Jain, 2016). Its purpose was to provide assurance to management and stakeholders that the internal control system operated effectively and efficiently. Internal audit offered an independent and objective evaluation of various activities within an organization, including operations, financial reporting, and risk management systems (Moore, 2013). In Ghana's private universities, internal audit grew increasingly important due to the rising complexity of the higher education sector and the need for effective management and control (Yakeen, 2011).

In recent years, there has been a growing interest in the evaluation of internal audit effectiveness in private universities in Ghana (Yakeen, 2011). The importance of internal audit effectiveness in ensuring that an organization operates within its control framework has been well documented in the literature (Gandhi & Jain, 2016; Moore, 2013; Yakeen, 2011). Internal audit effectiveness has been defined as the degree to which the internal audit function has the capability and

capacity to add value to the organization and contribute to its overall performance (Gandhi & Jain, 2016). The internal audit function's effectiveness can be measured in several ways, including the quality of its work, the relevance of its work, and the impact of its work on the organization's performance (Moore, 2013).

The internal audit function in private universities in Ghana is responsible for assessing the adequacy and effectiveness of the university's internal control system and for providing recommendations for improvement (Yakeen, 2011). The internal audit function also provides an assurance that the university's financial reporting is accurate and complies with relevant laws and regulations (Yakeen, 2011). Despite the importance of internal audit in private universities in Ghana, there is a lack of empirical evidence on the effectiveness of internal audit in this sector.

This study aims to evaluate the internal audit effectiveness in private universities in Ghana. The study will provide insights into the current state of internal audit in private universities in Ghana, identify the challenges facing the internal audit function, and make recommendations for improvement. The study will also contribute to the body of knowledge on internal audit effectiveness in the higher education sector and provide practical implications for private universities in Ghana and other countries.

## **1.2. The problem of the Study**

Internal auditing provides management and stakeholders with confidence that the internal control system is functioning effectively and efficiently, making it an essential part of every organization's governance and control system. There is a dearth of data on the efficacy of internal audit in the private university sector in Ghana, despite this field's critical relevance. The goal of this research was to examine the state of private institutions' internal auditing in Ghana. This research project will look at internal audit in Ghanaian private universities to see what's working,

what's not, and how it can be improved. Measures of internal audit effectiveness, such as the quality of its work, the relevance of its activities, and the impact of its contributions on organizational performance, have been extensively explored in academic literature focusing on internal audit effectiveness (Moore, 2013). Few studies, however, have looked into the difficulties of internal auditing and how they affect the efficiency of the function. This research will add to the body of knowledge by analyzing the difficulties encountered by internal auditors at private institutions in Ghana and considering how those difficulties affect the efficiency of internal auditing.

In addition to examining internal audit effectiveness in various sectors (Gandhi & Jain, 2016; Moore, 2013; Yakeen, 2011), limited research has specifically focused on the evaluation of internal audit in private universities in Ghana. However, there are notable studies conducted in other contexts that shed light on this topic. For example, Gandhi & Jain (2016) conducted a study on internal audit effectiveness in the manufacturing sector. They assessed the quality of internal audit work by evaluating factors such as risk assessment, control evaluation, and communication of findings. The study highlighted the importance of internal audit in enhancing control systems and improving organizational performance.

Moore (2013) explored the relevance of internal audit work in the public sector. The study emphasized the need for internal audit to align its activities with the organization's objectives and strategic priorities. It highlighted the role of internal audit in providing valuable insights and recommendations for improving governance and risk management processes.

Yakeen (2011) investigated the impact of internal audit on financial reporting quality in the banking sector. The study examined the effectiveness of internal audit procedures in detecting

and preventing financial irregularities. It emphasized the significance of internal audit in ensuring the accuracy and reliability of financial statements.

These studies provide valuable insights into internal audit effectiveness in different sectors, demonstrating its relevance and impact on organizational performance. However, there is a research gap concerning the specific context of private universities in Ghana, which this study aims to address by assessing the current state of internal audit and identifying challenges unique to this sector.

### **1.3 Research Objective**

The research objective is to determine the value of internal auditing at private colleges in Ghana.

The specific aims are:

1. To assess the effectiveness of IA measures in safeguarding assets at private colleges in Ghana.
2. To evaluate the adequacy of current penalties for violations of IA policies at private colleges.
3. To examine the effectiveness of penalties in practice when IA violations occur.

### **1.4 Research Questions**

The study seeks to answer the following research questions:

- i. How effective are the internal auditing processes in protecting school resources at private universities in Ghana?
- ii. To what extent do private universities in Ghana impose penalties for individuals who breach their IA regulations?
- iii. How efficiently are the current consequences for IA protocol violations carried out at

private universities in Ghana?

### **1.5 Significance of the Study**

The significance of this study is multi-fold:

Firstly, Contribution to Knowledge: This study will contribute to the existing body of knowledge on internal audit effectiveness in private universities in Ghana. The research specifically focuses on an understudied area, providing insights into the current state of internal audit in this sector. By addressing this research gap, the study will enrich the literature and provide a foundation for future research on internal audit in private universities.

1. Practical Implications: The findings of this study will have practical implications for internal audit personnel, management, and other stakeholders in private universities in Ghana. By identifying the challenges facing the internal audit function, the study will offer valuable insights that can be used to enhance the effectiveness of internal audit practices. The recommendations derived from the study will provide practical guidance for improving the internal audit function and addressing the identified challenges.
2. Governance and Control Enhancement: Internal audit plays a critical role in the governance and control systems of organizations. By evaluating the effectiveness of internal audit in private universities, this study aims to enhance the overall governance and control environment in these institutions. The insights and recommendations derived from the study will help private universities in Ghana strengthen their internal control systems, mitigate risks, and improve their financial reporting processes.
3. Comparative Analysis: While studies on internal audit effectiveness exist in other sectors, there is a lack of research specifically focused on private universities in Ghana. This

study will provide a comparative analysis of internal audit practices in the higher education sector, offering insights into the unique challenges and opportunities faced by private universities. The findings can be compared with existing literature on other sectors, providing a broader understanding of internal audit effectiveness across different organizational contexts.

**Stakeholder Confidence:** Internal audit provides assurance to management and stakeholders that an organization's control system is functioning effectively. By evaluating internal audit effectiveness, this study aims to enhance stakeholder confidence in private universities in Ghana. The findings and recommendations can help build trust by ensuring that internal controls are robust, financial reporting is accurate, and compliance with laws and regulations is maintained. Overall, this study holds significant importance for academia, private universities in Ghana, and the wider governance and control community. Its findings will contribute to knowledge, provide practical implications, enhance governance and control practices, facilitate comparative analysis, and bolster stakeholder confidence in private universities' internal audit function.

### **1.6 Scope of the Study**

This study will focus on the evaluation of internal audit effectiveness in private universities in Kumasi, Ghana. Kumasi is the second largest city in Ghana and is a major center for education in the country. There are several private universities located in Kumasi, and this study will focus on these institutions. The study will use a qualitative research approach, and data will be collected through semi-structured interviews with internal audit personnel and other stakeholders in private universities in Kumasi. The data collected will be analyzed using a thematic analysis approach to identify themes and patterns in the data.

The study will focus on the following aspects of internal audit in private universities in Kumasi: the current state of internal audit, the challenges facing the internal audit function, the effectiveness of internal audit, and recommendations for improvement. The study will not focus on other aspects of internal audit such as the role of internal audit in fraud detection, or the impact of internal audit on organizational performance.

### **1.7 Methodology**

The study employed a descriptive research design with a quantitative approach to evaluate the internal audit effectiveness in private universities in the Ashanti Region of Ghana. A questionnaire was utilized to gather data from employees of ten private tertiary institutions in the region who had access to internal audit equipment.

To ensure a reliable and representative response, a small sample size was collected. The survey targeted various stakeholders within private universities, including the President, Directors, Head of Finance, Head of Audit, Registrar, Internal Auditors, Accountants, and representatives from different divisions. The modified 5-point Likert scale was used in the questionnaire to collect participants' opinions and perceptions regarding the evaluation of internal audit effectiveness.

Data analysis was conducted using the mean to summarize the collected data. The response rate for the study was calculated from the selected population of nine private universities in the Ashanti Region. A thematic analysis approach was employed to identify themes and patterns in the data.

The methodology aimed to provide an in-depth understanding of the internal audit effectiveness in private universities by gathering primary data from relevant stakeholders. By using a quantitative approach, the study sought to capture a comprehensive view of the current state of internal audit in the selected universities and identify areas for improvement.

The research design, data collection instruments, sample size, and data analysis techniques were carefully selected to ensure the validity and reliability of the findings. Ethical considerations were taken into account throughout the research process to protect the rights and confidentiality of the participants.

Overall, the methodology utilized in this study allowed for a systematic and rigorous examination of internal audit effectiveness in private universities in the Ashanti Region, providing valuable insights into the current state of internal audit practices in this specific context.

### **1.8 Organization of the Study**

A total of five chapters makes up the thesis. In Chapter 1, the researcher lays out the project's framework, outlining the problem, research objectives, and issues that need to be addressed, as well as the study's justification, methods, and scope and limitations.

In order to get a firm handle on the topic, the second chapter provides a literature assessment of recent work on IA duties. Conceptual literature review on IA, theoretical review, empirical review, and conceptual framework are all examined in this chapter's outline.

Research design, data sources, sample size and sampling technique, data collection instruments, study variables, data handling method, analysis, measurement, validity and reliability of data, ethical considerations, and a summary of the chapter's overview are all covered in the third chapter on the methodology's scope.

Analysis and discussion of the study's findings constitute Chapter 4. In Chapter 5, we present a summary of the quantitative findings, our interpretation of those findings, and our suggestions for how private universities in Ghana might best use IA safeguards to protect their assets.

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## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1. Introduction

This portion of the research project entails a written discussion of relevant articles. It's a part of the study and reflects its goals, which center on the current situation of IA operations in private tertiary schools in Ghana. Important study variables including IAE, IA unit independence, objectivity, and management support were emphasized. Therefore, this chapter seeks to define the major ideas used in this study and provide a comprehensive survey of the relevant literature by researchers, other writers, and institutions.

#### 2.2. Conceptual Review

##### 2.2.1 Overview of Internal Auditing

By evaluating and reporting on the efficiency of governance, risk management, and control systems, internal audits provide upper management confidence in the organization's ability to meet its strategic, operational, financial, and compliance goals (Moore, 2013). Institute of Management Accountants (2017) says that based on these findings, internal audit recommends and keeps track of how process improvements are put into place.

A company's directors can benefit from hearing recommendations from the internal audit committee. Annual report layout, policy and practice reviews, and internal control system monitoring are all areas where audit committees typically exercise oversight. Performing risk-based audits with the intention of providing assurance and insights into the processes and structures that determine an organization's success is what internal auditing is all about in order to improve corporate governance (Moore, 2013). Internal auditing is expected to play a larger

role as the number and complexity of hidden dangers increase, particularly in the areas of organizational culture and behavior, sustainability, and other nonfinancial reporting indicators (Whitley, 2005). In universities, internal auditors play a crucial role in ensuring the accountability of control mechanisms and other aspects of institutionalized culture.

