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Department of Accounting and Finance

**Budgeting and Budgetary Control in Public Sector Institution. The Role of
Internal Audit Unit. A Case of NVTI.**

**A Thesis Submitted to the Department of Accounting and Finance in Partial
Fulfillment of the Requirements for the Award of MBA Accounting.**

By

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Declaration

I hereby declare that this submission is my own work towards the Degree of Masters in Business Administration and that, to the best of my Knowledge, it contains no material previous published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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Supervisor(s) Name	Signature	Date

Certified by:

.....
Head of Dept. Name	Signature	Date

Abstract

An Internal audit function is an essential part of any public expenditure management system and should ensure that public spending is within budgetary provisions, disbursements comply with specific procedures and provides for timely reconciliation of accounts been motivated by this responsibility of the unit to undertaken this study, the main objective of the study is to examine the current practices and involvement of the internal audit unit for the National Vocational Training Institute as public sector institution in Ghana. As an investigative study, the researcher utilized both primary and secondary data. In the study, the primary data was gathered through the use of interviews, structured and unstructured questionnaires administered to the management and staff of the institute in both Accra and Kumasi. The secondary data was gathered through the institute by way of the strategic policy guide line, financial and non-financial reports. The study finds that, the internal audit unit of the institute were up to task and do not limit their operations to pre-audit and financial compliance as suggested by the World Bank Report on Ghana (2006). The internal auditors of the institute plays its roles by engaging in the provision of services aimed at ensuring compliance with budget laws, regulations and other policies, effective checks on internal control mechanism and detection and prevention of fraud. The study equally found however that there is lack of training workshops on budgetary control within the institute and this limits the capacity of the internal auditors of the institute to manage risk effectively and timely.

Acknowledgement

The finish of this study gives me delight and fondness. It has truly tasked me rationally, physically and monetarily and tried my strength as a student. I trust it will be of incredible help to all who may utilize the profitable data in it later.

I properly recognize the bolster given me by others in different routes and at diverse times amid the basic minutes when I set out on it. Might God whose help and gift has presented to me this far favour them.

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Dedication

This study is dedicated to my family for their encouragement and believed in me to attain this academic height.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Most administrative and not-revenue driven association, paying little respect to size, classifications, many-sided quality or division, depended vigorously on spending plans and budgetary frameworks to accomplish key objectives (Raghunandan, 2012). The achievement and significance of planning identifies with the distinguishing proof of hierarchical objectives, assignment of obligations regarding accomplishing these objectives, and hence its execution (Shah 2007; Robinson 2007; Drake and Fabozzi, 2010). Without a doubt in any country, spending plans are a piece of national and administration control device outlines to advance effective utilization of assets and giving backing to other discriminating capacities.

Government budgeting is the discriminating activity of assigning incomes and acquired trusts to accomplish the monetary and social objectives of the nation. It additionally involves the administration of government consumptions in a manner that will make the most financial effect from the creation and conveyance of merchandise and administrations while supporting a solid monetary position.

Government budget is a foreordained explanation of government or an organization's money related arrangement amid a given stretch of time. It embodies projects of exercises that administration or an association proposes to seek after amid a giving budgetary year. Government planning is vital in light of the fact that it empowers the legislature to arrange and deal with its money related assets to bolster the usage of different projects and activities that best advance the improvement of the nation.

Through the monetary allowance, the administration can organize and put energetically its arrangements, projects and approaches inside of the requirements of its money related capacity as managed by financial conditions. Planning is a fundamental piece of medium term arranging and control in people in general part (Merchant, 1981).

In public budgeting or planning, the centre is to set up the financial backing, as well as all the more significantly to create a financial plan that Management of people in general part organizations have the capacity to utilize budgetary control frameworks to screen and analyse the genuine results from the planned. Budgetary control as an exhibited organization contraption helps affiliation organization and overhauls improved execution of any economy in assorted ways (Chandler, 1990). Its key limit is to serve as an assistant in cash related organizing heads and it likewise builds up cut off points for departmental plenitudes. Budgetary control roots authoritative establishments to make cautious examination of every single existing operation, along these lines defending extending, taking out or limiting present practice (Musselman and Hughes, 1981). Where segments of a financial plan identify with the obligations of individual officials, then budgetary control may go about as a method for securing adherence of those administrators to corporate destinations.

In public sector administration, controls are predominantly instinctive in the general population money related administration framework. Open budgetary administration incorporates the lawful and hierarchical system for directing all periods of the financial backing cycle, including the readiness of the monetary allowance, inner control and review, open acquisition, checking, reporting courses of action and outside review. The wide destinations of open monetary administration are to accomplish general financial

control, designation of assets to need needs, and proficient and successful distribution of open administrations.

The broad view of an internal audit's role positively puts it all the more halfway as a critical component of public expenditure management. Moving past a limited agreeability perspective, the Institute of Internal Audit (IIA) has adopted a more extensive meaning of internal control, with more emphasis on management controls and information process. It adopt the view with regards to internal audit's role as to survey, assess and report to spending plan directors, the soundness and sufficiency of internal controls (Institute of Internal Auditors, op.cit, May 2001). An Internal Audit capacity is a crucial piece of any open use administration framework and ought to guarantee that open spending is inside budgetary procurements; payment conform to indicated strategies, accommodates the convenient compromise of records and the viable frameworks for overseeing and representing physical and monetary resources (Commonwealth Secretariat, 2005).

As indicated by Baltaci & Yilmaz (2006), the push to change a monetary framework ought to incorporate inner control and review because of the pivotal part they play in improving responsibility and viability. Inner review gives both governments and related gatherings with a capable apparatus for comprehension the degree to which the general population foundation being referred to has conveyed viable on spending plan and different administrations. Interior review movement has turned into a vital inner certification component out in the open money related controls and apparatus for checking and assessing administrative exercises before outside assessment by outer examiners.

The Government of Ghana (GoG) lately has gained huge ground in fortifying monetary train and enhancing the productivity of its open money related administration (PFM) framework. The Government has reinforced the authoritative base, expanded straightforwardness of spending plan data, enhanced control over consumptions, and reinforced spending plan oversight. At the heart of these activities was the section of Internal Audit Agency Act, 2003 (Act 658) which set up the Internal Audit Agency in 2004. The production of the Internal Audit Agency (IAA) was persuaded by the requirement for Government to set up a structure that could bolster the inevitable exchange of budgetary power and use control to the Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipals, and District Assemblies (MMDAs). Be that as it may, the parts of IAA in budgetary control stay vague among the MDAs and MMDAs (World Bank, 2006). Since inside inspecting especially reviews identifying with budgetary control has accepted a vital measurement out in the open division administration and monetary administration changes, it has ended up important that the pertinent statutory foundation, Internal Audit Agency, be situated to meet the present review requests and patterns.

1.2 Statement of the Problem

Internal Auditing is an autonomous, target certification and counselling movement intended to include esteem and enhance an organization's operations. It supports an organization finish its targets by bringing a methodical, unemotional way to deal with assess and enhance the viability of danger administration, control and administration forms (The Institute of Internal Audit, 1999).

An internal auditing out in the open monetary administration framework is crucial in guaranteeing legitimate budgetary control. It diminishes misappropriation of trusts,

budgetary danger administration, viable and productive utilization of constrained assets, debasement and guarantees esteem for cash. In such manner, the part of the Internal Audit Agency (IAA) can't be thought little of. In 2006, the World Bank conveyed a study on the Public Finance Management in Ghana and uncovered that there was lacking comprehension of the Internal Audit part in guaranteeing fitting control in a situation where the Accounting officer is formally considered responsible for his use and joined with powerless limits among the Internal Audit unit staff in the MDAs and MMDAs. This undermined the viability of the Internal Audit capacities in doing its part (World Bank, 2006). Why is state inspecting an essential vehicle of good monetary administration? The UN Guidelines for sustainable Financial Management (2000) surveyed that examining distinguishes and highlights cases where laws and regulations of public budgetary management have not been agreed to, where monetary frameworks need fortifying, and potentially, where esteem for cash has not been accomplished. Specifically, inward review gives the first lines of protection against abuse or bungle of public funds. Internal Auditing is a free, target affirmation and advising development planned to incorporate regard and upgrade an organisation's operations. It helps an organisation finish its goals by bringing a methodical, trained way to deal with assess and enhance the adequacy of risk management, control and administration forms (The Institute of Internal Audit, 1999).

After the establishment of the Internal Audit Agency, it was mandatory for every public sector institution to have an internal audit unit. With this unit, their functions will not differ from the Act. However, majority work of the internal audit unit has been focused on pre-audit and financial compliance with constrained consideration being paid to budgetary control. Moreover, the present learning on the kind of administrations

advertised by the Internal Audit Agency to control MDA and MMDAs, financial plan is by all accounts restricted and viability additionally not known. It is against this background that this research wants to study the role of the Internal Audit unit in budgeting and budgetary control in order to engender the unit's relevance to modern trends and practices of internal auditing.

1.3 Research Questions

The study tries to address the accompanying exploration questions:

1. What are the current practices of the Internal Audit Unit within the National Vocational Training Institute?
2. What are the input of the Internal Audit Unit in Budgeting and budgetary control within their various departments of the institute?
3. What factors affects the effectiveness of the Internal Audit Unit within the Institutions?

1.4 Research Objectives

The overall objective of the study is to observe the current practices and involvement of the Internal Audit unit in budgeting and budgetary control in the institute.

Specifically, the study among other things is to:

1. Identify the current practices of the Internal Audit unit within the National Vocational Training Institute
2. Examine the services offered by the Internal Audit Unit of the institute with regards to budgeting and budgetary controls
3. Identify the factors that affect the services provided by the Internal Audit Unit of the institute

1.5 Relevance of the Study

Budget usage in Ghana has since quite a while ago confronted difficulties, with results regularly going astray from appraisals. Commonly, income gauges have a tendency to be underachieved while consumption overwhelms frequently happened. It is on this ground that the finding and recommendation of this study will be a policy guide to the policy makers in helping to amend some portions of the internal audit agency act to empower the internal auditors with regards to budget control. The findings will also bring to fore budgetary control measures that will minimize the opportunities for corruption and to avoid fraud and abuse.

1.6 Research Methodology

A research obliges a composed assembling of information keeping in mind the end goal to focus the exploration rationalities that would be incorporated in the examination and instruments for information translation. In this study, the descriptive methodology was utilized.

The target population for this study was the Management, Staff of the Internal Audit Units, Finance officers and budget offices in National Vocational Training Institute (NVTI) Head office in Accra, and two other NVTI Institutions in the Kumasi and Accra. The sample size of 50 respondents comprising 10 Management Personnel and 40 respondents from the Internal Auditors, Accounting officers and Budget Officers of the Institute was used.

The primary data source that was used for the study included include staff interviews unstructured and structured questionnaires were administered to the Management,

Internal Auditors, Accounting officers and Budget officers of NVTI both in Accra and Kumasi.

Responds received from the respondents was coded and analyzed tables, charts, graphs, scale, mean range, frequencies and percentages were in demonstrating the responses that was obtained from the respondents. Both qualitative and quantitative methods of investigations were employed in the analysis and interpretation of data gathered for the study. Based on the analysis and their interpretations, conclusions was drawn and recommendations given.

1.7 Scope of the Study

The study was centered on the internal auditor's role in budget and budgetary control in the institute as clearly stipulated in the Internal Audit Agency Act 2003 (Act 658). The Management, Staff of the Internal Audit Units, the Accounts officials and budget officers of the National Vocational Training Institute, (NVTI) in Accra, the Greater Accra Region and Kumasi, in the Ashanti Region.

1.8 Limitation of the Study

The study was limited to the Management, staff of the Audit, budget and accounts officers of the institute. Time and resources was another constrain as the whole cost and other activities was exclusively borne by the researcher. With a time frame of barely four months allocated for the study, in-depth study and analysis of objectives was almost compromised. Collection of questionnaires was very stressful as the researcher had to journeyed between Accra and Kumasi for the responses and the whole cost was solely borne by the researcher. Combining the official work with the research

work had been a toll on the researcher and had had an adverse effect on the quality of work done.

1.9 Organisation of the Study

This study was structured into five Chapters. The chapter one is the introduction chapter which comprised the background of the study, statement of the problem, the research questions, objectives of the study, relevance of the study, research methodology, scope of the study, the limitations of the study and finally the organisation of the study.

Chapter two deals with an overview of relevant literature provide views of selected empirical works on the subjects as well as the analysis of the secondary data that was provided in relations to budgeting and budgetary control in public sector institution, the role of the Internal Audit Unit within the National Vocational Training Institute.

Chapter three is about research methodology. This comprised the research design, targeted population, sampling and sample procedures. It also deals with data collection techniques and data analysis.

Chapter four examined the results of the study that was categorized into background of data findings, analysis and discussions.

Chapter five contained the overall summary, conclusions and recommendations to the organisation which in effect may be applicable to other similar institution.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview of Budgetary Control

The level of uncertainties that prevails in the business environment today compels management and other stakeholders alike to be composed and arranged to contend positively under this rapidly changing business environment. For an entity to survive under these competing environment, management and other partners require sharp instruments, demonstrated administration procedures to figure the real changes which are liable to have an adverse effect on the running of the entity, while they pick future bearing and estimation of assets expected to achieve anticipated objectives for the organisation.