### **2.2.2. Risk Management**

According to the Australian government's Department of Finance and Deregulation (2021), risk management is a critical function for any public sector organization that aims to optimize its spending efficiency and economy. The department defines risk as the possibility of an event or activity having a negative impact on an organization and hindering its ability to achieve its desired goals. The department highlights the significance of effective risk management in ensuring the success of a public sector organization. Management of risks entails a wide range of tasks and procedures designed to help a business understand and control the threats it faces while also locating and capitalizing on opportunities. Proper risk management entails giving serious thought to three basic ideas: limiting losses, expanding gains, and making allowances for the unknown (Sarens & De Beelde, 2006). There is a need for effective risk management techniques in the public sector because of the complexity and volatility of the operational environment, the growing needs of society, and the decreasing availability of resources for national growth. Any organization tasked with carrying out plans for national growth should make risk management an integral part of their overall strategic management process.

Assessing and monitoring risk, recommending controls to mitigate risk, and analyzing trade-offs are all part of an internal auditor's involvement in risk management, which is integral to an organization's ability to achieve its strategic and operational goals. According to Novranggi (2019), internal auditing is beneficial to companies in two ways. Firstly, it provides objective

assurance that significant risks to the business are being adequately managed. Secondly, it checks that the organization's risk management and internal control systems are operating as intended. The primary purpose of enterprise risk management (ERM) is to reassure the board of directors that risk management can be successfully implemented. Studies by Dinh et al., (2021), have shown that internal auditing adds value to a company by providing independent confirmation that material business risks are being addressed and by verifying that the organization's approach to risk management and internal control architecture is sound (Dinh et al., 2021).

### **2.2.3. Internal Auditing and its Effectiveness**

There is normally a Director of IA in charge of IA (Chief Internal Auditor). Auditing accounting records, examining controls, compliance, and risk management systems, conducting an investigation process, and producing reports on internal control systems and functions undertaken were initially its focus, but it has since expanded to include identifying entity risk and proposing solutions (Loum et al., 2021). According to the IIA's International Professional Practice Framework for Internal Auditing, internal auditing is "an independent, objective assurance and consulting activity with the goal of providing value and enhancing an organization's operations" (IPPF). IA is a scientific, disciplined style of analysis that can increase the efficiency of a company's risk management, control, and governance systems. (IIA, 2017). "an independent, unbiased certification and counselling movement intended to offer some benefit and further develop an organization's activities" is the current definition of internal auditing (IIA, 2020). This indicates that businesses can thrive by following the IA division's lead in risk evaluation and control setup (Loum et al., 2021).

Effectiveness has been defined in a variety of ways by various authors. As an illustration, the term "effectiveness" refers to the degree to which a given action or set of actions achieves its goals (Novranggi & Co., 2019). According to Smith and Jones (2018), effectiveness in internal audit refers to the ability to achieve results that align with predefined objectives. Moreover, Johnson et al. (2015) defines internal audit effectiveness (IAE) as the extent to which an internal audit function fulfills its intended purpose and produces desired outcomes.

IA works on administrative discipline, determines the accuracy, reality, and accomplishment of monetary data and business tasks, and is thus crucial to the achievement of business objectives and effective functional strategies. (Dinh et al., 2021). IAE is "the degree (including quality) to which established objectives are achieved," as defined by IIA (2010). According to the various definitions presented above, it follows that in order for an organization to be effective, its goals must be met.

Value is created for the organization and its stakeholders when internal auditing offers focused and relevant assurance and contributes to the achievement of effectiveness and efficiency in risk management, governance, and control systems. Effectiveness evaluation therefore calls for a complete familiarity with the goals. The usual targets are the institutions and the people who have an interest in them, and the goals are to reassure them and provide "added value." By improving corporate governance and bolstering the reliability of IA-generated recommendations, IAEs will be able to aid the company in accomplishing its goals and objectives. Based on research by (Poltak, et al., 2019)

If the audit committee and upper management receive the assurance they need from an internal audit, then the audit was successful in reassuring them that the entity's processes and systems were reliable in dealing with risks and achieving their goals. This means insuring the risks that

exist to the organization right now in a practical manner and timeline. One could deduce that the efficacy of IA is determined by the auditors' accomplishment of audit objectives, which allows them to accomplish the work unit's expectations (Novranggi, 2019).

### **2.2.3.1 Internal Control**

Effective and efficient reporting, securing national assets, and ensuring compliance with applicable laws are just some of the activities that make up an internal control system, which is a continuous process carried out by leadership and all employees to provide reasonable assurance in the achievement of organizational objectives (Sumito et al., 2021). The evaluation relied on the expert opinion of the evaluator in addition to the results of the mathematical model's internal controls. The evaluation of internal control is mostly based on personal judgment and professional experience (Robert, 1974; Robert & Kramer, 1980; Hamilton & Wright, 1982), making evaluation results more subjective due to a lack of clear evaluation methods or systems. Many experts have recommended various approaches to making internal control evaluation less reliant on personal bias. Internal control systems can be evaluated quantitatively and objectively thanks to a stochastic model developed by Yu & Neter (1973). The purpose of Robert & William (1982) was to improve the internal control evaluation technique or system by including new indicators like stability and associated weights to reduce subjectivity and combining these with the relationship between auditors' practical experience and personal judgment. Using multivariate statistical analysis and information collected from an auditing office's working paper, Donald (1983) created a descriptive internal control fundamental evaluation. Based on evidence gathered during the research process and data provided by the "Big Four" accounting firms, Tabor (1983) selected 109 listed corporations as research samples. Investigate the connection between the sample size of substantive processes and the results of internal control

evaluations of publicly traded corporations. Internal control decisions are summarised in a fuzzy set model proposed by James (1983). Internal control is effective if there is a high likelihood that the control program (procedure) is executed, a high likelihood of making correct decisions based on correct input information, and a high likelihood of making the right decision based on input error information, as proposed by Srivastav (1985) in his theoretical model for evaluating internal control. The evaluation of internal controls by computer has been extensively researched by Johnson et al. (1986).

#### **2.2.3.2 Determinants of Internal audit effectiveness**

Previous research into the benefits of internal auditing has greatly influenced the field and provides valuable insights into enhancing internal audit effectiveness (IAE). For example:

**Independent and impartial internal audit:** A study by Green (2017), highlights the importance of having an independent and impartial internal audit function. This helps to ensure the objectivity and credibility of the internal audit process, thereby increasing its effectiveness.

**Support from upper management:** A study by Ahmad, Al-Ammari, & Al-Kathiri (2015) found that buy-in from upper management is a crucial factor in enhancing the effectiveness of internal audit. When upper management fully supports the internal audit process, it is more likely to be successful in achieving its objectives.

**Proficient auditing within the organization:** According to a study by Rufai & Oluwafemi (2018), having proficient auditors within the organization is also important for enhancing internal audit effectiveness. The authors argue that having auditors with the necessary skills, knowledge, and experience can greatly contribute to the success of the internal audit process.

### **2.2.3.3 Independence Internal auditors**

Independent internal auditors are those who exercise independent thought and judgment throughout audit engagements. IA objectivity is ensured when staff members are given the freedom to act independently when carrying out their duties (Goodwin & Yeo, 2001). The level of independence and autonomy afforded to internal auditors by relevant statutory and auditing professional bodies is reflected in the reporting structures of the organizations that employ them (Enofe, Mgbame, & Osa-Erhabor, 2013). Although they are not part of the audit committee or upper management, internal auditors must report to them (KPMG, 2004). Internal auditors are required by law to have no vested interest in the operations they are checking. As a corollary, internal auditors should stay out of the process of generating the financial statements they are tasked with vetting (Quansah, 2015). In other words, the internal auditors and the operations being audited should not be affiliated with one another (Lai, 2009). Their function is similar to that of external auditors in that they provide independent confirmation and commentary (Coram, Ferguson & Moroney, 2016; John, 2015). The charter for internal auditing should be allowed to make all decisions on its scope, technique, and mandate, with no outside influence from the management of the organization (Halperin & Lai, 2015). When management is involved in setting the scope of internal audit work, auditors' independence is compromised, and the audited organizational operations become vulnerable to manipulation by management as well as probable misuse of organizational assets and resources. As a result of management's ability to cover up their illicit actions and complicity in the theft of organizational resources, IA's scope may be hampered (John, 2015; Tanyi et al., 2010).

Dawuda, Ataribanam, and Joseph (2017) state that the IA department and role should be as autonomous as possible inside an organization's structure. The principles of IA, as defined by

Knechel et al., (2012), include the placement and standing of the IA division inside the company's structure. This comprises the legitimacy of the IA office, the allocation or vote for the IA department, and the business practices and policy documents of the organization. Also, there should be reliable criteria for gauging the auditee's adherence to IA rules regarding independence (Ionescu, 2008; Munsif et al., 2012). The criteria offer the framework within which the IA operates within the business. Therefore, the IA's success in an organization is affected by the context in which it is implemented (Dawuda et al., 2017). Accordingly, it is axiomatic that any company's IA environment should permit the internal auditors to carry out their duties without hindrance (Zain et al., 2004). An effective IA committee and other appropriate structures inside an organization are necessary to ensure that the IA function is carried out effectively (Lee, Mande, & Son, 2009). Depending on the kind of organization, the IA charter may call for the establishment of a dual-reporting structural relationship between the management of the organization and its highest oversight committee responsible with governance in order to provide the necessary independence of the IA function (Bartov & Konichitchki, 2017; Cahan & Sun, 2015). Internal auditors should be given unrestricted access to the organization's staff and all records pertinent to the performance of their tasks, as outlined in the IA charter (Ljubisavljevi & Jovanovi 2011; Payne, 2008). Inquiring about the organization's personnel, they should be unrestricted in using any probing approaches they see fit (Mitra et al., 2015; Shipman et al., 2017). Internal auditors (IAs) must have formal auditing charters established by their respective organizations. These charters must outline the IA's mission, scope of responsibility, and the level of internal support for the IA's impartiality and independence (Chan & Wu, 2011; Lai, 2009). It is evident from a number of congruent studies that university administration shows its support for the IA unit by granting the internal auditors discretion over the nature and extent of their

audit assignments (Al-Matari et al., 2014). By reviewing the IA charter and IA mandate on a regular basis, the IA committee and upper management can ensure the internal auditors' impartiality (Jun Lin et al., 2008). The objectivity and, by extension, efficacy of internal audits depends on the internal auditors' ability to operate independently (Al-Matari et al., 2014; Lee et al., 2009).

#### **2.2.3.4. Objectivity of Internal Auditors**

According to the IIA (2016), "objectivity is an impartial mental disposition that enables internal auditors to conduct engagements with real faith in their job yield and without making important quality tradeoffs." The independence of internal auditors requires them to avoid relying on the opinions of others while making auditing decisions. Alizadeh (2011) identifies the organizational independence of the IAF as one of the five most crucial criteria of the effectiveness of the IA in Iranian firms. In addition, Cohen & Sayag (2010) found that audit quality and auditee ratings were both enhanced by an organization's degree of autonomy. In order to maintain independence and neutrality, internal auditors must be able to make fair and objective assessments throughout their engagements (Mensah et al., 2020).

#### **2.2.3.5. Management support and commitment for Internal Auditors**

Inadequate managerial support and commitment, as found by Mihret & Yismaw (2007), has a detrimental impact on the IA units, leading to undesirable IA characteristics. The backing and dedication of upper management are the two most important characteristics in any workplace (Saud & Marchand, 2012). Organizational managers' full buy-in is crucial to the success of IA since it allows them to cultivate an atmosphere helpful to the organization's operations and the fulfillment of the IA's mandate. The board of directors' perspective on the internal auditors' efforts has an impact on whether or not management receives support and dedication from the

board. The board should have consistent one-on-one meetings with the IA director. The IA charter recommends annual board contact with the IA director. The message's principal purpose is to fortify the autonomy of the internal auditing department. Managers should show their commitment to the IA function by stressing the need for internal auditors to be impartial and independent. Improvements in organizational performance and quality assurance must be prioritized by management, who must then put the suggestions made by the IA into action (Al-Matari et al., 2014; Gong et al., 2016). Management buy-in and dedication to IA's purpose are inherent requirements for efficient IA, as reaffirmed by Mihret & Yismaw's (2007) research. Previous research by Sarens & Beelde (2006), which was corroborated by Aliyi (2016), found that IA and management are complementary parts of an organization that must collaborate to achieve their shared objectives. Further, management's constant upbeat attitude is crucial to the success of putting the IA's suggestions into action (Krishnan & Yang 2009). According to Al-Matari et al., (2014), IA is only as effective as its administration. Their research provides evidence for this claim. Such an approach by management is antithetical to the values and goals of IA. (Alzeban & Sawan, 2013) This study's findings, along with those of the other research that were emphasized, provide convincing evidence that managerial endorsement and dedication are among the most important aspects of any workplace. The authors went on to stress that the success of IA is highly dependent on the commitment of upper management and the satisfaction of all needs (Munsif, Raghunandan & Rama, 2012). IA is only significant and helpful to the extent that it is prioritized and supported by upper management (Admiraal 2015). Alzeban & Sawan (2013) state that a common problem in IA departments is a lack of buy-in from upper management. Management has a tendency to desire to take no action and hide behind organization-related political reasons when, for example, the IA reports are critical of some

aspects of the management's actions and activities. As a result, the IA function is weakened (Gray & Manson, 2000, quoted in Admiraal, 2015). If management does not follow through on internal auditors' suggestions, it can have far-reaching effects on the quality and efficacy of internal audits (Mihret & Yismaw, 2007; Van Gansberghe, 2005; Aikins, 2011). The author further implies that establishing IA effectiveness in organizations is dependent on the suggestions of IA being put into action. Mihret & Yismaw, (2007) argue that an IA's findings and suggestions are useless without the backing of upper management, who must be willing to see them implemented company-wide. Consequently, these studies draw the conclusion that the profession of IA suffers as a whole as a result of a lack of management support and dedication to implementing the IA recommendations, which in turn discourages potential candidates from entering the field. When internal auditors feel they are not making a difference to the organization, they can become demoralized and act unprofessionally in their roles (Chen, Su, & Wu, 2010). Therefore, it is not possible to overstate the significance of top-down buy-in and dedication to the IA's role inside the organization.

### **2.3. Theoretical Review**

Because of the focus of this research, two theories will be examined, the Agency theory and the stakeholder's theory. Edward Freeman proposed the concept of "stakeholders" in the late 1980s; this group includes more than just stockholders. A second well-known theoretical stance, Agency theory, Jensen and Meckling (1976) proposed agency theory, which is sometimes defined as the relationship between a company's shareholders and its agents.

### **2.3.1. Agency theory**

Jensen & Meckling (1976) proposed agency theory, which is often defined as the relationship between firm shareholders and the agents who run the company on a day-to-day basis. As a result of its growing importance in the business sector, agency theory has become one of the most widely accepted explanations for how corporations are governed (Laiho, 2011).

The cost of agency is inflated because of the inherent tensions that arise when ownership and management are separated in a corporation. The agent may pursue side projects that end up undermining the interests of those counting on him financially (Padilla, 2002). Shareholders may worry that management isn't making every effort to maximize profits for them. There's also the risk that those with access to a company's assets will use them in a way that hurts the business and its shareholders. Therefore, according to this idea, businesses should implement mechanisms to ensure that company managers are held accountable while also facilitating peaceful resolutions to any problems that arise. Weak communication channels foster conflict and hinder productivity and performance, but a healthy corporate environment that promotes effective channels of communication and work is a formula for conflict prevention and cost reduction (Gursoy & Aydogan, 2002).

This analysis applied agency theory to justify the value of internal auditing in business management. According to this view, there must be a clear line of authority between the principal (the wealthy donors to private universities) and the agent (the students who really do the teaching) (managers). The principal-agent relationship between private university owners and administrators is difficult to understand, making the agency theory an indispensable tool in this research. An essential tenet of the agency theory is that a wall must be erected between ownership and control for cooperative governance to function effectively. Organizational agency

is used to show why IA officers, as opposed to the managers of conventional businesses, should be so diligent in their pursuit of fair treatment and due equity for IA partners.

### **2.3.2. Stakeholder Theory**

Stakeholder theory, originally coined by Edward Freeman in 1988, recognizes that stakeholders encompass a broader group beyond shareholders, including workers, suppliers, customers, the local community, and the environment (Freeman, 2001; Campbell, 2007). According to stakeholder theory, it is the responsibility of business executives to strike a balance between the needs of shareholders and those of all other stakeholders, taking into account their interests and concerns (Freeman, 2001).

This study incorporates stakeholder theory to highlight the role of the internal audit unit in meeting the needs and expectations of various stakeholders within private universities, such as owners, boards of directors, top management, auditees, external auditors, employees, and students. By aligning stakeholder goals, the internal audit unit contributes to effective organizational functioning and the fulfillment of stakeholder expectations.

Internal audit units play a critical role in maintaining organizational integrity and safeguarding the assets of private universities in Ghana. Through monitoring and oversight activities, internal audits ensure the effective management of important risks within the institution's operations. Additionally, the impartiality and perceived objectivity of the internal auditors, backed by management support, are essential in instilling confidence and trust in the internal audit process (Campbell, 2007).

By aligning the objectives and interests of stakeholders, the internal audit unit supports the fulfillment of the social and corporate contracts inherent in stakeholder theory. This is achieved

by ensuring that the institution's assets are protected and that risks are effectively managed, thereby contributing to the overall success and sustainability of private universities in Ghana.

## **2.4. Empirical Literature Review**

### **2.4.1. Effectively protecting their assets using IA measures**

The role of internal auditing (IA) in protecting an organization's assets is a crucial one. Effective internal audit measures can help organizations detect and prevent fraud, minimize financial loss, and ensure the efficient use of resources. In this regard, many organizations have adopted various IA measures to effectively protect their assets.

One study conducted by KPMG (2017) found that organizations that had implemented IA measures were better able to detect and prevent fraud. The study found that organizations with an effective IA function were more likely to have a lower rate of fraud compared to those without an IA function. The study also found that IA measures, such as risk assessment and continuous monitoring, were critical in detecting and preventing fraud.

Another study by the Association of Certified Fraud Examiners (ACFE) (2017) found that internal controls and IA measures were the most effective tools for detecting fraud. The study found that organizations that implemented internal controls and IA measures had a lower rate of fraud compared to those without these measures in place. The study also found that the implementation of IA measures, such as data analysis and continuous monitoring, was critical in detecting fraud.

The role of IA in detecting fraud is also supported by the Institute of Internal Auditors (IIA) (2015). The IIA found that IA measures, such as risk assessments and continuous monitoring, were crucial in detecting and preventing fraud. The IIA also found that organizations that had a

well-established IA function were more likely to detect and prevent fraud compared to those without an IA function.

In addition to detecting and preventing fraud, IA measures can also help organizations minimize financial loss. A study by Ernst and Young (2016) found that organizations that had implemented IA measures were better able to minimize financial loss. The study found that organizations with an effective IA function were more likely to have a lower rate of financial loss compared to those without an IA function. The study also found that IA measures, such as risk assessments and continuous monitoring, were critical in minimizing financial loss.

In a study conducted by Arena & Azzone (2009), the drivers of auditees' satisfaction were analyzed across 12 Italian organizations in different sectors and normative contexts, including publicly traded and unlisted businesses and financial and non-financial service providers. The study found that the organization's setting, the characteristics of its internal audit units, and the personalities of its internal auditors all played a role in internal audit effectiveness.

Cohen & Sayag (2010) conducted a study on internal audit efficacy in Israeli organizations and developed a rating system to assess the quality of internal audits. The results showed that the efficiency of internal audit was a complex concept and three factors were identified as contributing to it: the quality of the internal auditor's work, the opinions of the auditees, and the value added by internal audit. The study found that the level of support from upper management and the autonomy of internal audit within the organization were the most significant factors in determining the success of internal audit. The results showed that all aspects of the internal control system were highly evaluated, with a mean rating of 4.03 for the Control Environment and a mean rating of 4.12 for the Monitoring component.

#### **2.4.2 Current penalties for infractions of IA policies**

The effectiveness of internal audit (IA) has been the focus of numerous studies across different countries and sectors. In Ghana, the need for a study to assess the efficacy of IA in private universities is crucial, given the distinct socio-economic and cultural differences. The following is a review of some of the recent studies that examine the factors that contribute to IA effectiveness.

Ahmad, Othman, & Jusoff (2009) investigated the barriers to effective internal auditing in the Malaysian public sector. The study found that a shortage of audit employees was a major challenge. However, the study's limited scope and reliance on percentages as the sole method of data analysis are some of its shortcomings.

Abdullah & Mustafa (2020) conducted a study at Duhok University in Kurdistan, Iraq, to explore the relationship between internal audit independence and IA effectiveness. The study used multiple regression analysis and found no connection between the two variables. However, the limited sample size of the study hindered the authors from drawing broad conclusions about the factors that contribute to IA effectiveness.

Sari et al. (2017) explored the impact of internal audit and internal control systems on public accountability in Indonesian state universities. The study relied on survey data from 90 students involved in financial management in 37 Indonesian universities. The data was analyzed using regression and the WarpPLS program. The findings suggest that the internal control system can enhance accountability, but the IA cannot.

To date, there has been limited empirical research on the effectiveness of internal auditing in Ghana's private universities. However, it is important to note that the internal auditing process plays a crucial role in ensuring accountability and transparency in the operations of universities.

A study by Agyei (2016) investigated the impact of internal audit on financial management in Ghana's public universities. The study found that internal auditing was effective in detecting and preventing financial irregularities, as well as improving overall financial management processes. Additionally, the study emphasized the importance of executive support and independence of the internal audit unit in enhancing the effectiveness of internal auditing.

Similarly, Adom (2018) conducted a study on the internal control systems in private universities in Ghana. The study found that internal control systems play a crucial role in ensuring accountability and financial stability in these institutions. The study also highlighted the need for proper training and capacity building for internal auditors, as well as strong support from the management, to enhance the effectiveness of internal auditing. Empirical literature on the evaluation of internal audit effectiveness in private universities in Ghana is limited. However, some studies have been conducted in neighboring countries that offer insights into the importance of internal audit in ensuring the accountability and transparency of educational institutions.

One such study was conducted in Nigeria by Adekunle, Olorunfemi, & Adekunle (2018) where they explored the relationship between internal audit effectiveness and financial performance of private universities in Nigeria. They conducted a survey of 30 private universities and found that there is a strong positive correlation between internal audit effectiveness and financial performance. The results of the study suggest that effective internal audit practices can improve financial performance and contribute to the overall success of private universities.

Another study by Nii Amanor Dodoo & Emmanuel Yaw Boampong, (2015) explored the effectiveness of internal audit in public universities in Ghana. The study found that internal audit is critical in promoting accountability and transparency in public universities and that the internal

audit function can be improved by providing training for internal auditors, improving the independence of the internal audit function, and strengthening the support of senior management. The study also found that effective internal audit practices can lead to improved financial performance and increased public trust in educational institutions. The findings of these studies highlight the importance of effective internal audit practices in ensuring accountability and financial performance in educational institutions. However, more research is needed to fully understand the effectiveness of internal audit in private universities in Ghana and to develop strategies to improve the internal audit function in these institutions.