Budgetary Control is the process of foundation of spending plans classifying with different activities and contrasting the planned figures and the real execution for touching base at deviations, if any. As needs be, there can't be budgetary control without spending plans. Budgetary Control is a structure which uses spending plans as a method for arranging and controlling. According to Institute of Chartered Management Accountant (ICMA) England, Budgetary control is characterized by Terminology as the foundation of spending plans identifying with the obligations of officials to the prerequisites of a strategy and the nonstop correlation of genuine with the planned results, either to secure by individual activities the goals of that arrangement or to give a premise to its modification. Brown and Howard defines budgetary control as "a system of controlling costs which includes the preparation of budgets, co-ordinating the department and establishing responsibilities, comparing actual performance with the budgeted and acting upon results to achieve maximum profitability."

Budgetary control as demonstrated administration device makes a difference in organisation management and improved execution of any economy in diverse ways (Chandler, 1990). The goal of budgetary control incorporate among others are to join the thought of all levels of administration in arrangement of spending plan, co-ordinates every one of the exercises of a business or association, to concentrated control and to decentralized obligation to every director.

Government comes out with various forms of policies, programmes and activities covering the economic, social, political and other areas of the economy with the view of improving the welfare of the citizenry and creating the atmosphere for the growth of the private sector. In achieving these numerous objectives, several problems including that of financial management are encountered. Among the problems of financial management, the problem of non-adherence to budgetary control procedures has been recognised as very crucial to the success of the public sector (Steward, 1993). Budgetary control is very important for the survival and success of every public sector organisation.

2.2 Definition of Budget

Most administrative and not-revenue driven organisation, paying little mind to size, classifications, or segment, depended intensely on spending plans and budgetary frameworks to accomplish vital objectives (Raghunandan, 2012). The achievement and significance of planning identifies with the distinguishing proof of authoritative objectives, distribution of obligations regarding accomplishing these objectives, and subsequently its execution (Shah 2007; Robinson 2007; Drake and Fabozzi, 2010). It is a standout amongst the best and valuable administration bookkeeping procedures that

can harvest great looking prizes if appropriately comprehended and enough actualized. Without a doubt in any country spending plans are a piece of national and administration control device outlines to advance proficient utilization of assets and giving backing to other discriminating capacities. Its part in an economy can't be overemphasize as formal is an instrument of government arranging and control transform and is not outlines with point of making profits.

Financial plan or budget work is customarily depicted in the course books as a typical bookkeeping instrument that organizations use for actualizing method (Horngren et al., 2005). The budget is described as an integral part of management control systems that aims at promoting coordination and communication among subunits within the company, provides a framework for judging performance and finally motivating managers and other employees (Ibid, 2005). The Chartered Institute of Management Accountants, England, defines a 'budget' as under: " A financial and/or quantitative statement, prepared and approved prior to define period of time, of the policy to be perused during that period for the purpose of attaining a given objective." Permitting to Brown and Howard of Management Accountant "a budget is a predetermined statement of managerial policy during the given period which provides a standard for comparison with the results actually achieved." A budget is a financial and quantitative statement that represents a number of intents and policies. Although it identifies and quantifies targets and provides a framework for management and control, the budget is essentially a forecast. As such, budget requires constant reviews to meet the objectives of the state (Brown and Howard, 2003).

National spending plan serves as an essential instrument for asset assembly, portion, financial and monetary administration. It is a monetary apparatus for encouraging and understanding the vision of government in a given financial year, and if a national spending plan is to serve as a successful instrument out in the open part, legitimate linkages and administration of the considerable number of phases of planning is vital. Clearly public sector' spending plans have same attributes as private-sector spending plans.

2.3 Budgetary Control

It is the entire arrangement of control which guarantees that wage and consumption are in accordance with spending plan and that wastage is diminished to the barest least. Budgetary control is a positive and vital piece of an open division organization's arranging and evaluations exercises in order to accomplish the set objectives.

The BusinessDictionary.com defines budgetary control as a management practices where budgets are used as means of planning and controlling an organisation's operations. Budgetary Control is needed to help the administration for approach definition, arranging, controlling and co-ordinating the general targets of budgetary control and can be expressed in the accompanying ways:

1 Planning: A budget is a course of action of movement. Planning guarantees an itemized arrangement of activity for a business or an association over a span of time.

2 Co-ordination: Budgetary control co-ordinates the diverse activities of the component or affiliation and secure co-operation of all concerned towards the standard goal.

3 Control: Control is critical to ensure that arrangements and targets are being accomplished. Control takes after arranging and co-ordinating. No control execution is conceivable without foreordained norms. Along these lines, budgetary control makes control possible by ceaseless measures against foreordained targets. In the event that there is any variety between the planned execution and the real execution, the same is liable to investigation and remedial activity.

2.4 Relationship between Budgeting and Budgetary Control

Budget work is generally depicted in the course readings as a typical bookkeeping device that organizations use for actualizing procedure (Horngren et al., 2005). The monetary payment is depicted as a necessary piece of administration control frameworks that goes for advancing coordination and correspondence among subunits inside of the organization, gives a system to judging execution lastly persuading supervisors and different representatives (Ibid, 2005).

The term public budget is generally used to depict the leather sack of the Chancellor of the Exchequer containing the announcement of the administration's arrangements and assets to parliament for the approbation of the council. Drury (2000) terms the word Public spending plan as the cash pack/or the public purse which serve a few capacities as a container for the incomes and consumptions of the state. Budgeting with its various capacities triggers a progression of exercises from the tightest to the broadest, partners with money related arranging, control, assessing, facilitating and imparting inside distinctive branches of the association when completely embraced. From the prior, open spending plan is seen as a far reaching record plotting what financial and non-monetary exercises an administration expect to execute or attempt inside of a monetary year with

extraordinary spotlight on arrangements, procedures and restorative activities for the situation that negative differences happen, and for achievements that are substantiated with open incomes and consumptions projections.

Budgetary Control is the system of establishment of going through arrangements relating to distinctive activities and differentiating the arranged figures and the genuine execution for getting in contact deviations, if any. In like way, there can't be control of budgetary without spending arrangements. Control of Budgetary is a structure which uses spending arrangements as a system for organizing and controlling. As showed by "I.C.M.A. England", Budgetary control is described by Language as the establishment of going through arrangements linking to the commitments of authorities to the essentials of a course of action and the reliable examination of certified with the arranged results, either to secure by individual exercises the destinations of that method or to give a reason to its overhaul. Cocoa and Howard describes budgetary control as "a game plan of controlling of costs which consolidates the arranging of spending arrangements, co-ordinating the division and building up commitments, differentiating genuine execution and the arranged and catching up on results to accomplish most extreme benefit". Budgetary and money related management control frameworks of the practical operations of any legislative and benefit looking for organisation to a great extent rely upon these crucial components (Lewis Daniel Houck, 1979).

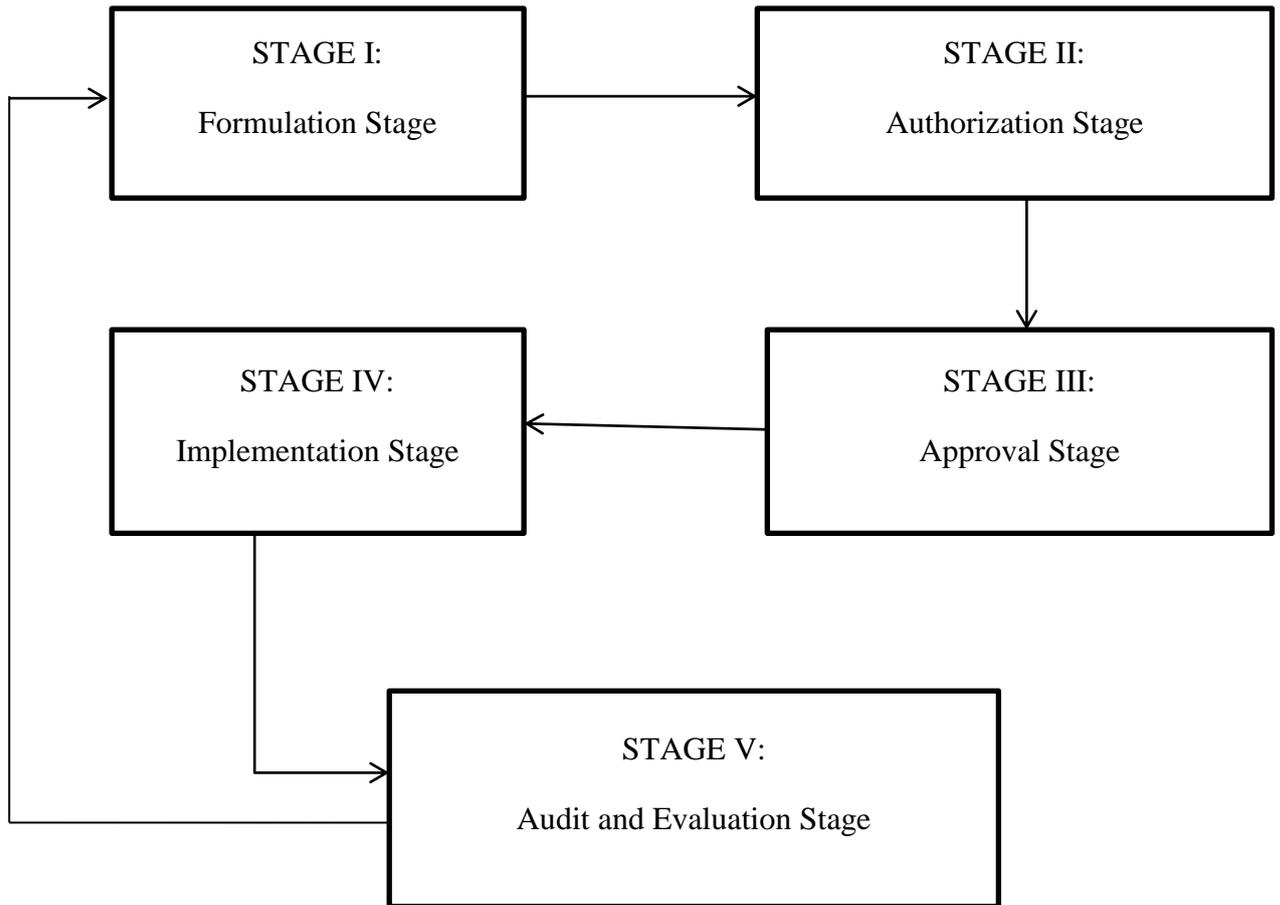
1. Data framework that records the advancement of an action or gathering of exercises for a particular time period which must incorporate a portrayal of movement steps or stages and a quantitative or subjective measure for following the advancement or accomplishment level of the action.

2. A predetermined auxiliary association component to which the movement is allocated.
3. A formal reporting record for creating input of accomplishment levels to the chief or director of the organizational unit.
4. An arranged or foreordained action measure against which real accomplishment measures can be analyzed.
5. A choice making ability that exists inside of the association component or unit to make a move that will align the accomplishment level with the arranged level.

In synopsis, a financial plan is an announcement from an organisation setting out the fiscal or non-quantitative part of an organisation's arrangement for giving duration of time while budgetary control is the investigation of what happens when those arrangements are put energetically.

2.5 Central Government Budgeting Process

In accordance with the Financial Administration Regulation, 2004, the Ministry of Finance has the responsibility of scheduling the groundwork, publication, monitoring, evaluation and controlling the central budget. The budget cycle can be broken down into five interrelated stages which form cycle as the diagram over;



Note. Source: Evans 2014.

2.5.1 Budget Formulation Stage

2.5.1.1 Issue of Budget Framework Paper

A policy paper or budget framework paper is industrialized by the principal Budget Agency under the ministry of Finance not later than eight months prior to the end of each budgetary year and submitted to the Cabinet delineating the draft's preparatory requirements for the financial backing period. The paper is prepared after considering the general impact of past and on-going expenditure plans for government. The paper shows the income and use projections and layouts significant option proposal for changing amid the advancing year taking into account the consumption overview. This is always done in consultation with the government planning department so as to enable

the budget reflect the national development plan or the development budget if that is alternative. The cabinet takes temporary examinations on the measure of uses, significant tax changes and innovative tax strategies. Choice of the cabinet is then imparted back to the budget agency.

2.5.1.2 Issue of Budget Circular

The Budget Agency not later than six months prior to the end of each budgetary year, issue rules for the spending organisation to follow in making their spending arrangements and solicitations. This instruction is called Budget Circular or the Call for Estimates. The Budget Circular details out the timetable for the readiness and accommodation of the government's microeconomics approach proclamation and spending plan for such periods as might be dictated by the president and brief commentary of the past economic conditions, projected growth rate in the various sector and the GDP as a whole, highlight on some macro-economic variables like inflation, interest rate etc. The Budget Circular shall stipulate the sectorial and ministerial limitations in which heads of department will formulate their budget submission. The Circular calls for inclusions in the estimates, narrative statements that explain the role of the spending organisation and a description of what is expected to do with the estimates. It is also expected to give justification for the various expenditure estimates.

2.5.1.3 Issue of Budget Instructions

The Minister for Finance will then issues additional guidelines and directives to direct the Head of Departments on how to carry the budget preparation. This is known as the budget instructions and it shows the following items:

1. Form of budgetary archives and explanation

2. Classification of budgetary exchanges
3. Information to be submitted in backing of budgetary proposal
4. Costing of exercises
5. Procedure to be trailed by budget advisory group in get ready, submitting and executing the budget.

Each Principal Spending officer might inside of the prevision of the budget circular and in similarity with any bearing of the Government for that Ministry, issue a round to all heads of offices under the officer's control to direct consideration regarding that Ministry's strategy and to any extraordinary procedural game plans needed in setting up the financial backing.