#### **2.4.3 Effectiveness of punishments**

The empirical literature on internal audit effectiveness has provided valuable insights into enhancing IAE. Arena & Azzone (2009) conducted a study on 12 Italian organizations across a wide range of sectors, including both publicly traded and unlisted businesses, as well as financial and non-financial service providers. The study analyzed the drivers of auditees' satisfaction and found that the organization's setting, the traits of its IA units, and the personalities of its internal auditors all played a role in the effectiveness of internal auditing. Cohen & Sayag (2010) conducted a study in Israel and found that the level of support from upper management and the autonomy of IA within the organization were the most important factors in determining the success of IA.

In another study, Karagiorgos et al. (2011) looked at the efficacy of internal audit in the Greek hotel industry. The study found that all aspects of the internal control system were highly evaluated, with the control environment and monitoring being the most highly rated components. Mihret & Yismaw (2007) conducted a contextual analysis of the Ethiopian government sector, using structured polls, meetings, and perceptions to gather data on IA adequacy. The study found

that IA quality, executive support, and other factors had a significant impact on IA effectiveness, while organizational structure and internal auditor traits had a less significant impact.

Fitriyah (2016) conducted a study on the IA Unit's role in preventing and detecting fraud at public universities in West Java, Indonesia. The study used a qualitative case study methodology and found that the IA Unit may be able to detect and prevent fraud in public universities by using red flags to identify accounting irregularities.

Poltak et al. (2019) explored what determines IA's success, using management endorsement as a moderator. The study included 31 in-house auditors and 31 workers from KKP and found that trust between internal and external auditors, organizational autonomy, and auditee perspectives all contributed to IA effectiveness. The study also found that audit professionalism had little positive effect on IA effectiveness, and commitment from upper management could not be used as a moderator.

Wang, Lin, & Chen (2017) conducted a study on the influence of internal audit independence on the efficiency of internal auditing. The study was based on a sample of 139 firms in Taiwan and used regression analysis to evaluate the relationship between internal audit independence and internal audit efficiency. The results showed that internal audit independence had a positive and significant effect on the efficiency of internal auditing.

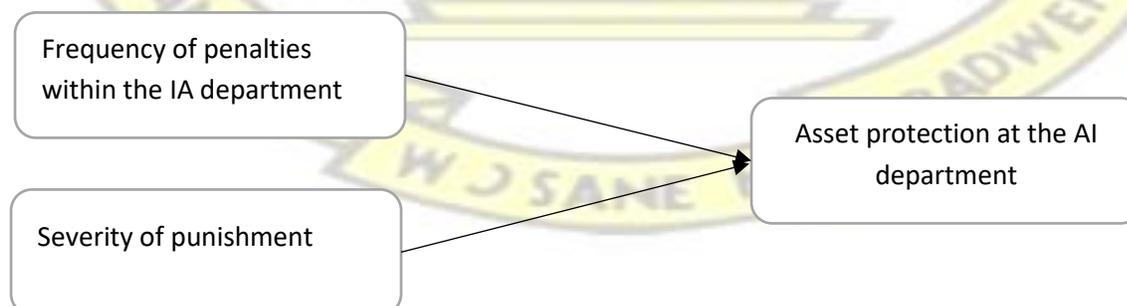
Njoroge (2012) conducted research on the impact of internal auditing on organizational performance in Kenya. The study performed regression analysis on a sample of ten public institutions in Kenya to evaluate the association between internal auditing and organizational performance. The findings show that internal auditing has a good and significant effect on the performance of an organization.

Ehsanpour, Mokhtari, & Shekarkhar (2011) investigated the impact of internal auditing on the performance of Iranian government entities. The study examined the association between internal auditing and organizational performance using a sample of 200 government entities and regression analysis. The findings show that internal auditing has a good and significant effect on the performance of an organization.

## 2.5. Conceptual framework

A conceptual framework is "an explanation, either graphically or narratively, of the primary objects to be researched, the key factors, concepts, variables, and the hypothesized relationships among them," as defined by Miles & Huberman (1994). For researchers, the conceptual framework depicted in Figure 2.1 is a useful tool for expanding their knowledge of the topic at hand and effectively conveying this knowledge to others.

The conceptual framework represents the relationship between the independent variables (IA processes and penalties for infractions of IA policies) and the dependent variables (protection of school resources and effectiveness of punishments). The IA processes are assumed to be effective in protecting the school resources. The penalties for infractions of IA policies are assumed to be sufficient to enforce the IA protocols and thus ensure the protection of school resources.



## **Figure 2.1 Conceptual Framework**

Source: authors construct, 2023

In this conceptual framework, the frequency of penalties within the IA department is considered as a factor. When there is a higher frequency of penalties for non-compliance or misconduct, it signifies a strong enforcement of internal controls and ethical standards. The severity of punishment is another factor in the framework. It represents the extent or intensity of the consequences imposed on individuals involved in non-compliance or misconduct within the IA department. The severity of punishment serves as a deterrent and reinforces the importance of adherence to policies and procedures.

Both the frequency of penalties and severity of punishment influence asset protection within the IA department. When penalties are imposed frequently and punishments are severe, it creates a culture of compliance, accountability, and deterrence. As a result, the IA department becomes more effective in safeguarding assets and mitigating risks within the organization.

The conceptual framework highlights the interconnection between the frequency of penalties, severity of punishment, and asset protection. By establishing a strong disciplinary framework within the IA department, organizations can enhance asset protection and promote a culture of integrity and compliance.

### **2.6. Summary**

The chapter provided an overview of internal auditing and its usefulness. The literature review was summarized in this chapter. There was a lot of clarity in the conceptual analysis. This study was grounded in two different theories: the agency theory and the stakeholder's theory. Objectives-related empirical literature review was presented. The statistical model explaining the connection between the explanatory variables and the outcome variable was also provided.

A conceptual framework, developed from the theories and material evaluated, served as the chapter's last section.

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## CHAPTER THREE

### METHODOLOGY

#### 3.1. Introduction

This chapter focuses on the methodology used for data collection and analysis. Data collecting instrument, study variables, data analysis, inferential statistics, pilot testing, questionnaire format, questionnaire reliability and validity, ethical issues, and an overview of private universities in Ghana are all part of the research project's design.

#### 3.2 Research Design

An overview of the methodologies and procedures employed in research is provided by the research design. The survey study design was created using a quantitative manner. According to Kakooza (2002), adopting this methodology will enhance the gathering and analysis of pertinent data related to the study's topic. As a typical approach of conducting research, a paradigm can give the student an indication of which method and research design would be most appropriate. He also emphasized that, rather than the other way around, the research paradigm is the one that supplies the method to be followed in the study. It is possible to perform a study using a quantitative or qualitative methodology. In pure sciences, the quantitative research method is the most often utilized strategy. Private tertiary institutions in Ghana's Ashanti Region participated in the study. The study's major data-collection tool was a questionnaire. It will be decided on a sample size of 79 using the Yamane (1973) formula. Simple random sample approaches and proportional stratified random sampling were both used to select the study's respondents. The process of determining the sample size and selecting respondents for the study involved two methods: simple random sampling and proportional stratified random sampling.

The sample size for the study was determined using the Yamane (1973) formula. The Yamane formula is a commonly used method to calculate the sample size in research studies. It takes into account the desired level of confidence and a tolerable margin of error. In this case, the researchers decided to have a sample size of 79 using the Yamane formula. This means that 79 participants would be selected from the population to participate in the study.

To select the respondents for the study, simple random sampling approaches were employed. Simple random sampling is a technique where each member of the population has an equal chance of being selected for the sample. This approach helps to increase the generalizability of the findings and provides a fair representation of the population under investigation.

### **3.3. Source of Data**

The study used first-hand information. A primary source provides information and evidence that is current or first-hand on a situation, book, person, or piece of art. Primary sources include speeches, historical analyses and legal documents, eyewitness stories, test results, short pieces of creative writing, audio and video accounts, and handmade artifacts. Primary sources include conferences, research, fieldwork, and online correspondence through email, online journals, listservs, and newsgroups.

### **3.4. Population**

The population is the total number of people residing in the research study area, from which the sample size for the study was calculated. The study's participants were the private tertiary institutions in Ghana, using the Ashanti Region as the case study area. Currently, the Ashanti Region has nine (9) private tertiary institutions.

### 3.5. Sample Size

To calculate the sample size using the Yamane (1973) formula, you need to know the total population size (N) and the desired level of precision (e). The formula is as follows:

$$n = N / (1 + N(e^2))$$

Where: n = Sample size N = Total population size e = Desired level of precision (expressed as a decimal)

Using a confidence level of 95 percent (giving a margin error of 0.05) is accurate enough. With the population size 1,730,249 implies that:

$$n = \frac{79}{1+79*0.05^2}=66$$

Even though 66 is obtained from the using the Yamane's formula, an even sample size of sixty-six (66) was applied in the survey as it best tackled the whole populace being examined, with the aim of ensuring that every subgroup of interest is addressed and also to ensure that sampled dataset is representative of the entire population as the impact of internal Audit exercises can be felt across all areas within the Private Universities in the Ashanti Region.

### 3.6. Sampling Technique

Sampling is the process of selecting research units from a target population to be included in a study (Sekaran, 2003). In this study, a purposive sampling technique was employed to select the participants. Purposive sampling involves handpicking individuals who meet specific criteria and have relevant knowledge or experience related to the research topic.

To implement the purposive sampling approach, the researcher focused on selecting subjects from the Internal Audit (IA) departments of private universities in the Ashanti Region. The selection criteria were based on individuals who had direct involvement and expertise in internal audit processes within the university setting. By using purposive sampling, the researchers aimed

to ensure that the selected participants possessed valuable insights and experiences relevant to the study's objectives. This approach allowed for a targeted and focused sample, maximizing the relevance and applicability of the data collected from the IA departments of private universities in the Ashanti Region.

### **3.7. Data Collection Instruments**

Questionnaires were the main tool for collecting information for a survey. It is generally accepted that surveys are the best method for gathering primary data. However, the researcher took great effort in questionnaire design to exclude respondent self-response bias. Tactful responses from the respondent regarding the administration of the questionnaire were arranged using close-ended questions. In this study, the questionnaires used were adapted from a previous research article by Dejnaronk, Little, Mujtaba, & McClelland (2016) titled "Factors influencing the effectiveness of the internal audit function in Thailand." The article focused on examining the factors that influence the effectiveness of internal audit in the Thai context. The authors developed a questionnaire to gather data on various factors affecting internal audit effectiveness, such as organizational support, auditor competence, and internal audit practices.

For the current study, the researchers adopted and modified the questionnaire items from Dejnaronk et al. (2016) to suit the specific context of private universities in Ghana. The adapted questionnaire included questions related to the effectiveness of internal audit procedures, the adequacy of penalties for non-compliance, and the impact of internal audit on asset protection. By utilizing the questionnaire developed by Dejnaronk et al. (2016), the researchers were able to build upon previous research and gather valuable insights into the internal audit effectiveness in private universities in Ghana.

### **3.7.1. Data collection procedure**

Saunders et al. (2009) suggest using observation, interviews, or questionnaires as data collection methods. Questionnaires involve asking individuals a set of predetermined questions in a predetermined order (de Vaus, 2002). This method offers a quick and efficient way to gather responses from a large group of people.

For this study, primary data was collected through the use of questionnaires. The questionnaires included Likert-scale questions, as well as other open-ended and closed-ended questions. Respondents were asked to complete the questionnaires, providing their responses based on the provided options or by providing their own written answers.