Each head of division under the control of central spending officer, in consultation with the budget committees might focus the techniques essential for planning of departmental appraisals in congruity with spending plan rules.

2.5.1.4 Preparation and Submission of Budget Proposal

Spending organisations formulate then submit their approximations toward the Budget Agency. The preparation of the budget proposal will involve the estimation of consolidated fund revenue and expenditure. In approximating the consolidated fund revenue for a budget period, Heads of Departments will be going to consider the following:

1. Identify all exercises that as of now produce income
2. Identify all exercises that can possibly produce income

3. Estimates the recurrence of these exercises and ascertain the income emerging thereof
4. Produce a month to month estimate distinguishing when income streams are anticipated to happen

In estimating budget expenditure from the consolidated fund, the Head of Departments of the spending organisation shall among other things consider the following:

1. Government large scale financial system, government assets and needs and any roof affirmed by the cabinet
2. Prepare a key arrangement which incorporates a meaning of department mission, objective, targets, yield and exercises
3. Cost and needs the exercises of the department taken into consideration the resources ceiling
4. Preparation of cash forecast recognizing when use surges is anticipated to happen

Where a Spending organisation has different divisions or offices under it, the guardian organisation meets the agents of the sub organisation to examine the last's appraisals to guarantee that their assessments inside concurred the levels. Such dialogs are referred to us as the internal budget hearing.

2.6 Budget Authorization Stage

2.6.1 Examination of Budget proposal

The budget submitted by the spending organisation is subject examinations by the budget examiners. Budget examiners examine the estimates for acceptance or questions.

The examinations is to guarantee that estimates displayed by spending organisations are within the authorized level as stated in the budget circular and they are genuine request. From this stage, the examiners may demand much information that is needed for the best possible release of the Minister's obligations from a department and that information should be speedily and accurately given. An officer, who neglects to give such information or submit information which that individual knows not deceptive or right, is a breach of financial disciplines as stipulated in the Financial Administration Regulation.

2.6.2 Budget Hearing

The Minister of Finance after receiving the estimates of all spending organisation through the Budget Agency might bring about to be conducted Budget Hearing to audit key arranges and appraisals of the department concerned keeping in mind the end goal to guarantee that those arrangements and assessments are as per Government full scale financial strategy system. Where essential, the Minister for Finance may oblige a division to make acclimations to its vital plans and appraisals so as to satisfy the prerequisite of Government's full scale financial strategy and spending plan system. When agreement is reached with all the sector organisations, the budget office presents its recommendations to the Finance Minister who also considers them finally and places them before cabinet. Where some spending organisations are not in agreement with the Budget Agency as regards their estimates, such spending organisations can appeal to the cabinet for consideration. Based on the recommendation of the Budget Agency, the cabinet considers and concedes to last expenditure levels and if conceivable any required expense changes.

2.7 Budget Approval Stage

2.7.1 Preparation of Finance Bill and Appropriation Bill

Upon final agreement, the estimates are expected to be submitted to Parliament within a realistic period of time before the end of existing fiscal year. Notable in this country, the estimates are presented to Parliament in November of the current fiscal year. This estimates, referred to as Budget Proposals are submitted in the form of Finance Bill and Appropriation Bill. While the former is tax and other revenue, the latter is for the expenditure.

2.7.2 Examination and Approval of Expenditure Estimates

The Legislature considers the Expenditure Proposals, examine them to either accept them or otherwise. The Legislature can call the amendments or changes where the house feel the Expenditure proposal is not in line with the general national policy guideline. Spending organisation prepare the estimates and Parliament sits as Appropriation Committee and passes the Bill to Act which gives a legal backing on those estimates provided by the spending organisations.

2.8 Budget Implementation Stage

2.8.1 Revenue Collection

Under a Credential of agency, the finance Bill is passed by the Parliament into Finance Act to empower the revenue organisations to have power to start with the collection of the tax and other non-tax revenue. According to the Financial Administrative Regulation, revenue collections shall start on the first day of the financial year. New rates or charges get to be successful from the date determined in the correcting order or some other Legislative Instrument approving the change.

2.8.2 Appropriation Act

After Parliament has sanctioned the financial backing evaluations, power to confer store is passed on to offices by the issue of warrant marked by the Minister for Finance for Government and replicated to the Controller and Accountant General. Power to dispense trust to meet consumption is passed on by the issue of money discharge guideline marked by the Minister of fund in the interest of Government to the Controller and Accountant General.

2.8.3 Release of Fund to Spending Organisation

The arrival of funds to the department should be as per warrants issued by the Minister of fund or the Minister's approved agent with duplicates to the Controller and Accountant General. The Minister might issue money discharge directions to the Controller and Accountant General for the exchange of money to the operational bank accounts of the department.

2.9 Budget Evaluation Stage

2.9.1 Audit and Evaluation

The central Government process ends when the accounting records of the spending organisation are examined through Auditing to determine whether the departmental expenditures were within boundaries of approved estimates of the Legislature.

2.10 Responsibility for Budgetary Control in Public Organisation

Control is defined as an arrangement of dealing with a business by applying a budgetary worth to every gauge action and Actual execution is subsequently compared with the

estimates .The responsibility for budgetary control in the public sector is vested on the shoulders of the head of the organisations.

The Financial Administration Regulation, (FAR) 2004, LI 1802, Part V, section 168 states that, “A head of department shall exercise budgetary control over the activities of the department in accordance with these regulations and the procedures for budgetary control shall be stated in the departmental accounting instruction for each department Section 2 (f) the head of divisions might get and additionally arrange the dispensing of any open funds for which the head of office has been selected as controlling power by or under any authorization or assertion.

2.11 Description of Internal Auditing

Interest for external and internal auditing is sourced in the need to have a few methods for free confirmation to decrease record-keeping mistakes, resource misappropriation, and extortion inside of business and nonbusiness organizations. The foundations of evaluating, by and large, are naturally portrayed by bookkeeping history specialist Richard Brown (1905, cited in Mautz & Sharaf, 1961) as takes after: “The origin of auditing goes back to times scarcely less remote than that of accounting. Whenever the advance of civilization brought about the necessity of one man being in trusted to some extent with the property of another, the advisability of some kind of check upon the fidelity of the former would become apparent.”

As far back as 4000 B.C., historians’ trusted formal record-keeping frameworks were initially initiated by sorted out organizations and administrations in the Near East to relieve their worries about effectively representing receipts and payment and gathering charges. The requirement for and evidences of reviews can be followed back to open

money frameworks in Babylonia, Greece, the Roman Empire, the City States of Italy, and so on., all of which added to a bitty gritty arrangement of checks and counter checks. In particular, these governments were stressed over clumsy authorities inclined to making accounting blunders and mistakes and in addition degenerate authorities why should persuaded execute extortion at whatever point the open door emerged (O'Reilly et al., 1998).

Inside of length of time of two or three centuries, the European frameworks of accounting and auditing were brought into the United States. As business activities developed in size, extension, and unpredictability, a discriminating requirement for a different internal confirmation work that would check the exactness of bookkeeping data utilized for choice making by management rose. Administration required a few methods for assessing not just the effectiveness of work performed for the business additionally the trustworthiness of its representatives. Around the turn of the twentieth century, the foundation of a formal inner review capacity to which these obligations could be designated was seen as the intelligent answer. At the appropriate time course, the inner review capacity got to be in charge of "cautious gathering and interpretive reporting of chose business certainties" to empower administration to stay informed concerning critical business advancements, exercises, and results from various and voluminous exchanges (Mautz, 1964).

In the early years after The Institute of Internal Auditors (IIA) was set up, internal auditing was still seen as a firmly related augmentation of the work of outside evaluators — they were much of the time called upon to help outer examiners in money related explanation surveys or perform bookkeeping related capacities, for example, bank compromises. Inside reviewers were seen to be assuming a genuinely humble part

inside of associations and had just a "constrained obligation in the aggregate administrative range" (Moeller & Witt, 1999). Internal auditing in this way rises as an exceptional fragment of the expansive field of bookkeeping, using the essential systems and strategy for inspecting. The way that the general population bookkeeper and the inward examiner utilization a significant number of the same systems frequently prompts a mixed up presumption that there is little contrast in the work or in extreme goals. The internal auditor, similar to any auditor, is worried with the examination of the legitimacy of representations, yet for his situation the representations with which he is concerned spread a much more extensive territory and need to do with numerous matters where the relationship to the records is frequently to some degree remote. Moreover, the internal auditor, being an organization man, has a more essential enthusiasm for a wide range of organization operations and is actually all the more profoundly intrigued by serving to make those operations as beneficial as could reasonably be expected. In this manner, to a more noteworthy degree, administrative management comes to impact his reasoning and general methodology

2.12 The Function of the Internal Audit

The internal auditor capacity assumes an interesting part in the administration process; to be sure it is a part that is as a rule broadly wrangled about. The review capacity has dependably been seen as a basic piece of government monetary administration and progressively as an apparatus for enhancing the execution of government agency. Auditing covers a wide scope of exercises, which have diverse goals. It has traditionally been the component for guaranteeing the government or its agencies that public funds are gotten and went through in submission with appointment and other significant laws

and that government reported utilization of trusts decently and precisely financial position within reporting period.

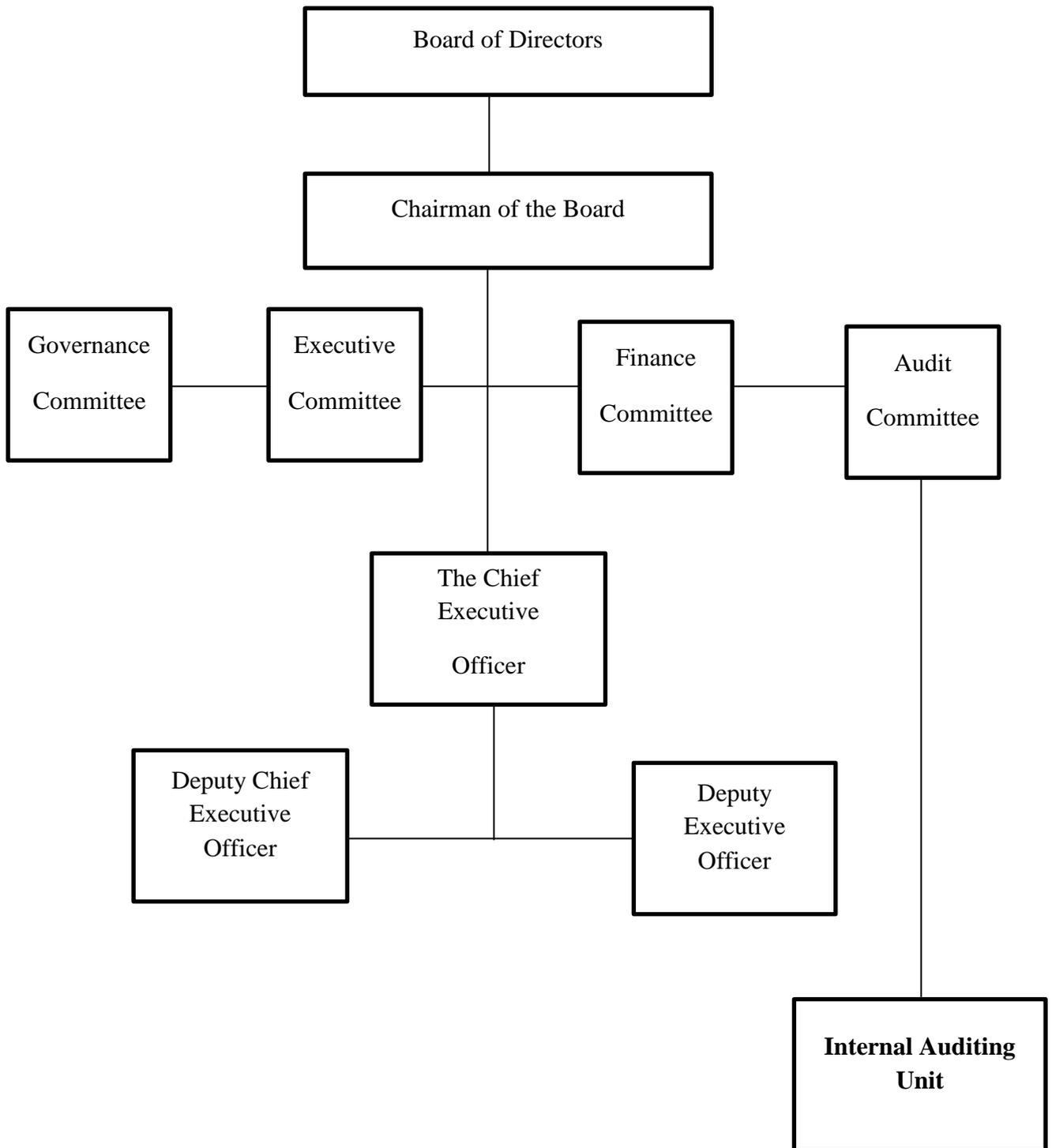
The field of internal auditing is a dynamic and rapidly expanding one. Its significance and expansion has been greatly enhanced with the formation of the Institute of Internal Auditor (IIA) in 1941 in the United States of American, coupled with the growth in size and complexity of many organisations in recent years, and the need to institute proper and efficient control system (Omane-Antwi, 2007). In the standard of professional practice of Internal Auditing, the Institute of Internal Auditors, in 1978, defined Internal Auditing as; “An independent appraisal functions established within an organisation to examine and evaluate its activities as a service to the organisation”. The standard on professional practice of Internal Auditing in 2004 defined Internal Auditing as a free target confirmation and counseling action intended to include esteem and enhance an organisation's operations. It helps the organisation to achieve its destinations by bringing a precise trained way to deal with assess and enhance the adequacy of risk management, control and administrative procedure (Institute of Internal Auditors, 2004).

The target of Internal Auditing is to help staff of every organisation in the compelling release of their objectives. To this end, internal Auditing outfits administration with examinations, evaluations, proposals, guidance and data concern the exercises looked into (Ali et al., 2007). According to Asare (2008), the difference between the definition for Internal Audit of 1978 and 1999 (as repeated in IIA 2008) that is worthy of note is the noticeable quality of objectivity in internal auditing exercises. Furthermore, the highlighting on the assessment and change of the viability in risk management and

governance. The present definition likewise mulls over two primary internal audit services, assurance and consulting. Assurance services include the internal auditor's target evaluation of proof to give a free feeling or conclusions with respect to a substance, an operation, a capacity, a procedure, framework, or any other subject matter. The internal Auditor works under the direction of management of a company and is therefore concern with the territories of management control. The goal in this manner is to help management in the viable release of their obligations. To this end, internal auditor outfits them with examination, evaluations, suggestions, advice and data concerning the exercises surveyed. To be of service to management, the modern internal auditor ensures that, the organisation sets up a sound arrangement of internal control all together that reliable financial and other information can be produces.

The center goal of internal auditor is to help generally the public sector to accomplish its goal through a deliberate and trained methodology. This can be accomplished by enhancing the viability of control and governance process (Hermanson et al. 2003). Internal auditor's primary goal is to help the Government to accomplish sound public financial related and operational management through successful public spending, budgetary responsibility and straightforwardness. It is along these critical lines that Internal Audit capacities are a fundamental piece of Public Financial Management Reforms in Ministries/Departments and regions to empower the nation accomplish the proposed objectives (Ali et al. 2007). In public sector organizations, the internal audit capacity holds high potential for advancing responsibility and enhancing government execution (Md Ali et al; 2007).

2.13 Organisational Chart Showing the Internal Audit Function in an organisation



Note. Source: Omane-Antwi 2009.

2.13 History and Profile of Internal Audit Agency

The making of Internal Audit Agency in this country was predicated on the requirement for Government to put set up structure that could strengthen the consequent exchange of budgetary power and expenditure control to the Ministries, Departments and Agencies and the Metropolitan, Municipal and region Assemblies (MDAs)and (MMDAs). These activities were a piece of the Government endeavors under the Public Financial Management Reform Program (PUFMARP).

Internal Audit Agency of Ghana was established by the Internal Audit Agency Act of 2003, (ACT 658). The Act was mandated to establish an Internal Audit Agency as a central agency to co-ordinate, facilitate, monitor and supervise Internal Audit activities within Ministries, Department and Agencies and Metropolitan, Municipal and District Assemblies in order to secure quality assurance of internal audit within these institutions. The main objective of the Internal Audit Agency is to co-ordinate, facilitate and provide quality assurance for internal audit activities within the Ministries, Departments and Agencies and the Metropolitan, Municipal and District Assembles (MDAs/ MMDAs).

The governing body of the Agency is the Board. The Board comprises a membership of nine drawn from public sector and the private sector. It includes the chairperson, the Minister for Finance, the Minister for Local Government or his representative, the Chairperson of the Public Services Commission, the Director General of the Agency, two members appointed by the private sector and two professional from the Institute of Chartered Accountants Ghana. The Board formulates policies and establishes appropriate structures for the effective and efficient execution of the Agency mandate.

The Board ensures that, the Agency operates within the ambit of its legal framework of Act 658 and also facilitates collaboration with other agencies for the achievement of the objectives for which it was established. The secretariat of the agency is headed by the Director General, who is supported by two Deputy Director Generals and four Directors.

2.13.1 Mission of the Internal Audit Agency

The Internal Audit Agency oversees internal audit practice within the MDAs and MMDAs by setting standards, providing quality assurance and supporting capacity building for good corporate governance.

2.13.2 The Vision of the Internal Audit Agency

“To become an organisation that providing value-added internal auditing for accountable performance by 2015”.

2.13.3 Functions of the Internal Audit Agency

The role and functions of the Internal Audit Agency is categorically stated in the Internal audit Agency Act 2003 Act 658. It directs the Agency to among other things to ensure that:

- Financial, managerial and operating information reported internally and externally are accurate, reliable and timely
- The financial activities of MDAs and MMDAs are in compliance with laws, policies, plans, standards and procedures
- National resources are adequately safeguarded

- The Agency shall set standards and procedures for the conduct of internal audit activities in the MDAs and MMDAs
- National resources are used economically, effectively and efficiently
- Plans, goals and objectives of MDAs and MMDAs are achieved
- Risks are adequately managed in the MDAs and MMDAs
- Promote economy, efficiency and effectiveness in the administration of government programmes and operations
- The agency shall monitor, undertake inspection and evaluate the internal auditing of MDAs and MMDAs

2.14 The National Vocational Training Institute

In 1967, a tripartite National Manpower Board embodying agent from government, executives and laborers was set up so as to arrange successful improvement and use of human asset as per the normal social and financial advancement of the nation. After an extensive investigation of the nation's labor prerequisites and the current facilities for skills training, the Board asked for help from the United Nations development Program Special Fund (UNDP/SF) in setting up a national vocational training programme. The primary period of the task which was of four years length of time was endorsed in the month of June 1968 with an agreed UNDP input of seven hundred and five thousand, four hundred united state dollars (705,400) and Ghana government partner commitment of three hundred and seventy-four thousand Cedis (374,000). The UNDP information accommodated 240 man-month of mastery notwithstanding gear and cooperation. The arrangement of operation was marked on 23rd October, 1968 and beginning of operations was approved on 25th October, 1968, with the International Labor Organization (ILO) as the executing office and

the Ministry of Labor, Social Welfare and Co-agents now Ministry of Employment and work Relations as the co-working office. An Act of Parliament 351 of twelfth January 1970 was passed to legitimize the foundation of the Institute.

2.14.1 The Institute's Mission

To provide demand-driven employable skills and improve the wage producing limits of fundamental and optional school leavers, and such different persons through Competency-Based Apprenticeship, Master Craftsmanship, Testing and Career Development.

2.14.2 Functions of the Institute

According to the Act of Parliament (No. 351 of 12th January, 1970) establishing the National Vocational Training Institute, its function are as follows:

- To compose apprenticeship, in-plant preparing and preparing projects for modern and administrative specialists and train Instructors and Training Officers needed for the reason.
- To accommodate professional direction and vocation improvement in industry.
- To start a proceeding with investigation of the nation's labor prerequisites at the talented specialist level.
- To set up and keep up specialized and social relations with universal associations and other outside organizations occupied with exercises joined with professional preparing and,
- Subject to the procurements of this Act, to do every single such thing as are helpful for the fulfilment of the goals of the Institute

- To create Training Standards and develop viable exchange testing and Certification programmes

2.15 Empirical literature

Budgetary control and general society area money related administration is turning out to be progressively essential striking in the creating sub Saharan areas. Defilement, monetary fumble, IRS evasion, budgetary and money related indiscipline, absence of spending plan objectives clarity, systems and vigorous restorative measures are real issues confronts central governments, government organizations or divisions and government-claimed companies.

Previous researchers (Kazeem O. et al; 2014) contended that most areas don't accord sufficient respect to planning frameworks and venture execution. The results of these states of mind are minor absence of spending plan control and restorative measures in the occasion that negative change happens. Central government which ought to have serves as a check and offset is not totally free from this cankerworm as an aftereffect of acquired untailored spending of public fund approach out in the public sector organization instead of custom-made spending of public sector approach.

In another study carried by Kwakye and Owoo (2014) they found that budget preparation in Ghana to be reasonably in accordance with global guidelines. They found that deficits in public budget allotments opposite solicitations by line services are a formula for resulting spending invades. A more serious issue is the vicinity of extreme spending plan usage and checking slips in the public sector and the parliamentary oversight of expenditure is very weak.

Another study carried by (Austin A, 2014) it suggested that the internal audit agency plays its constitutional role of supervisory over budgetary control and financial management of government ministries, departments and agencies as well as the metropolitans, municipals and the district assemblies in the country. This study had its scope to cover the whole government ministries, department and agencies as well as the metropolitan, municipals and the district assemblies in the country.

Internal audit agency plays significant functions of value-adding in an organisation. This researcher had this philosophy at the back his mind and wanted to limit the role of the internal auditor to a single government agency. The study is considering a single public sector institution to find how effective the internal audit agency is to the organisation in relation to its supervisory role as stipulated in the Internal Audit Agency Act 2003 (Act 658) as far as budgeting and budgetary control is concern.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This segment of the study portrays the exploration approach that was utilized to gather significant information for the study. It deals with the research design, the target population, sample size and sampling procedure, research instruments, data collection procedure and data analysis. The study employs both primary and secondary data to observe and conclude the current practices and involvement of the Internal Audit Agency in the budgetary control within the National Vocational Training Institute in Ghana.

3.2 Research Design

The type of research designed employed in this research work was descriptive approach. Descriptive approach here is a fact finding type of research designed with the aid of structured and unstructured questioner and interviews to describe the prevailing conditions that are in existence at a particular point in a certain time period. The researcher adopted this designed because I wanted to inquire first-hand information on the activities of the staff of the Institute involved in the budgeting and budget controls.

Two methods of collecting information were adopted for the research designed. The primary data information was collected from the field with the utilization of questioner and interviews. Whiles the secondary data was gathered from the periodicals reports generated by the institute with regards to its financial reports and strategic policy guideline.

3.3 Sources of Data

Data for the study was collected from both primary and secondary sources. The administration of questionnaires and interviews forms the basis for primary data. Data collected from this source was centered on the background characteristics of respondents, the current practices of the internal audit agency, the inputs from the Internal Audit Unit in budgeting and budgetary control within their various departments, factors that affects the effectiveness of the Internal Audit Unit in the Public Sector Institutions, in this case National Vocational Training Institute. The questions were based on the personal profile of respondents and internal auditing as means of budgetary control within the National Vocational Training Institute.

The three fundamental components of internal auditing, to be specific the assessment and improvement of risk, control and governance procedures were investigated. Hazard administration or management of risk, governance and control incorporates the approaches and strategies built up to guarantee the accomplishment of targets and incorporate the proper evaluation of danger, the unwavering quality of the external as well as the internal reporting and responsibility process, agreeability with pertinent rules and regulations and consistence with behavioral and moral norms established aimed at public sector organisations. The questions were equally to explore the effectiveness of these three pillars of internal audit in achieving the budgetary control within the National Vocational Training Institute.

In the case of secondary sources, information from published and unpublished sources within the Institute was sourced. The information taken from the institute was the periodical reports of the institute in relation to its finances and strategic policy

guideline. This editing was preceded by coding which is assigning a numerical score or other character symbol to answers so that the responses can be recorded into a limited number of classes. Finally, data entry was done for the analysis of the data gathered from the respondents.

3.4 Target Population

The target population of this study specifically was the staff and management of the National Vocational Training Institute in the Greater Accra and Ashanti Region of Ghana. However, as the topic was in line with budgeting and budgetary control, the Management and Staff of the Internal Audit Units, Finance, budget offices in NVTI Head office in Accra, and two other NVTI Institutions and regional co-ordinating offices in Accra and Kumasi was used.

3.5 Sample Size

The sample group consisted of 50 respondents comprising 10 Management Personnel and Staff of National Vocational Training Institute Head office in Accra and 40 others, comprised of Internal Auditors, Accounting Officers and Budget Officers of the Institute in various training and regional co-ordinating offices in both greater Accra and Ashanti region. The focus of the study is the National Vocational Training Institute as a public Institution. Management here represents the directorate of the NVTI, the Institute Managers and the Regional coordinators. They represented twenty per cent (20%) of the respondent. Budget is s plan and in planning, management plays significant role in determining the direction for the organisation. They are responsible for formulating policies towards the achievement of the organisational objective. Budget officers as respondents for the study were 15 representing thirty per cent (30%). They are

responsible for compiling the budget and for that matter makes significant contribution for the attainment of the institute objectives. Accounting and the finance directors were 18 respondents and this figure translate into thirty six per cent (36%) of the respondent. This category of the respondent plays significant roles in monitoring the attainment of targets set by the institute. Finally, the last categories of the respondent were the internal audit staff which was 7 representing fourteen percent (14%) of the total respondents. These classifications of respondents' plays vital role in implementation of policies formulated by management and for that matter, the responses from them over the topic of the study are likely going to be authentic and free from biases.

3.6 Sampling Technique

Both stratified and random sampling methods were decided to empower the researcher get to the center focuses for the study and ensure minimum sampling bias. These sampling methods were used to select respondents for the study. This technique was used because it ensured that everyone in the population had an equal chance of being selected. The objective of the sampling method used was to obtain a sample that is a representative of the population. The techniques used by the researcher to select the sample size required prior knowledge of the target population which allowed a determination of the size of the sample needed to achieve a realistic approximation with accepted precision and accuracy of the population.

3.7 Data Collection Instruments

Questionnaires were utilizes in accumulation of data for the study. Prior to designing the instrument, a thorough literature search was conducted to determine and categorize concepts and variables used in similar past studies. These were modified to suit the goal

of the present study. The questioners were designed to contain both close and open-ended questions. The close-ended questions was used with the aim of helping to respondents to answer easily and to enable the researcher accumulates and summarize responses quickly and more efficiently. The open- ended however was to ask for further explanation from the respondents on certain issues that will help bring out better judgments on the issues at stake. In all, these open-ended questions made of little over ten per cent (10%) of the questions asked from the respondents.