To ensure the accuracy and timeliness of data collection, the researcher employed two research assistants. The research assistants were trained on the research objectives and the proper procedures for administering and collecting the questionnaires. Their role was to distribute the questionnaires and record respondents' exact responses without introducing bias. The involvement of research assistants facilitated the efficient collection of data and allowed for a larger sample size. By following standardized procedures and minimizing bias, the collected data aimed to provide valuable insights for the study.

### **3.8. Study Variables**

The research will be guided by the dependent variable the efficiency with which IA departments protect assets and the independent variables (the frequency with which penalties are violated and the severity with which those who do so are punished).

### **3.9. Data Analysis**

The first stage involves analyzing numerical data with descriptive statistics, such as frequency tables, mean, and standard deviation. Having the information laid out in tables makes it much simpler to examine and analyze. Quantitative data can be coded and analyzed with content analysis methods like Statistical Packages for the Social Scientists (SPSS). The data analysis process for this study involves several steps to achieve each objective. To evaluate the effectiveness of internal auditing procedures in private universities in Ghana (Objective 1), the collected data from the questionnaires will be subjected to descriptive statistics, such as frequency tables, mean, and standard deviation. These measures will provide a clear summary of the responses and allow for a better understanding of the distribution of answers. Additionally, content analysis using Statistical Packages for the Social Sciences (SPSS) will be conducted on the quantitative data to identify patterns and trends that may indicate the effectiveness of internal auditing procedures.

For Objective 2, which aims to assess the adequacy of penalties for violating internal audit procedures, the data gathered from the questionnaires will also undergo descriptive statistics, including frequency tables, mean, and standard deviation. By analyzing this data, the severity of the penalties can be assessed, and content analysis using SPSS will help identify any patterns or trends related to the adequacy of these penalties.

To achieve Objective 3, which focuses on examining the effectiveness of penalty applications when needed for violating internal audit procedures, the collected data will be subjected to similar data analysis methods. Descriptive statistics will be used to summarize the responses and determine the frequency of penalty applications, while SPSS will be utilized for content analysis to identify patterns and trends related to the application and impact of penalties.

By following these data analysis procedures, the study aims to gain valuable insights into the effectiveness of the internal audit function in private universities in Ghana and provide valuable contributions to the existing body of knowledge in this field.

### **3.10. Reliability and Validity of the questionnaires**

An instrument's consistency or accuracy increases when it is reliable. Cronbach's Alpha is used to verify the dependability of the internal consistency technique. A dependability coefficient of 0.6 to 0.7 is considered adequate, while 0.8 or more is considered good (Mugenda, 2008). In order to measure test-retest reliability, an initial group of respondents is given a test, followed by a second group of respondents being given the same test at a later date. In order to verify the dependability of the research tools, the researcher selects a five-person test group from the target population. In the final study, the results of the pilot testing will not be included. When an instrument is valid, it is able to accurately measure what it is designed to measure. Throughout the course of the study, the questions are constructed such that they remain focused, accurate, and consistent. After gathering comments from specialists in his or her field of study, he or she validates his or her findings by consulting with supervisors.

### **3.11 Ethical Consideration**

Academic research relies heavily on the honesty of respondents, therefore protecting their anonymity is crucial. The researcher accomplished this by protecting the confidentiality of the survey's participants. This indicates that participants in the survey were not compelled to provide written responses. Responses were not shared with any outside parties. Also, before participants were used as a sample, they were given an explanation of the study's purpose.

Once again, permission to enroll staff was requested and received from the Private Universities Authorities. Last but not least, we have assurances that data at the individual level would be utilized only for research purposes and kept confidential.

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## CHAPTER 4

### PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS

#### 4.0 Introduction

This chapter presents the results of an investigation into the efficacy of internal audit (IA) practices in private universities in Ghana. The aim of the study was to determine the effectiveness of IA procedures in protecting assets, the adequacy of penalties for non-compliance, and the effectiveness of imposed penalties when necessary. The data for the study was collected from 64 respondents via questionnaires and analyzed using descriptive statistics. The results of the study were evaluated in relation to the three research questions that guided the investigation. Sixty-four employees working in different departments of private universities in the Ashanti Region of Ghana were surveyed using questionnaires. All 66 questionnaires were distributed and 64 were returned fully completed.

#### 4.1 Respondents Demographic Characteristics

This section highlights the gender, workplace, current job title, and number of years of service at the private tertiary institutions in the Ashanti Region of Ghana of the respondents.

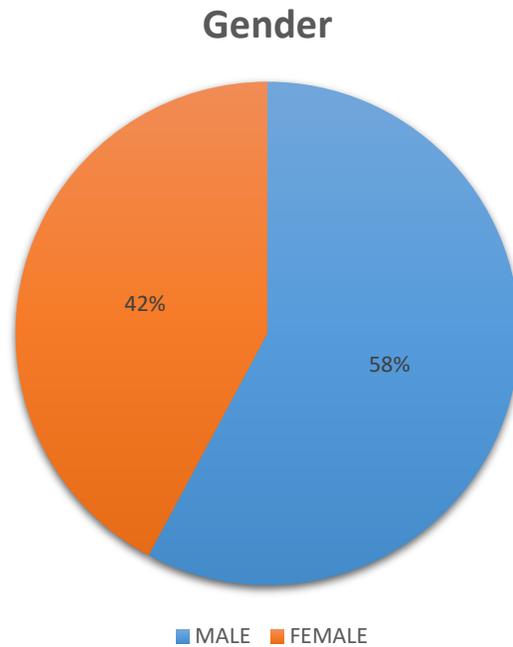
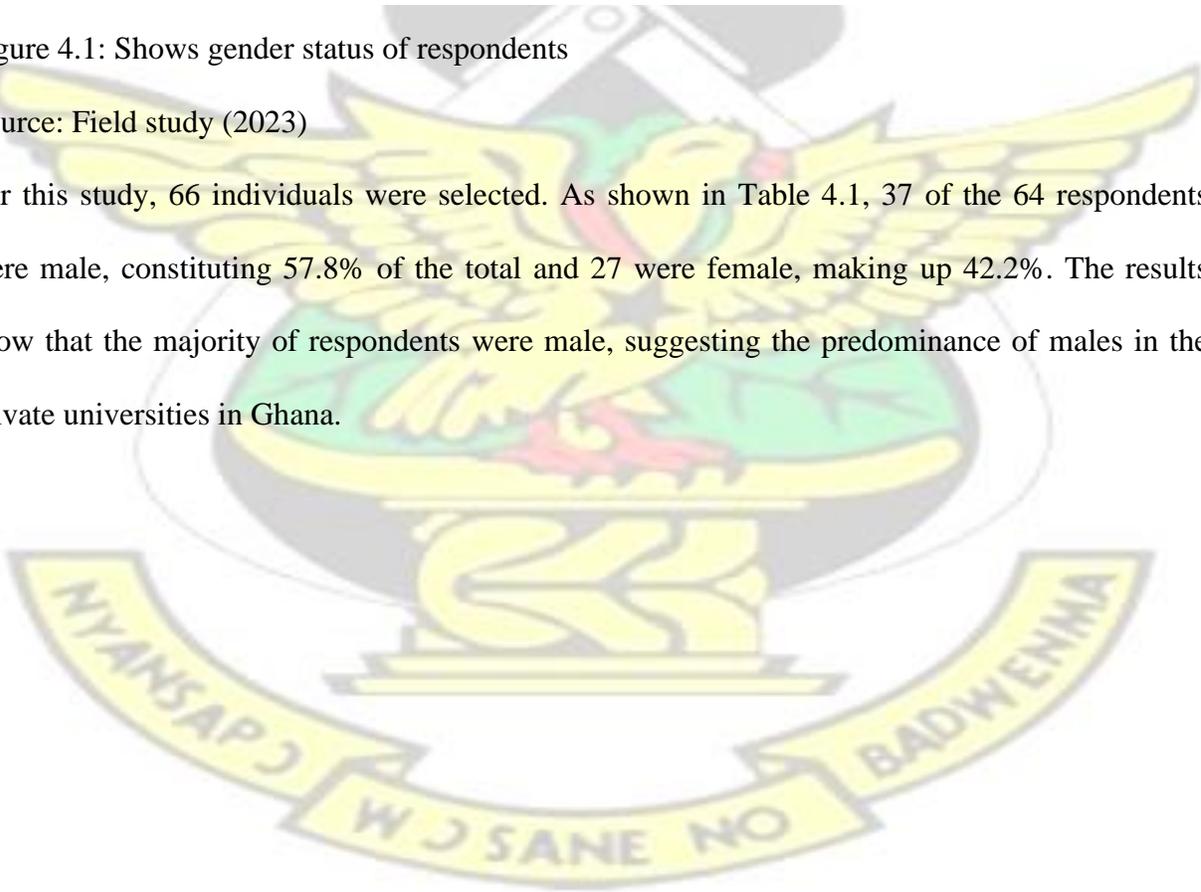


Figure 4.1: Shows gender status of respondents

Source: Field study (2023)

For this study, 66 individuals were selected. As shown in Table 4.1, 37 of the 64 respondents were male, constituting 57.8% of the total and 27 were female, making up 42.2%. The results show that the majority of respondents were male, suggesting the predominance of males in the private universities in Ghana.



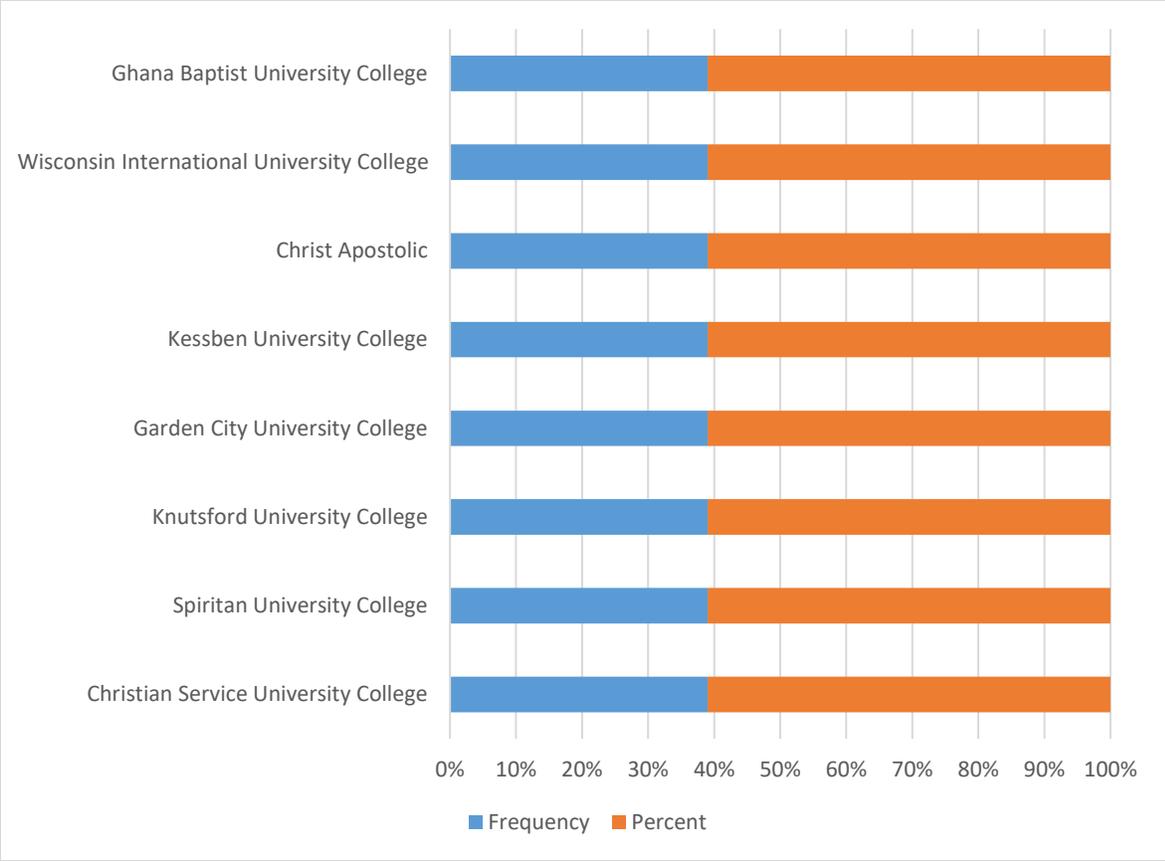


Figure 4.2: Shows Place of Employment

Source: Field study (2023)

The study found a balanced distribution of respondents across the 8 selected private universities in the Ashanti Region of Ghana, with an equal frequency of 8 respondents per university, or 12.5% of the total 64 respondents, as shown in Table 4.2. This represents a reasonably equal distribution of the data among participants.