The questionnaire elicit responses on issues regarding respondents' background characteristics, current functions of the internal audit unit in relations to budgeting and budgetary control, the challenges facing the unit in carrying its activities among others.

Questionnaire pre-test was done to determine its effectiveness. This was to check whether the replies provided the type of information needed or whether there are some elements of uncertainty. The researcher personally interviewed each individual respondent recording the various responses. This method of personally interviewing the respondent was selected for accuracy and reliability of data being capture with adequate supervision and control. Field and central editing was done checking the legibility, completeness and consistency of the data.

3.8 Data Analysis

Data collected from the field was analysed using descriptive statistics. Data gathered for the study was imported into Microsoft excel for analyse. Frequencies, percentages, proportions, charts and diagrams were used to present the results. Based on the analyses and the interpretation thereon, conclusions were drawn and recommendations given.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.0 Introduction

This chapter presents the results of the study in the context of the objectives as stated in section 1.4 of chapter one. The objectives of the study among other things are to identify the current practices of the Internal Audit Unit within the Institute; examine the type of services offered by Internal Audit Unit with regards to budgeting and budgetary control within the Institute; and to identify factors that effectively affect the services provided by the Internal Audit Unit to the Institute.

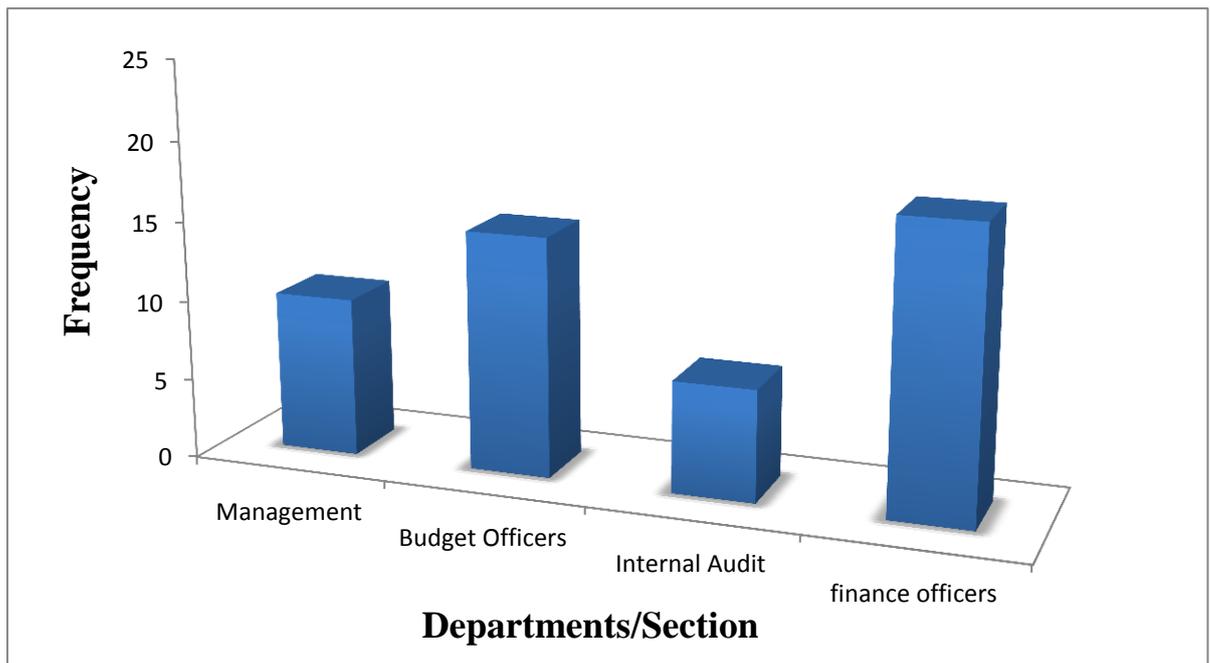
4.1 Background Characteristics of Respondents

In order to explore the understanding, skills, professional experience and other competencies of respondents in budgeting and audit environment, background characteristics of the respondents such as their department/section, current job title, educational qualifications and how long they have been in the current office were elicited by the researcher. This helped and aided me in understanding the intellectual confidence and appropriateness of the respondents.

4.1.1 Department/Section of Respondents

The researcher wanted to have a total understanding of the respondents to help identify the worth of professional experience in budgeting and budgetary control and the internal auditing environment. The categorisation into department/sections is to enable the researcher comprehend the interpretations of the questions posted to the respondents. Figure 4.1 summarizes the data obtained on the department of the respondent

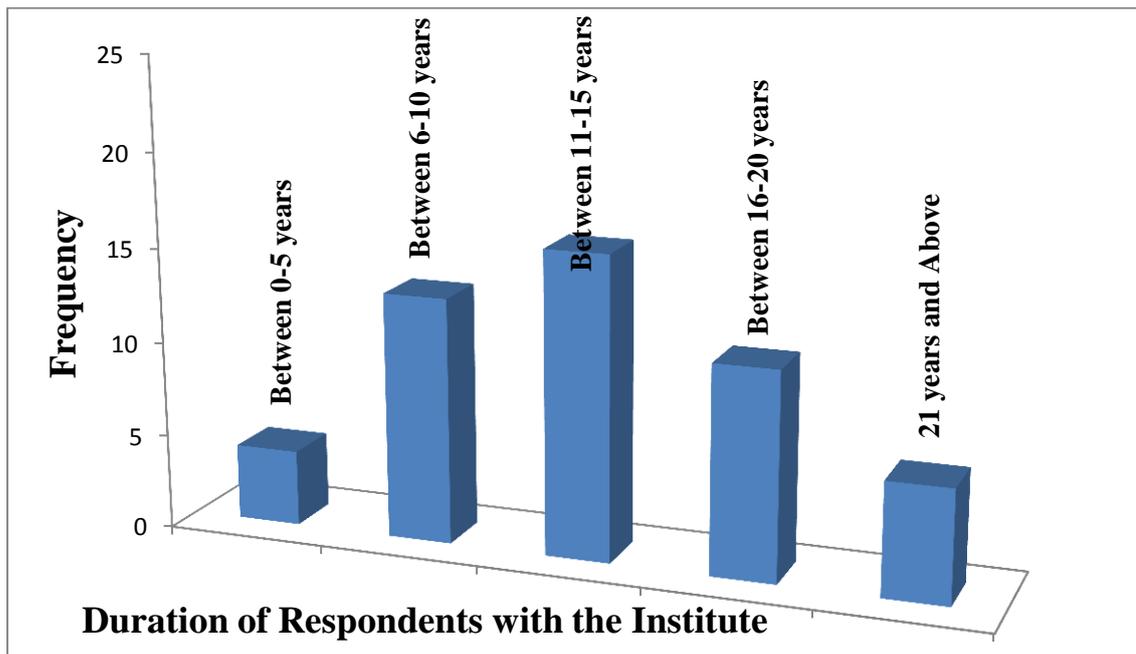
Figure 4.1; Department/Section of Respondents



Sources: Field Research Work, June 2015.

Figure 4.1 reveals that, 10 respondents were from the management staff of the Institute. The management staff here represents the Directorate from head office, the institute managers and Regional Coordinating directors. This number represents twenty per cent (20%) of the total respondents for the study. Furthermore, 15 of the respondents were budget officers of the Institute and this represents thirty per cent (30%) of the total respondents for the study. Again, 7 respondents were staff of the Internal Audit of the Institute and this represents fourteen per cent (14%) of the total respondents and finally 18 of the respondents were the Finance officers of the Institute and it represents thirty-six per cent (36%) of the total respondents for the study.

Figure 4.2; Duration of Respondents with the Institute



Sources: Field Research Work, June 2015.

The classification of data obtained from the respondents with regards to duration of time for working within the Institute reveals that, 16 of the respondents representing thirty-two per cent (32%) which happen to be the highest in this category had worked between 11-15 years with the Institute. The second highest was 13 respondents representing twenty-six per cent (26%) who had worked with the institute between 6-10 years. Additionally, 11 respondents representing twenty-two per cent (22%) had worked with the institute between 16-20 years. Again, 4 respondents representing eight per cent (8%) had worked in the Institute between 0-5 years. Finally 6 of the respondents representing twelve per cent (12%) had worked with the institute for the period of over 21 years.

Table 4.1; Educational Background of the Respondents

Educational Background	Frequency	Percentage (%)
Professional Certificate	2	4
Post- Graduate Degree	7	14
Degree	26	52
HND	12	24
A-Level	3	6
TOTAL	50	100

Sources: Field Research Work, June 2015.

The Institute of Internal Auditor's standard 1210 on capability of the auditor oblige that the internal auditors have the learning, aptitudes and different skills expected to perform their obligations (IIA, 1999). The researcher therefore determined these essential characteristics of the respondents by way of asking them to indicate their educational background. Figure 4.1 of the study presents the data on educational background of respondents. Table 4.2 over showed the data collected from using questionnaire revealed that 26 respondents representing fifty-two per cent (52%) were holders of first Degree from various universities. Likewise, 12 of the respondents representing twenty-four per cent (24%) had a qualification of Higher National Diploma (HND). Again, 7 of the respondents representing fourteen per cent (14%) of the total respondents had a qualification in Post-degree while 3 of the respondents representing six per cent (6%) were holders of A-Level. This result suggests that majority of the respondents involved in the budgetary control processes have higher educational qualifications and their responses are likely going to be authentic, relevant and free from biases.

Table 4.2; Duration in Current Position of the Respondent

Duration	Frequency	Percentage (%)
21 years and Above	0	0
Between 16-20 years	1	2
Between 11-15 years	9	18
Between 6-10 years	22	44
Between 0-5 years	18	36

Sources: Field Research Work, June 2015.

The data classification of the time period spent by the various respondents over their current position reveals that, none of the respondents had been in his or hers portfolio for more than 21 years or above and this represents zero per cent (0%) from the data collected on that category. Moreover, 1 respondent had been in his current position for between 16-20 years and this represents two per cent (2%) of the total respondent for the study. Additionally, 9 respondents representing eighteen per cent (18%) had been in their current position for between 11-15 years while 22 respondents representing forty-four per cent (44%) of the total respondents had been in their current position for between 6-10 years. Finally 18 respondents representing thirty-six per cent (36%) had been in their current position for between 0-5 years working in various capacities as official for the Institute. The duration of time spent by the respondents on their various positions will enhance their understanding of the operation of the institute regarding the subject matter in question and there is likelihood that the responses given from them would be very relevant and free from biases.

4.2 Current Practices of the Internal Audit Unit in Budget and Budgetary Control in the Institute

Information on current practices of the Internal Audit Unit with regards to budgeting and budgetary control within the National Vocational Training institute was obtained by asking questions regarding their involvement in 1.) Budget preparations; 2.) Budget performance monitoring; and 3.) Budget revision. These form the main component of the financial management cycle of the public sector.

4.2.1 Preparation of Budgets

Internal Auditors review established control Procedures to ensure that Budget are Prepared for Appropriate time and in line with Strategic policy

From Table 4.3, Twenty-nine of the respondent representing fifty-eight per cent (58%) of the respondent agreed to the accession that the institute internal auditors review the established control procedures to ensure that budget of the institute are prepared in timely and in line with the institute strategic policy. Additionally, eleven respondents represent twenty-two per cent (22%) of the total respondent. However, three of the respondents representing (6%) of the total respondents were unsure as to where the internal auditors review the established control procedures to ensure that the institute budget are prepared in timely manner and in line with the strategic policy of the institution. Moreover, three of the respondents representing (6%) of the total respondents strongly disagreed to that accession and finally four respondents representing (8%) disagree to the accession that the internal auditor unit do review the established control procedures to ensuring that budget are prepared within appropriate time and in line with the institute strategic policy.

Table 4.3: Timely preparation for the institute budget

RESPONSES	FREQUENCY	PERCENTAGE (%)
Strongly Agreed	11	22
Agreed	29	58
Unsure	3	6
Disagreed	4	8
Strongly Disagreed	3	6
TOTAL	50	100

Sources: Field Research Work, June 2015.

Internal Auditors review established control Procedures to ensure that cost-control and other budgetary objectives are consistent with strategic policy

Table 4.4 of the study revealed that, twenty of the respondents representing (40%) of the total respondents agreed and seven of them representing (14%) strongly agreed to the accession that there is review of established control procedures in ensuring that control of cost and budgetary deliverables are consistent with strategic policy of the institute. However, eleven of the respondents representing (22%) disagree to this accession as one function on the internal audit unit of the institute. Additionally, nine of the respondents representing (18%) were unsure as to whether the internal audit unit review established procedures of control to ensure that cost control and budget deliverables are always in consistent with the institute strategic policy and three respondents representing (6%) of the total respondents strongly disagreed to this accession that Internal Auditors review established control Procedures to ensure that cost-control and other budgetary objectives are consistent with strategic policy.

Table 4.4: Cost-Control and Budgetary Objectives are Consistent with Strategic Policy

RESPONSES	FREQUENCY	PERCENTAGE (%)
Strongly Agreed	7	14
Agreed	20	40
Unsure	9	18
Disagreed	11	22
Strongly Disagreed	3	6
TOTAL	50	100

Sources: Field Research Work, June 2015.

Internal Auditors review established Procedures of control to ensure that Budget received final Approval by an Appropriate Authority

The data gathered from the respondents with regards to the above question from table 4.5 indicated that majority of the respondent strongly disagreed that the internal audit unit review established control procedures to ensure that budget received final approval by an appropriate authority. This had the highest percentage of twenty-eight (28%) representing fourteen respondents. It follows by second highest of twenty-four (24%) representing twelve respondents who said there were unsure whether the internal audit unit plays this role within the institute. However, six respondents representing twelfth per cent (12%) strongly agreed to the accession whiles ten respondents representing (20%) agreed that internal auditors of the institution do review established procedures of control to ensuring that budget usually received final approval by an appropriate authority of the institute.

Table 4.5: Budget received final Approval by an Appropriate Authority

RESPONSES	FREQUENCY	PERCENTAGE (%)
Strongly Agreed	6	12
Agreed	10	20
Unsure	12	24
Disagreed	8	16
Strongly Disagreed	14	28
TOTAL	50	100

Sources: Field Research Work, June 2015.

Internal Auditors review established Procedures of control to ensure that appropriate budget information is distributed to managers of the institute

Table 4.6 of the study revealed that, majority of the respondent disagreed to the accession that the internal audit review established procedures of control to ensure that budget information is appropriate disseminated to the individual managers accountable for meeting the budgetary destinations and to staff in charge of observing spending plan execution. This translated as 16 respondents representing (32%) and eight respondents representing (16%) strongly disagreed to this accession. Moreover, thirteen of the respondents representing (26%) which happen to be the second highest were unsure as to whether the audit unit plays this role within the institute. However, ten respondents representing (20%) of the total respondents agreed and three respondents representing (6%) strongly agreed to the accession that internal auditors review established control procedures to ensuring that appropriate budget information are distributed to parties that are concerned.

Table 4.6: appropriate budget information is distributed to managers of the institute

RESPONSES	FREQUENCY	PERCENTAGE (%)
Strongly Agreed	3	6
Agreed	10	20
Unsure	13	26
Disagreed	16	32
Strongly Disagreed	8	16
TOTAL	50	100

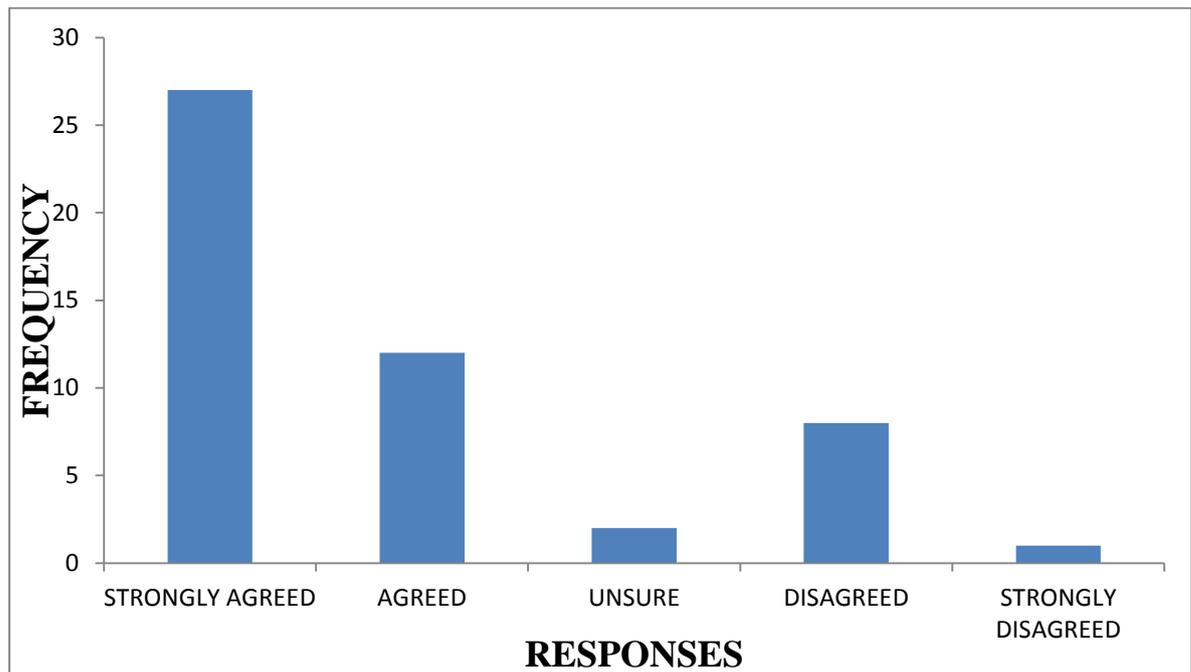
Sources: Field Research Work, June 2015.

4.2.2 BUDGET PERFORMANCE MONITORING

Internal Auditors review established Procedures of control to ensure that actual performances are compared to budget and variances identified reported thereon

Figure 4.3 of the study presents the responses to statements on the auditing procedures to ensure budget performance monitoring. Respondents strongly agree with the highest percentage of (54%) representing twenty-seven respondents and twelve respondents representing (24%) agree that internal auditors reviewing of established procedures of control to ensure actual performance is periodically compared to budget and that variances are identified and reported subsequently. Additionally, two of the respondents were unsure as to whether internal auditors do perform this function. However, eight respondents representing (16%) of the total respondents disagree with this accession that internal auditors do review the established procedures for control to ensure that actual budget performance is compared with budget projections and any variance identified is reported thereon to appropriate authority of the institute.

Figure 4.3: Budget performance monitoring

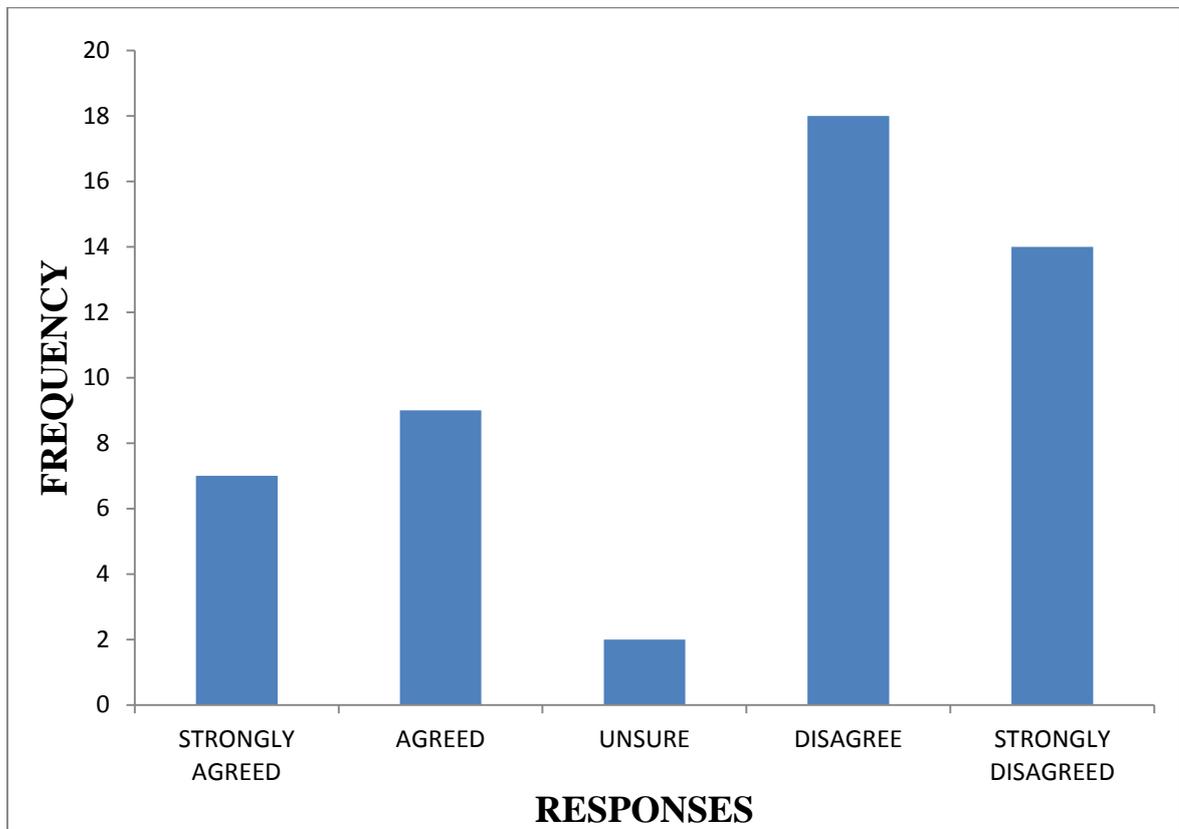


Sources: Field Research Work, June 2015.

Internal Auditors review established Procedures of control to ensure that all corrective actions are identified and subsequently implemented in a timely manner

Figure 4.4 of the study revealed that, majority of the respondents disagreed to the accession that internal auditors review established procedures for control to ensure that all possible corrective actions stay identified and subsequently implemented in a timely manner. More than half of the respondent, sixty-four per cent of the total respondents disagreed and strongly disagreed to this accession that is (36% and 28%) respectively. However, nine respondents representing (18%) of the total respondents agreed to this accession whiles seven respondents representing (14%) strongly agreed to the statement. Finally, two respondents representing (4%) were equally unsure as to whether internal auditors perform this function within the institute.

Figure 4.4: Budget corrective actions are identified and implemented in a timely manner



Sources: Field Research Work, June 2015.

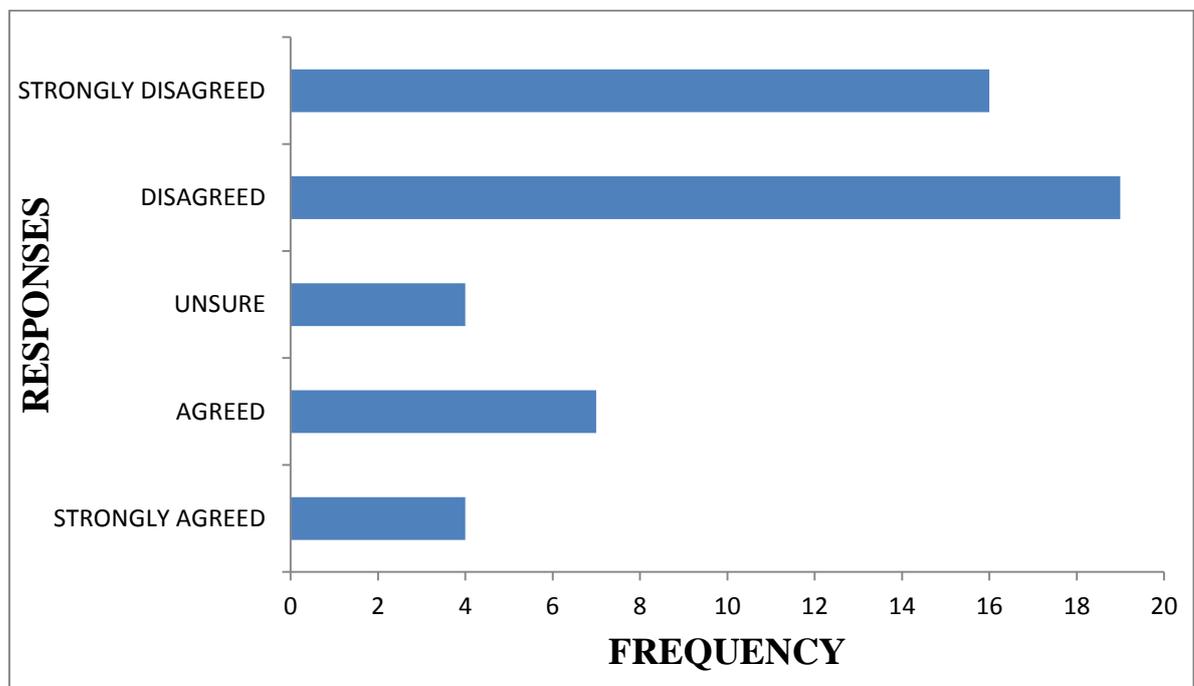
This result suggested that, Internal Auditors ensures that during budget performance monitoring, budget variances that occurred during budget implementation are identified and reported. This would make the Institute budgets predictable and effectively controlled during execution. The result also indicates that effecting corrective measures in timely manner to variances identified is overlooked during auditing of budget control measures.

4.2.3 BUDGET REVISION

Internal Auditors review established Procedures for control to ensure that any revision made to approved budget are justified

Figure 4.5 shows the responses on the involvement of internal auditors in reviewing established procedures for control for the budget revision within the institute. Majority of the respondents disagree and strongly disagreed respectively with the accession that internal auditors review established procedures for control to ensure that any revisions made to approved budgets are justified. From the study, Thirty eight per cent of the respondents (38%) strongly disagreed and thirty-six per cent (36%) disagree respectively to that accession. However, seven respondents representing (14%) agreed to the accession whiles four respondents representing (8%) strongly agreed. Finally four of the respondents representing (8%) of the total respondents were unsure as to whether the internal auditors in the institute plays this role.