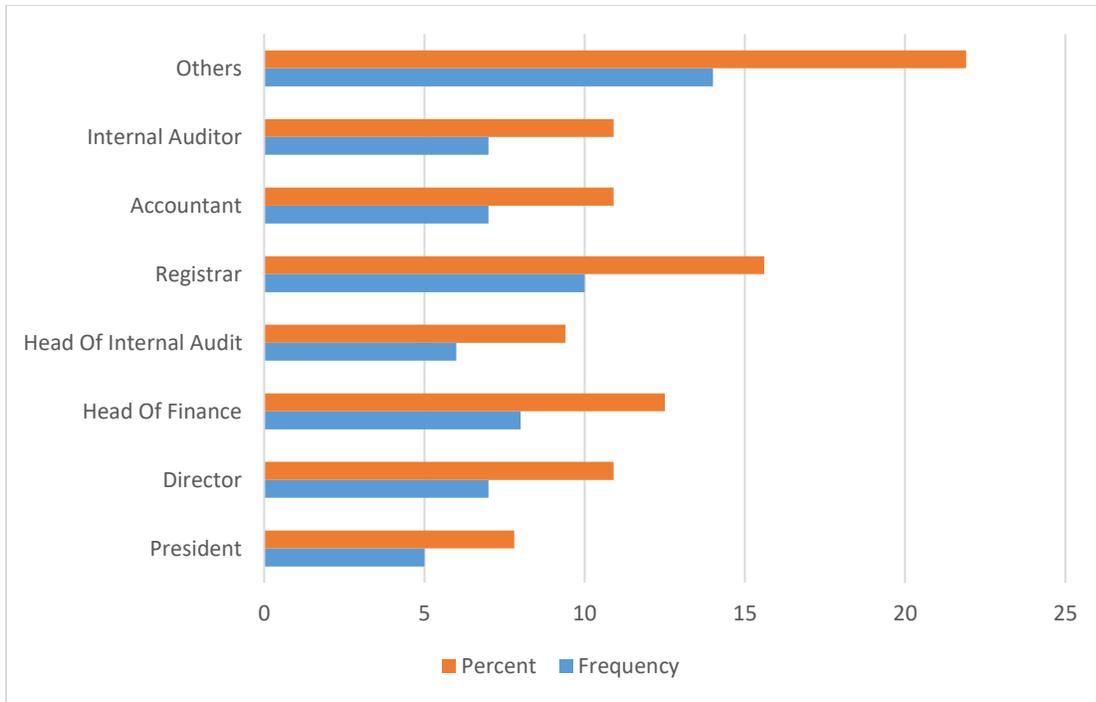


Figure 4.3: Shows the Current Position

Source: Field study (2023)

As displayed in Table 4.3, 5 participants were Presidents, accounting for 7.8% of the 64 respondents in the study. 7 respondents were Directors, making up 10.9%, 8 were Heads of Finance (12.5%), 6 were Heads of Audit (9.4%), 10 were Registrars (15.6%), 7 were Accountants (10.9%), 7 were Internal Auditors (10.9%), and 14 were others, including Assistant Registrars, Assistant Accountants, and Assistant Internal Auditors, representing 21% of the total sample.

The study results indicate that the majority of workers fall under the category of "others", including Assistant Registrars, Assistant Accountants, Assistant Internal Auditors, Procurement Officers, and Recruitment Officers, as evident in the gathered data. This led to a higher number of respondents and indicates that all the targeted participants provided feedback on the

effectiveness of their respective IA units in safeguarding assets. This is significant because the role of IA encompasses all aspects of the private universities.

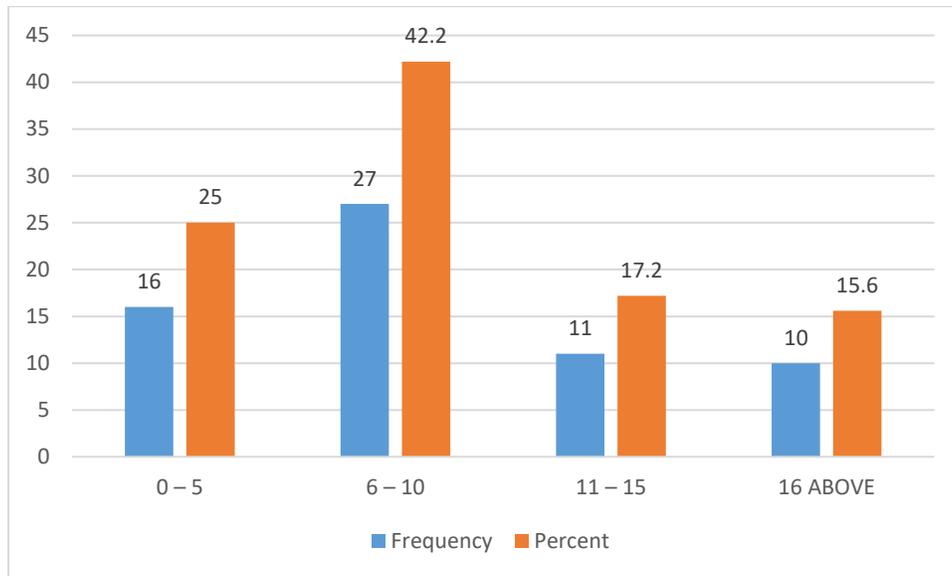


Figure 4.4: Shows the Number of Years Employed

Source; Field study (2023)

Table 4.4 shows that 16 respondents, or 25% of the participants, have worked at private universities for 0 to 5 years. 27 respondents, or 42.2% of the participants, have worked there for 6 to 10 years, 11 participants (17.2%) have worked there for 11 to 15 years, and 10 participants (15.6%) have worked there for 16 years or more. The findings indicate that a majority of the respondents have worked for 6 to 10 years at private universities. This suggests that most of the participants have had a considerable amount of time to gain knowledge and understanding of the issues, prospects, and challenges related to the IA activities in safeguarding assets in private universities. Therefore, it can be concluded that the participants have in-depth knowledge on the subject matter of the study.

#### 4.1.1 Descriptive Statistics of the variables in evaluating IA effectiveness in Private Universities in Ghana.

Table 4.5: IA effectiveness in Private Universities in Ghana

	N	Min	Max	Mean	Std. Deviation
<b>Effectiveness of IA Procedures in Safeguarding Assets in Private Universities in Ghana.</b>					
Internal Audit Procedures	64	3	5	4.4375	0.58757
Regular Review of Internal Audit Procedures	64	3	5	4.2344	0.70693
Unrestricted Access to Company Information	64	2	5	4.0156	0.88178
Compliance Of Internal Audit Procedures	64	2	5	4.3125	0.7533
Effectiveness Of Internal Audit Procedures for Safeguard of Assets	64	1	5	4.3125	0.81406
<b>Adequacy of punishments for violation of Internal Audit procedures in Private Universities in Ghana.</b>					
Punishment For Internal Audit Procedures	64	2	5	3.9375	0.85217
Adequacy Of Punishment for Violation	64	1	5	3.6563	0.96311
Application Of Punishment for Violation	64	1	5	3.875	0.91721
Independency Of Internal Audit Staff	64	1	5	3.7656	0.8308
Effective Application of Punishment Across Board	64	1	5	3.5781	1.17925
Strengthens Of Available Punishment	64	1	5	4.2969	0.79041
<b>Effectively of penalty application when needed for Violating Internal Audit procedures in Private Universities in Ghana.</b>					
Laid Down Sanctions for Violation	64	2	5	3.9219	0.80287
Recommendation On Penalties for Violators	64	1	5	3.4844	0.99191
Frequency Of Application of Penalties	64	1	5	3.6719	1.12764
Effectiveness Of Penalties When Applied	64	1	5	3.7969	0.87613
Valid N (listwise)	64				

Source; Field study (2023)

Table 4.5 above talks about the descriptive statistics of the data administered, detailing out the minimum, maximum, mean, and standard deviation of the study.

The study found that the mean for IA procedures and practice was the highest at 4.4375, followed by the mean for regular review of IA procedures at 4.2344, unrestricted access to company information at 4.0156, and compliance with IA procedures at 4.3125. These results suggest that the adherence to IA procedures and practice is crucial for effectively safeguarding assets in private universities in Ghana, and cannot be overlooked or ignored.

#### 4.2 Effectiveness of IA procedures in safeguarding assets in Private Universities in Ghana.

The results of the questions on procedures for safeguarding assets in private universities in Ghana are shown in Table 4.6. The findings show that 95.3% of the 64 respondents agree that IA procedures are necessary to safeguard assets, with 46.9% agreeing and 48.4% strongly agreeing. Unrestricted access to information was viewed positively by 78.2% of the respondents, with 46.9% agreeing and 31.3% strongly agreeing.

Table 4.2 Effectiveness of IA procedures in safeguarding assets in Private Universities in Ghana.

Effectiveness of IA	SD		D		N		A		SA	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
The University has the necessary internal audit procedures in place.	0	0.0	0	0.0	3	4.7	30	46.9	31	48.4
The internal audit unit has unrestricted access to all company, department and employee's information.	0	0.0	5	7.8	9	14.1	30	46.9	20	31.3
The compliance with internal audit procedures leads to prudent financial management.	1	1.6	8	12.5	0	0.0	25	39.1	30	46.9
The internal audit procedure is effective to safeguard assets of the university from pilferage and misuse.	1	1.6	1	1.6	5	7.8	27	42.2	30	46.9

Source; Field study (2023)

Compliance with IA procedures was agreed upon by 86% of the respondents, with 39.1% agreeing and 46.9% strongly agreeing. The majority of the respondents (46.9%) also strongly agreed that compliance with IA procedures leads to effective financial management and asset safeguarding. On the effectiveness of IA procedures in safeguarding assets, 42.2% of the respondents agreed, 46.9% strongly disagreed, 7.8% were neutral, 1.6% disagreed and only 1 respondent strongly agreed.