Figure 4.5: any revision made to approved budget are justified

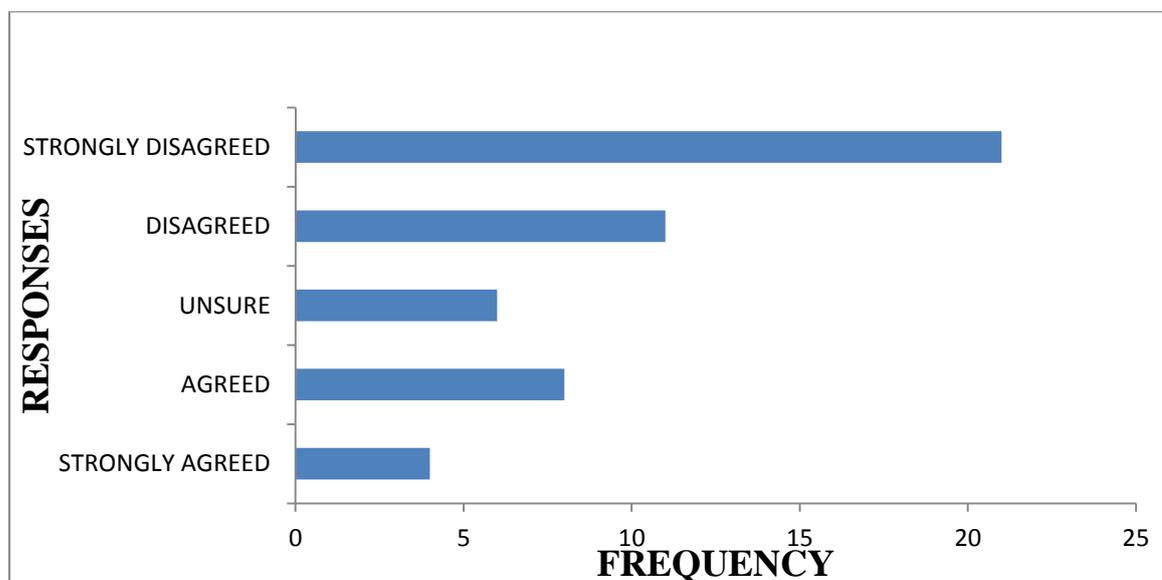


Sources: Field Research Work, June 2015.

Internal Auditors review established Procedures of control to ensure that once the need for budget revision established, it is made in a timely manner

Figure 4.6 shows the responses on the involvement of internal auditors in reviewing established control procedures for ensuring that once the need for a budget revision is established within the institute, it is made in a timely manner. Majority of the respondents disagree and strongly disagreed respectively with the accession. From figure 5.6, twenty-one respondents representing (42%) strongly disagree while eleven respondents representing (22%) disagree that internal auditors review established control procedures to ensure that once the need for budget revisions are established, there are made in timely manner. However, eight respondents representing (16%) agreed while four respondent representing (8%) to that accession. Finally, six respondents representing (12%) were unsure. This suggests that internal auditors hardly audit established control procedures for budget revision. Effective budget performance monitoring is likely going to be compromised.

Figure 4.6: once the need for budget revision established, it is made in a timely manner



Sources: *Field Research Work, June 2015.*

4.3 THE INPUT OF THE INTERNAL AUDIT UNIT OVER BUDGETARY CONTROL IN THE INSTITUTE.

How often does Internal Auditors conduct compliance with budget laws, regulations and other policies audit service?

Table 4.7 shows budgetary control services offered to the Institute by the Internal Audit Unit. Respondents indicated that Internal Auditors mostly provides compliance with budget laws, regulations and policies of the audit services in the institute. Those respondents who were of the view that internal auditors always provide these services were 23 representing (46%) of the total respondent. Again in the same way, seventeen of the respondents believed very often to the statement. However, six respondents representing (12%) were of the view that, the internal audit unit rarely undertakes this activity within the institute. Additionally, three respondents representing (6%) such activity had never been taken care of by the internal audit unit. Only one of the respondents representing (2%) of the total respondents believe sometimes the internal auditors do carry this important function in the institute. Internal audit as an internal control mechanism can help to advance governance process by concentrating on in what way values are established and the means to achieving them. There is generally strong believed from majority of the respondents that internal audit unit are doing well in this category.

Table 4.7: compliance with budget laws, regulations and other policies audit service

RESPONSES (%)	FREQUENCY	PERCENTAGE
Always	23	46
Very Often	17	34
Sometime	1	2
Rarely	6	12
Never	3	6
TOTAL	50	100

Sources: Field Research Work, June 2015.

How often does Internal Auditors conduct risk management audit service?

Table 4.8 relates to data gathered from the respondents over the statement that internal auditors conducts risk management audit services in the institute. Approximately nine and six respondents representing (18%) and (12%) Very often and Always respectively to the accession that internal auditors does conduct risk management audit service to the institute. However, seventeen respondents representing a whopping (34%) of the total respondent believe Sometimes important function of the internal audit activity is been carried in the institute. Additionally, fourteen respondents representing (28%) which happened to be second highest Rarely believe this accession and finally four respondents representing (8%) Never believe this accession. The main objective for the established of the Internal Audit Agency through the passage of the Internal Audit Agency Act, 2003 (Act 658) is to ensure that risks are managed adequately within the MDAs and MMDAs. Narrowing this objective down to the Institute as indicated from table 4.8, the Internal Audit Unit had paid little attention to risk management services to ensure budgetary control in the institute. This finding is in spite of overviews by KPMG in the US (KPMG, 1999) which recommend that, when all is said in done, internal

auditors are more hopeful about the degree of their potential commitment to risk assessment and management than the senior administrators or public sector officers.

Table 4.8: How often does Internal Auditors conduct risk management audit service?

RESPONSES (%)	FREQUENCY	PERCENTAGE
Always	6	12
Very Often	9	18
Sometimes	17	34
Rarely	14	28
Never	4	8
TOTAL	50	100

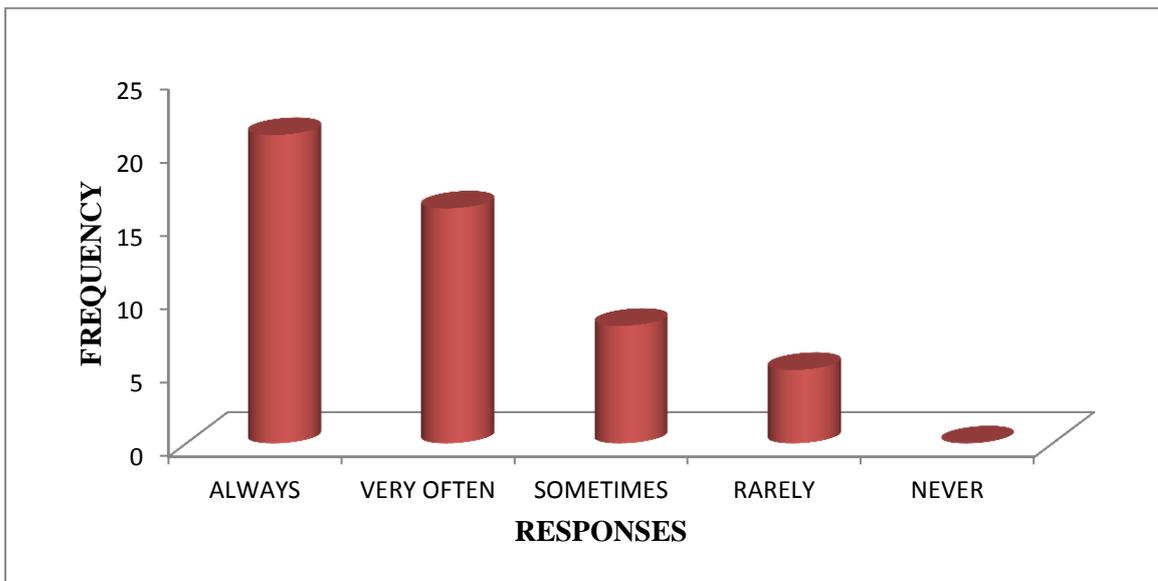
Sources: Field Research Work, June 2015.

How often does Internal Auditors conduct effectiveness of internal control audit services?

Figure 4.7 shows budgetary control services offered to the Institute by the Internal Audit Unit. Respondents indicated that Internal Auditors mostly conducts test to check the effectiveness of the internal control system in operation within the institute. Majority of the respondents believed Always and Very often that the internal auditors do conduct test on the effectiveness of the internal control system in operation for the institute. Exactly twenty-one of the respondent believed Always whiles sixteen respondents believed Very often to the rate of test over effectiveness of the internal control system in the institute. However, eight respondents believed Sometimes and five Rarely believed that the internal auditors conduct test on the efficiency of the internal control mechanism of the institute. However, none of the respondents believed to the

contrary of this service been provided by the internal audit unit. Effective internal control system will eventually leads to credible generation of report be it financial or otherwise from the organisation. This responds gave a very good indication of the internal audit checks for operations of the internal control system in place in the institute.

Figure 4.7: conduct effectiveness test of internal control audit services?



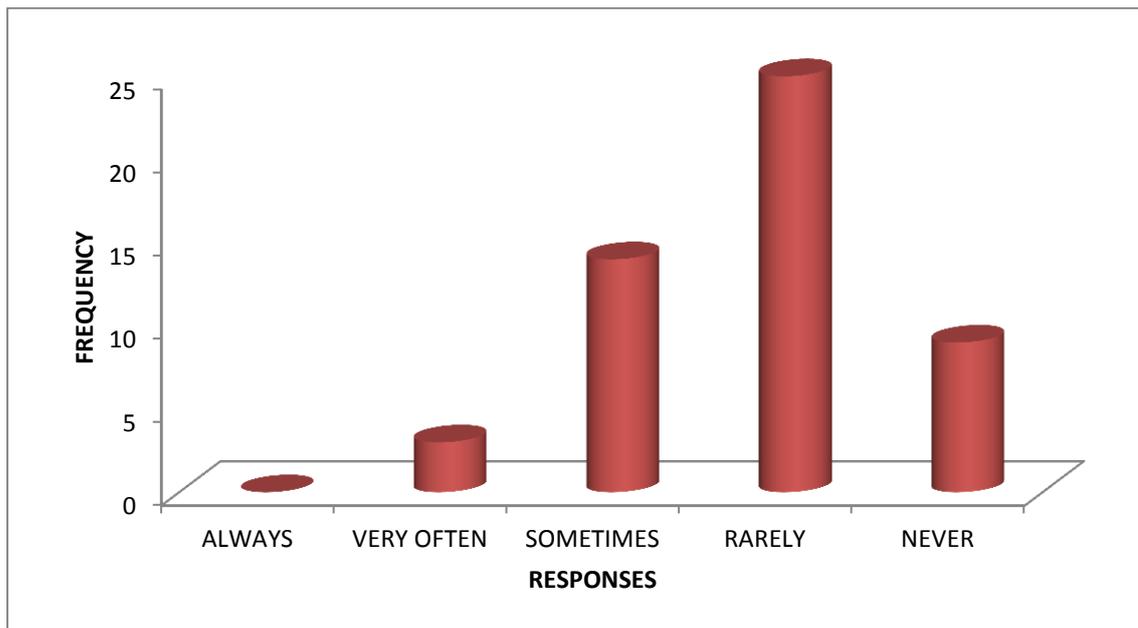
Sources: Field Research Work, June 2015.

How often does Internal Auditors conduct training workshops on budget audit procedures and internal control?

Figure 4.8 relates to data on internal audit unit conducting training workshops on budget procedures and the internal control mechanism within the institute. In late time, training or preparing costs are ordinarily regarded as costs as opposed to ventures (Hope and Frazer, 2003). The Internal Audit Unit of the institute needs to conduct training workshops on budget and audit procedures for financial and internal audit managers. Training or Preparing is likewise an imperative route in which auditors are assisted with the distinguishing proof and appraisal of dangers or managed different issues (Page and

Spira, 2004). The Absence of training on budget and audit procedures could accounts for the low risks assessment and management among the officers involve in control of budget within the institute.

Figure 4.8: conduct training workshops on budget audit procedures and internal control?



Sources: Field Research Work, June 2015.

4.4 FACTORS THAT AFFECT SERVICES PROVIDED BY INTERNAL AUDIT UNIT TO THE INSTITUTE

Independence and Objectivity of the Internal Audit Unit

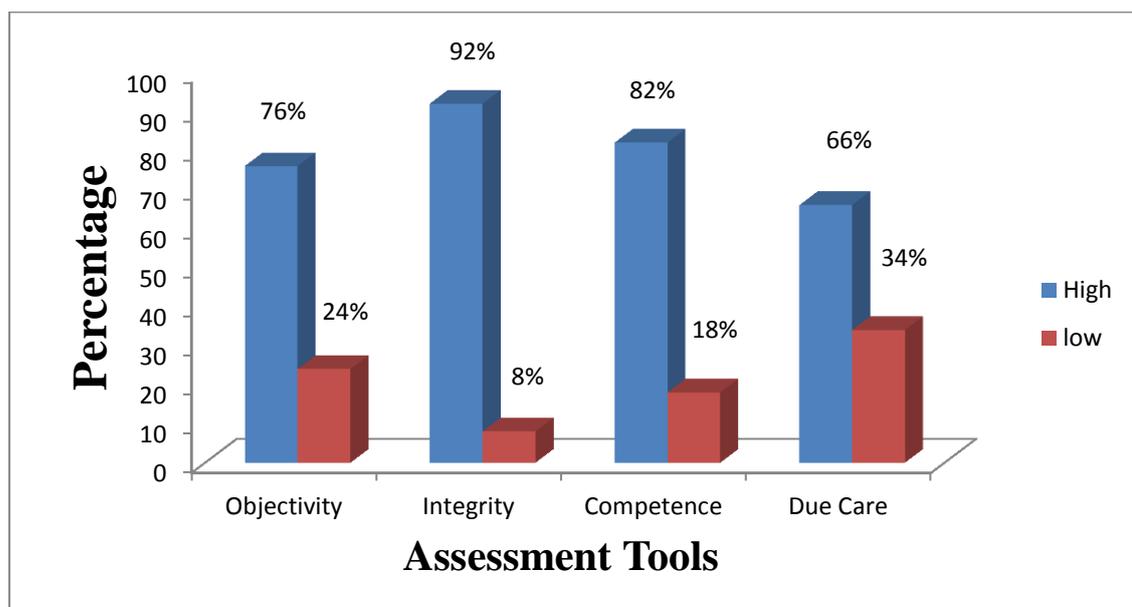
Whether it is reassurance activities gave by internal auditor attempting to a given organization, outsourced internal auditor affirmation exercises with insignificant internal auditor contribution, both autonomy and objectivity stay essential for internal auditor and the internal auditor capacity. Unmistakably internal auditing is a calling,

worth including and powerful certification administrations offered by inside evaluators oblige objectivity, trustworthiness, skill, and the utilization of due consideration.