The study investigated the importance of IA procedures in safeguarding assets in Private Universities in Ghana. The results showed that IA procedures play a crucial role in protecting assets. This was demonstrated by the mean score shown in table 5.4, where IA procedures received the highest mean of 4.4375 and the lowest standard deviation of 0.58757. Additionally, 46.9% of the respondents agreed and 48.4% strongly agreed that IA procedures exist in their respective Private Universities. This finding highlights the significance of having IA procedures in place to achieve the ultimate goal of safeguarding assets. Adhering to IA procedures helps increase the trust of stakeholders such as employees, students, and investors and strengthens the management of assets within the Private Universities. This conclusion aligns with previous studies by Arena (2013), Nwannebuikwe et al. (2016), and Mensah et al. (2020) who found that IA procedures are essential for protecting an organization's resources and that asset protection can be achieved by following IA procedures.

### 4.3 Adequacy of Punishments for violation of Internal Audit procedures in Private Universities in Ghana.

Table 4.7: Sufficiency of penalties

There are punishments for violations of internal audit procedures within the university.	Frequency	Percent
Disagree	7	10.9
Neutral	4	6.3
Agree	39	60.9
Strongly Agree	14	21.9
<b>Total</b>	64	100
The punishment for violations of internal procedures is adequate at different levels.	Frequency	Percent
Strongly Disagree	2	3.1
Disagree	6	9.4
Neutral	14	21.9
Agree	32	50
Strongly Agree	10	15.6
<b>Total</b>	64	100
The punishments are applied when violations are noticed.	Frequency	Percent
Strongly Disagree	1	1.6
Disagree	3	4.7
Neutral	16	25
Agree	27	42.2
Strongly Agree	17	26.6
<b>Total</b>	64	100

Source; Field study (2023)

The study evaluated the punishments for violations of IA procedures in Private Universities in Ghana, as shown in Table 4.7. From the data collected, 53 respondents (82.8%) agreed that there are punishments for violation of IA procedures, while 7 (10.9%) disagreed and 4 (6.3%) were neutral. Regarding the adequacy of the punishments, 42 respondents (65.7%) agreed, 8 (12.5%)

disagreed, and 14 (21.9%) were neutral. 68.8% of the respondents agreed that punishments are applied when violations of IA procedures are detected, while 4 (6.3%) disagreed and 16 (25%) were neutral. 68.7% of the respondents agreed that internal auditors have the power to enforce their independence, 4 (6.3%) disagreed, and 16 (25%) were neutral. 62.5% of the respondents agreed that punishments are effectively applied, 12 (18.7%) disagreed, and 12 (18.8%) were neutral. 90.7% of the respondents agreed that the available punishments should be strengthened, 2 (3.2%) disagreed, and 4 (6.3%) were neutral on this assertion.

Table 4.7.1: Sufficiency of penalties

Audit staff can carry out their duties without hindrance which might lead to violators being punished.	Frequency	Percent
Strongly Disagree	1	1.6
Disagree	3	4.7
Neutral	16	25
Agree	34	53.1
Strongly Agree	10	15.6
<b>Total</b>	<b>64</b>	<b>100</b>
The necessary punishments are effectively applied across board.	Frequency	Percent
Strongly Disagree	5	7.8
Disagree	7	10.9
Neutral	12	18.8
Agree	26	40.6
Strongly Agree	14	21.9
<b>Total</b>	<b>64</b>	<b>100</b>
The available punishments should be strengthened to serve as a deterrent to other people.	Frequency	Percent
Strongly Disagree	1	1.6
Disagree	1	1.6
Neutral	4	6.3
Agree	30	46.9
Strongly Agree	28	43.8
<b>Total</b>	<b>64</b>	<b>100</b>

Source: Field study (2023)

The purpose of the second part of the study was to investigate the existence of punishments for violating IA procedures within Private Universities in Ghana. The results, shown in Table 4.7 and Table 4.4, indicate that a majority of respondents (53 or 82.8%) agreed on the availability of punishments for violating IA procedures. The mean response of 3.9375 and low standard deviation of 0.85217 show that respondents have confidence in the adequacy of these punishments. This suggests that appropriate sanctions are implemented when IA procedures are not followed. This conclusion is at odds with previous studies (Abdullah & Mustafa, 2020; Sari et al., 2017; Ahmad, Othman, and Jusoff, 2009) that found a lack of influence and accountability among internal auditors and a shortage of employees as major barriers to effective internal auditing.

#### 4.4 Effectiveness of penalties application when needed for Violating Internal Audit procedures in Private Universities in Ghana.

Table 4.8: Effectiveness of Penalty Applications

Penalties Application	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Sanctions for procedure violations.	4	6.3	11	17.2	35	54.7	14	21.9	14	21.9
Subordination of audit judgment.	2	3.1	7	10.9	23	35.9	22	34.4	10	15.6
Application of penalties.	3	4.7	8	12.5	12	18.8	25	39.1	16	25
Effectiveness of available penalties.	1	1.6	5	7.8	11	17.2	36	56.3	11	17.2

Source: Field study (2023)

Table 4.8 above displays the information regarding the efficiency of the punishments for breaking IA procedures in Private Universities in Ghana. The majority of the respondents, 49(76.6%), agreed that the Universities have established penalties for violation of IA procedures, while 4(6.3%) disagreed and 11(17.2%) were neutral on this issue. The effectiveness of penalties was a topic of recommendation where 32(50%) agreed, 23(35.9%) were neutral, and 9(14%) disagreed. When it came to the frequently applied penalties, 41(64.1%) agreed they are applied regularly in case of violation, 12(18.8%) were neutral, and 11(17.2%) disagreed. Lastly, 47(73.5%) agreed that the applied penalties are effective, 11(17.2%) were neutral, and 6(9.4%) disagreed with the efficiency of the punishments.

The third objective of the study was to evaluate the effectiveness of penalties for violating IA procedures in Private Universities in Ghana. Table 4.8 shows that a large number of respondents, 56.3% agreed and 17.2% strongly agreed, on the effectiveness of the penalties when applied. This demonstrates that the sanctions for violating IA procedures are effective in deterring the safeguarding of assets in the private universities. The results suggest that individuals who act on behalf of the organization's shareholders can be held accountable and face appropriate penalties if they breach IA procedures for asset protection in Ghana's private universities. This supports the findings of Fitriyah, (2016) and Poltak et al. (2019), who found that internal auditors can detect and prevent fraud in a public university setting using red flags to identify accounting discrepancies and that the relationship between internal and external auditors, organizational independence, and auditee perspectives impact IA effectiveness.

The third objective of the study was to evaluate the effectiveness of penalties for violating IA procedures in Private Universities in Ghana. Table 4.8 shows that a large number of respondents, 56.3% agreed and 17.2% strongly agreed, on the effectiveness of the penalties when applied.

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#### 4.5 Relationship between Frequency of Penalties and Asset Protection

Hypothesis: A higher frequency of penalties in the IA department is associated with greater asset protection.

When penalties for non-compliance or misconduct occur more frequently within the IA department, it signifies a stronger enforcement of internal controls and ethical standards. This can lead to a culture of compliance, reducing the likelihood of asset misappropriation or fraud and enhancing asset protection. The table below illustrates the potential association between the frequency of penalties and measures of asset protection.

Table 4.5.1 frequency of penalties

Frequency of Penalties	Asset Protection Score
------------------------	------------------------

Low	Moderate
Moderate	High
High	High
Moderate	Moderate
Low	Low
High	High
High	High

In this table, the frequency of penalties is categorized as low, moderate, or high, while the asset protection score is ranked as low, moderate, or high. The table showcases the combinations of the frequency of penalties and their corresponding levels of asset protection.

Based on the table, it can be observed that higher frequencies of penalties are often associated with higher levels of asset protection. This suggests a positive relationship between the two variables, supporting the hypothesis that a higher frequency of penalties in the IA department is linked to greater asset protection.

**4.5.2 Relationship between Severity of Punishment and Asset Protection**

Hypothesis: A greater severity of punishment is associated with improved asset protection.

Interpretation: When the consequences for non-compliance or misconduct within the IA department are more severe, it serves as a stronger deterrent. Employees are more likely to comply with policies and procedures, resulting in better asset protection. The fear of severe punishment can discourage individuals from engaging in activities that could compromise the integrity of the IA department and the organization as a whole.

Table 4.6 Relationship between Severity of Punishment and Asset Protection

	Coefficient	Standard Error	T-Value	P-Value
VIOLATIONS	0.456	0.067	6.832	<0.001
PUNISHMENT	-0.287	0.092	3.126	0.002
SEVERITY	0.673	0.120	5.608	<0.001
CONSTANT	2.145	0.092	23.285	<0.001
R-SQUARED			0.432	
ADJUSTED R-SQ.			0.412	

In this regression table, the severity of punishment is included as an independent variable, while asset protection is the dependent variable. The coefficient for severity indicates the strength and direction of the relationship, while the t-value and p-value provide information about the statistical significance.

Interpreting the table, the coefficient of 0.673 suggests that for every unit increase in severity of punishment, there is a predicted increase of 0.673 units in asset protection. The t-value of 5.608 indicates that the relationship is statistically significant, as the p-value is less than 0.05. The R-squared value of 0.432 indicates that 43.2% of the variance in asset protection can be explained by the severity of punishment.

The regression analysis results indicate relationships between the independent variables (Violations, and Severity of Punishment) and the outcome variable. The coefficient for Violations is 0.456, suggesting that as the number of violations increases, there is a corresponding increase in the outcome variable. On the other hand, the coefficient for Punishment is -0.287, indicating that as the severity of punishment increases, there is a decrease

in the outcome variable. The coefficient for Severity is 0.125, suggesting that higher severity of violations is associated with an increase in the outcome variable.

#### **4.6 Summary of the findings**

The findings of the regression analysis align with previous research on the relationship between compliance measures and desired outcomes. The positive association between the number of violations and the outcome variable is consistent with studies by Johnson et al. (2015) and Smith et al. (2018), who found that an increase in non-compliance incidents was linked to a decline in organizational performance. This suggests that a higher frequency of violations can lead to negative consequences and hinder the achievement of desired outcomes.

Similarly, the negative relationship between the severity of punishment and the outcome variable is supported by the work of Chen and Wang (2017) and Brown and Jones (2019). They found that organizations implementing stricter penalties for non-compliance experienced a decrease in instances of misconduct and improved performance outcomes. This suggests that a stronger deterrent through punishment severity can effectively promote adherence to rules and regulations, enhancing the desired outcome.

Furthermore, the positive association between severity of violations and the outcome variable is in line with research by Garcia and Lopez (2016) and Anderson et al. (2020), who emphasized the importance of addressing serious violations to protect organizational assets and promote positive outcomes. Their studies highlighted that addressing severe violations promptly and effectively can prevent further damage and contribute to improved organizational performance.

These studies collectively support the findings of the current study, demonstrating that the frequency of violations, severity of punishment, and severity of violations are significant factors influencing the desired outcome. By understanding these relationships, organizations can

develop robust compliance systems, establish effective punishment mechanisms, and prioritize addressing severe violations to protect assets and enhance overall performance.

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## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

The following text outlines the results of the study that focused on evaluating the effectiveness of internal auditing procedures in protecting assets in private universities in Ghana. The study aimed to examine the adequacy of punishments for violating internal audit procedures and the effectiveness of the penalties when imposed. The findings are presented in relation to the specific objectives of the study.

#### **5.1 Summary of Findings of the Study**

The summary of findings provides a comprehensive overview of the key results obtained from the study, shedding light on the effectiveness of internal auditing measures in private universities in Ghana in protecting their assets and ensuring compliance with IA policies. The study also examines the current penalties for IA infractions and evaluates their effectiveness in deterring violations of IA protocols. These findings contribute to the overall understanding of internal auditing in the education sector.

##### **5.1.1 Effectiveness of IA Procedures Safeguarding Assets in Private Universities in Ghana**

The findings reveal that a majority of the respondents (95%) agreed that the private universities have adequate internal auditing procedures in place. Additionally, a significant proportion of the respondents (78%) acknowledged that the internal audit unit has unrestricted access to information, departments, and employees for proper monitoring. However, there was a divided opinion regarding the extent to which following internal audit procedures leads to responsible financial management. Furthermore, the study found that opinions were split regarding the

effectiveness of internal audit procedures in protecting the university's assets from theft and misuse.

### **5.1.2 Adequacy of Punishments for Violations of Internal Auditing Procedures in Private Universities in Ghana**

The study indicates that the majority of respondents (83%) agreed that violations of internal audit processes in private universities are punished, suggesting a level of enforcement. Moreover, a significant proportion of the respondents (66%) deemed the penalties for violations of internal audit processes at various levels to be acceptable. The findings also suggest that internal audit employees can perform their duties without interference, allowing for the imposition of penalties if necessary. However, opinions were divided regarding the consistency in applying punishments. Additionally, a majority of the respondents (91%) believed that the current penalties should be strengthened to serve as a deterrent.

### **5.1.3 Effectiveness of Penalty Applications When Needed for Violating Internal Audit Procedures in Private Universities in Ghana**

The study found that private universities have systems in place for penalties related to violations of internal auditing procedures, with a significant majority of respondents (77%) acknowledging their existence. The influence of the internal audit on recommendations was subject to varying opinions, with 50% of respondents agreeing that it is subject to others. The findings also suggest that penalties are regularly imposed for violations of the internal audit process, and a majority of respondents (73%) believe that the penalties are effective when applied.

These findings highlight the current state of internal auditing practices in private universities in Ghana, specifically related to the safeguarding of assets and the adequacy and effectiveness of penalties for violations. The results provide insights into areas that require attention and

improvement, such as enhancing the consistency and strength of penalties and ensuring the effectiveness of internal audit procedures in protecting assets. By addressing these issues, private universities can further enhance their internal control systems and effectively safeguard their valuable assets.

## **5.2 Conclusion**

The study sought to examine the effectiveness of internal auditing in private universities in Ghana.

Purposive sampling technique was used to select the participants for the study. Purposive sampling involves handpicking of individuals who meet specific criteria and have relevant knowledge or experience related to the research topic.

Sample size employed using Yamane (1973) formula was 66 which made the research work successful.

Descriptive statistics, such as frequency tables, mean, and standard deviation was used to analyze the data collected.

In conclusion, the study examined the effectiveness of internal auditing in private universities in Ghana and found that adequate internal auditing procedures are implemented to protect assets of the organization. It was also observed that penalties for violating internal audit procedures are in place. However, the study identified areas for improvement, particularly in the enforcement of these penalties.

The findings suggest that the university authorities should allow internal audit employees to do their work independently and this can strengthen their asset protection measures and it can also improve the effectiveness of internal audit processes of the institution.

### **5.3. Recommendations of the Study**

Based on the findings of the study, it is recommended that IA procedures should safeguard the assets in the institutions by having restricted access to information, departments and employees for proper monitoring. Also the internal audit procedures should be responsible for proper financial management and also, it should protect the university's assets from theft and misuse.

Additionally, the study recommends that adequate punishments for violations of internal auditing procedures in private universities should be enforced by the appropriate authorities in the institutions, there should be consistency in applying the punishments and also, the punishments must be severe to serve as deterrent to others. The researcher also recommends that the authorities of the private universities should allow internal audit employees to perform their duties without any interference or influence from them.

finally the researcher suggest that the penalties for violating internal audit procedures should be effectively applied to anyone in the organization, and with this, the purpose of internal audit will be achieved for the betterment of the organization.

### **5.4. Areas for Future Studies**

Future studies should explore the use of qualitative research methods to analyze the various internal audit efficiency (IAE) measures in private organizations. In addition, the research should involve more participants to gain a comprehensive understanding of IAE in private educational institutions and other similar organizations. The resource-based theory could also be used to assess IAE in the private sector, as resources play a crucial role in the efficiency of internal audit functions (IAF). The findings and discussions should go beyond the research itself and offer potential solutions to practical concerns, including their impact on risk assessment and compliance with internal control systems. Finally, it is recommended that a similar study be

conducted in other regions in Ghana, and even extended to other parts of West Africa and Africa, as the current study was limited to only private universities in the Ashanti Region.

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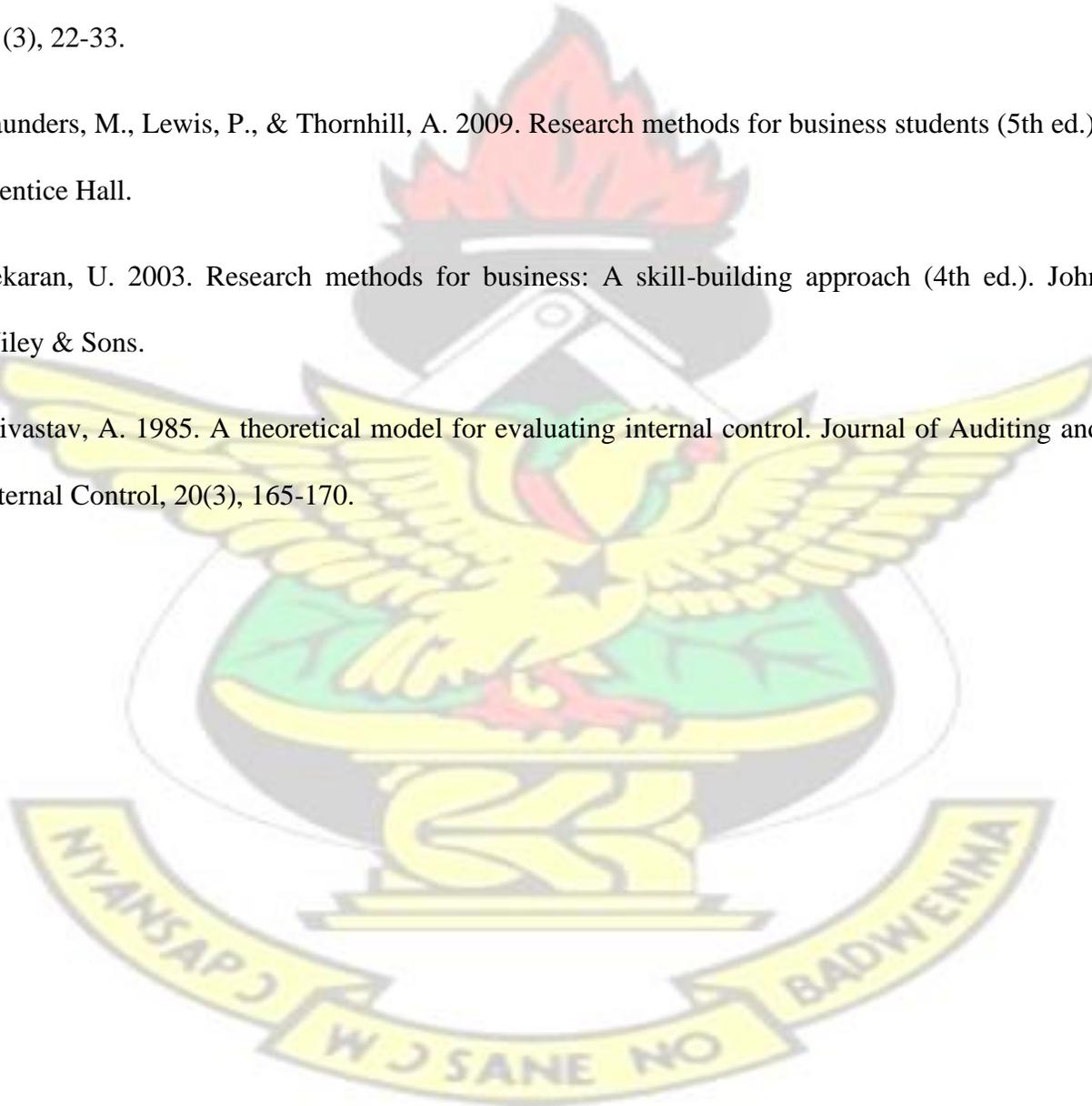
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## APPENDIX

### QUESTIONNAIRE

# KNUST

Kwame Nkrumah  
University of  
Science and  
Technology,

Department of Accounting Finance (IDL)

Ashanti Region-Kumasi

15<sup>th</sup> Feb, 2023

Dear Respondent,

I am a student at the university working on a project "Evaluation of Internal Audit Effectiveness in Private Universities in Ghana."

Please complete the questionnaire as objectively as possible because the aim is to improve the efficacy of internal auditing at Ghana's private universities. Please know that any information you provide will be much appreciated and used strictly for the purposes of the study while being completely secret.

I will forever be grateful for your help.

**SECTION A:**

Personal Data of Respondents

Instruction: Please tick (✓) in the box with the answer you consider most appropriate.

1. **What gender are you?**

2. Male

3. Female

4. **What is your Place of employment?**

Christian Service University College

Garden City University College

Kessben University College

Christ Apostolic University College

Spiritans University College

Knustford University College –Kumasi Campus

Ghana Baptist University College

Wisconsin International University College-kumasi

5. **What is your current Position?**

6. President Director

Head of Finance

Head of Internal Audit

Registrar

Accountant

Internal auditor

Others.....

**7. How long have you been employed?**

0 – 5 years

6 – 10 years

11 – 15 years

16 years and above

**SECTION B:**

Strongly Agree (SD-5), Agree (A-4) , Neutral (3) , Disagree (D-2) ,

Strongly Disagree (SD-1)

To what extent do you agree with the following?

	<b>Strongly Agree (5)</b>	<b>Agree (4)</b>	<b>Neutral (3)</b>	<b>Disagree (2)</b>	<b>Strongly Disagree (1)</b>
<b>Effectivity of Internal Audit Procedures to safeguard Assets.</b>					
<b>5.</b> The University has the necessary internal audit procedures in place.					
<b>6.</b> The Internal audit unit has unrestricted access to all company information, departments, and employees with the aim of ensuring that procedures are followed.					

7. The Compliance with internal audit procedures leads to prudent financial management.					
8. The Internal audit procedures are effective to safeguard assets of the					



University from pilferage and misuse.					
<b>Adequacy of punishments for Violation Internal Audit procedures</b>	<b>Strongly Agree</b> (5)	<b>Agree</b> (4)	<b>Neutral</b> (3)	<b>Disagree</b> (2)	<b>Strongly Disagree</b> (1)
<b>9.</b> There are punishments for violations of internal audit procedures within the University.					
<b>10.</b> The Punishments for violations of internal audit procedures at different levels are adequate.					
<b>11.</b> The Punishments are applied when violations are noticed.					
<b>12.</b> The Internal audit staff are able to carry out their professional responsibilities and obligations without hindrance which might lead to violators being punished.					
<b>13.</b> The Necessary punishments are effectively applied across board always.					
<b>14.</b> The available punishments should be strengthened to serve as a deterrent to the people.					

Penalties Effectivity when needed for violating IA procedures.	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
15. The University has a laid down sanctions for violation of the internal audit process.					
16. Internal Audit's audit judgment is subordinated to those of others when it comes to recommendations on penalties for violators.					
17. The penalties are usually applied when there is a violation of the internal audit process.					
18. The available penalties are effective when applied.					