The independence of internal audit is hence an essential component in its case to expert status and can be portrayed in different ways: operational autonomy from administration forms, autonomy of reporting line and autonomy as a singular's perspective.

Fogarty and Kalbers (2004), in any case, watched that organisations ought to likewise be mindful that internal auditor's confronts the test of role conflict and that endeavors to take out the role conflict ought not deny internal auditors the very substance of their parts in the organisations. The same could be said in this study as the finding does not repudiate Fogarty and Kalbers.

Figure 4.9; Independence and Objectivity of the Internal Audit Unit



Sources: Field Research Work, June 2015.

From Figure 4.3, majority of the respondent with 76% to the total respondent agreed with the assessment that auditors within the institute exhibits objectivity in the cause of the work while 24% of the respondents disagree with this assertion and for that matter believed that the auditor exhibits low objectivity when it comes to independence of the Auditor. Integrity is an uncompromising adherence to a code of good values, and the evasion of double dealing. The respondents rather believed that the integrity of the auditor to be high with 92% while 18% of the respondent believed same to be low when it comes to the integrity of the Auditor. Competence means having the insight, instruction, and preparing to have the capacity to include esteem through execution. Competence originates from long and serious planning, incorporating direction in aptitudes and strategies and insightful standards basic the abilities and systems and the dedication to proceeded with studies. The respondents generally agreed and ranked the internal auditors high with 82% as been competence as far as their work is concerned while 18% of them ranked them low on their competence as far as auditing is concerned. Professional standards are generated “by force of organization or concerted opinion” and lead to the use of due care. The utilization of due consideration has numerous segments and obliges that consideration be paid not just to the way of the expert administrations performed additionally to the way in which they are performed. 66% of the respondents highly ranked the internal auditors as those performing their work with due care within the institute and a whopping 34% of them rather believed that the internal auditors rather exhibits low due care when it comes to audit work in the institute.

Misconception about the work of the Internal Auditor by other staff

Respondents also reported the need to reframe perceptions of internal audit within the institute and with accompanying operational changes. One of the respondents briefly put it this way: people always think that they know what internal audit is about, and generally it is nothing like what it is about, [like] thinking that you are there to catch them out and trip them up. Some people said “Why do you need to look at this and why do you need to look at that”, I think they see us as an obstacle to get over at times.

Other factors

Most of the respondents especially from the Audit unit mentioned other factors to include aptitudes of staff, welfare of staff and logistics. Respondents also stated that provision of on-site backing to the Internal Audit Units (IAU), preparing and enrollment of value internal auditor staff could help enhance budgetary control activities offered to institutions in public sector.

CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

5.1 Summary of major findings

Internal Audit Unit plays an important role within the Institute as there is total submission with budget rules and regulations in relation to the institute strategic plan. The internal auditors see to it that budget of the Institute are been prepared in line with the Institute strategic and long-range plan. The implication of this is that, resources allocated were in line with the strategic policy of the Institute and this will go a long way to aid the Institute to achieve it target.

There is always strong link between policy formulation and implementation. If a good policy is formed without implementing, it will still not prove to be relevant. The internal audit unit had concentrated too much on the policy formulation in budgeting of the Institute to the detriment of its implementation. The auditor hardly audit established control procedures for budget revision within the Institute. This could relatively affect the long-range policy attainment of the organisation. There are little checks on control procedures for budget revision by the internal audit unit of the institute.

Organisations undertake a budget review at least monthly but certainly quarterly. This is to see if the budget is being followed, identify any areas where the budget is facing issues and put in place measure to fix shortfall. It is good practice to review on a regular basis so that any unforeseen issues are responded to in a timely manner. The internal audit unit of the Institute had failed to review established control procedures over budget revision in the Institute.

Auditors measure the sufficiency of control within the environment and corporate governance viability of procedure to recognize, survey, and oversee hazard, the affirmation gave by control strategies, methodology and exercises, the culmination and exactness of data and correspondence framework and practices. The internal audit unit of the Institute according to the findings of the study does not play this important role very well. The unit needs to back up on the risk management audit services it provides to the Institute.

Auditors provides understanding to assist decision-makers by evaluating which programs and policies are achievable and which are not, sharing best practices and benchmarking information. It looks across governmental organisations both horizontally and vertically and between the levels of government to find prospects to derive, adjust, or re-engineer management practices. These and many other services provided by the auditors are possible with the existence of effective internal control, ethics and training on budget procedures. The study shows that the internal audit unit of the Institute has been effective and efficient in improving the governance process. The implication of which is helping the Institute to look onward to try and identify threads and bringing attention to developing challenges before they become crises.

Integrity, Accountability and Independent are three most important assets that the internal audit has in providing values to overseeing bodies and senior administration as a target wellspring of free exhortation. The internal audit unit has handled this function very well in the Institute and this will go a long way to boosting the staff moral within the unit.

Internal auditing is a value-adding and effective assurance services offering profession. For that matters, the internal auditors require absolute objectivity, integrity, competence, and the use of due care. The autonomy of internal auditor is in this way a vital element in its case to expert status and can be portrayed in different ways: operational freedom from administration forms, autonomy of reporting line and freedom as a singular's perspective. It was clearly established that the integrity, competence and objectivity of the internal auditor within the institute is high and these are very crucial in ensuring the effectiveness of services provided to the institute. The independence of the internal audit unit had been proved to be high. The implication of this test is to prove that the internal audit unit of the institute had been professionally independent.

5.2 Recommendation

- From the results obtained in this study, Internal Audit Unit and for that matter the National Vocational Training Institute as a whole must pay attention to the following to enhance its budgeting and budgetary roles in the its financial management system.
- Budget revision control procedures; this will help the unit to effectively monitor budget performance as a result of likely data inaccuracies and also give meaningful justifications for any revision of budget during its execution.
- Training or workshops on risk management audit must be conducted to ensure that officers of the Institute are mindful of the risks they faces, makes informed judgments in managing these risks, and recognizes and attaches potential opportunities. Training on budget and audit procedures must be conducted to ensure that organisations adhere

to laid down procedures and failure to comply with these procedures may be treated as breach of financial discipline. Ministry of Finance should organize Seminars/workshops to educate management and staff of the Institute on the roles of the Internal Audit Units to aid in avoiding role conflicts within the institute.

- The Internal Audit Agency ought to intensify their on-site support programme for the Internal Audit Units. This will go a long way to increasing the capacities of Internal Auditors in the Institute on budgeting and budgetary controls. Quality assurance processes in the institute should be firmly adhered to by the Institute. This would help Internal Audit Unit to conform to the various operating standards and regulations of the internal audit profession. The Internal Auditors should plan and perform their audit procedures, evaluate and report on the results thereof and recognizing that non-compliance by the Institute with financial regulations amount to financial indiscipline as stipulated by the Financial Administration Regulation.
- The increasing supervisory focus on internal controls mechanism and corporate governance will require supervisors to take account of the views of internal auditors. The increasing sophistication of control and risk management systems requires the expertise of internal auditors. The institute must therefore tap these important resources from its internal audit unit.
- This study was carried with the National Vocational Training Institute in mind or as the case study. NVTI as a public institution established by an act of parliament to training and training programmes for industrial and clerical workers as well as as

apprenticeship in in-plant training. A public sector institution with different objective could be used.

- The population should be extended to cover the entire organizations and not only two regions as in this case to foster proper analysis and conclusion
- Other appropriate methods of data collection other than questionnaire or in addition to question should be used in subsequent studies.

5.3 Conclusion

The broad objective of the study was to observe and describe the current practices and involvement of the Internal Audit Unit on budget and budgetary control in public sector institutions with the National Vocational Training Institute as the case study. In addressing this objective, Management, Staff of the Internal Audit Unit, Finance and budget officers of the National Vocational Training Institute in the Head office at Accra and two other NVTI Institutions in Greater Accra and Ashanti Region was chosen for the study.

In a determination to investigate the broad objective of the research, some specific objectives were explored. This included to identify the current practices of the Internal Audit Unit in budget and budgetary control within the Institute; to also examine the type of services offered by Internal Audit Unit with regards to budget and budgetary control within the Institute; and finally to identify factors that affect the services provided by the Internal Audit Unit to the Institute . The study was a fact-finding one, so for that matter, the researcher made use of primary data which include staff

interviews unstructured and structured questionnaires administered to the Management, Budget officers, Audit Officers and the Accounts officers of the National Vocational Training Institute in the Greater Accra and Ashanti region of Ghana. The secondary data gathered included strategic policy guideline, annual, biannual and quarterly performance report generated by the Institute. Responds received from the respondents was coded and analysed using tables, charts, graphs, scale, mean range, frequencies and percentages in demonstrating the responses that was gained from the respondents in the study. Qualitative and quantitative methods of investigations were engaged in the analysis and interpretation of data gathered for the study. Based upon the analysis and their interpretations, conclusions was drawn and recommendations given.

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APPENDICES

QUESTIONNAIRE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,

KUMASI

SCHOOL OF GRADUATE STUDIES

TOPIC: BUDGET AND BUDGETARY CONTROL IN THE PUBLIC SECTOR
INSTITUTIONS- THE ROLE OF THE INTERNAL AUDIT UNIT. THE CASE OF
N.V.T.I

This questionnaire as designed is to enable me collect data for a research to be carried out on the role of Internal Auditors with regards to budget and budgetary control in public sector institutions, the case of National Vocational Training Institute. You are required to produce accurate information as possible. The confidentiality of such information is guaranteed as the results are purely for academic purposes.

PLEASE TICK OR FILL WHERE NECESSARY

BACKGROUND INFORMATION

1. Name of Department.....

2. How long have you work with the Institute?

[a] 0-5 years [b] 6-10 years [c] 11-15 years [d] 16-20 years [e] 21 years and above

3. Current Job Title/Position.....

4. How long have you been in your current position?

[a] 0-5 years [b] 6-10 years [c] 11-15 years [d] 16-20 years [e] 21 years and above

5. Current Qualification

[a] A level/SSCE [b] HND [c] Degree [d] Post Graduate [e] Professional
Cert.

**CURRENT PRACTICES OF THE INTERNAL AUDIT UNIT IN BUDGET AND
BUDGETARY CONTROL IN THE INSTITUTE**

A. Preparation of budget

Auditors review established control procedure.....

6. That budgets are prepared for appropriate time periods and in areas relate to the
core-functions of the institute

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

7. That budgets are prepared in timely manner.

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

8. That cost-control or other budgetary objectives are consistent with strategic
objectives of the institute.

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

9. That the integrity of the budgeted amounts perspectives of both upper and lower
individual managers.

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

10. That budget receives final approval by an appropriate management level.

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

11. That appropriate budget information is distributed to individual managers responsible for meeting budgetary objectives and to personnel responsible for monitoring performance.

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

Budget Performance Monitoring

12. Auditors review established control procedures to ensure.....

Actual performance is periodically compared to budgets, and that variances are identified and reported.

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

13. That all possible corrective actions are identified and implemented in a timely manner.

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

14. That all variances clearly identified are brought to the attention of management

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

Budget Revision

Auditors review established control procedures to ensure that

15. That any provisions made to approve budgets are justified

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

16. That once the need for a budget revision is established, it is made in a timely manner.

[A] Strongly Disagreed [B] Disagree [C] Unsure [D] Agree [E] Strongly Agreed

EXAMINE THE TYPES OF SERVICES OFFERED BY THE INTERNAL AUDIT UNIT IN TERMS OF BUDGETARY CONTROL WITHIN THE INSTITUTE

How frequent does the Internal Audit Unit conduct.....

17.compliance with budget laws, regulations and policies audit services?

[A] Never [B] Rarely [C] Sometimes [D] Very Often [E] Always

18.risk management on audit services?

[A] Never [B] Rarely [C] Sometimes [D] Very Often [E] Always

19.effectiveness of internal control audits services?

[A] Never [B] Rarely [C] Sometimes [D] Very Often [E] Always

20.ethics and fraud audit services?

[A] Never [B] Rarely [C] Sometimes [D] Very Often [E] Always

21.training workshops on budget and audit procedures and internal controls?

[A] Never [B] Rarely [C] Sometimes [D] Very Often [E] Always

22. Mention and indicate the frequency of other audit services offered by the Internal Audit?

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**FACTORS THAT EFFECTIVELY AFFECT SERVICES PROVIDED BY THE
INTERNAL AUDIT UNIT/DEPARTMENT OF THE INSTITUTE**

23. Which factors do you think affect the effectiveness of service offered by the Internal Audit?

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24. How can the services offered by the Internal Audit Unit on budgetary control be improved?

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