

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

INSTITUTE OF DISTANCE LEARNING

Financial Controls, Institutional Quality and Public Funds Management

[The case of Municipal, Metropolitan and District Assemblies in the New Juaben South

Municipality of the Eastern Region of Ghana]

BY

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DECLARATION

I hereby declare that this submission is my own original work towards the award of the MSc Accounting and Finance, and therefore, to the best of my knowledge, it contains no material already published by other person(s), or any material which has been accepted for the award of any other degrees of the university or elsewhere, except where due acknowledgement has been made in the work.

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DEDICATION

I dedicate this academic work to my dearest husband Mr Francis Agyen and my children Juanita Ayeyi Agyen and Jochebed Nkunim Agyen for their prayers, advice and support toward the successful completion of my study.

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God bless each and every one of you richly.

ABSTRACT

Prior studies point to the fact that there are no enough studies on the internal controls, institutional quality and funds management within the public financial sector in the sub region and in Ghana. This study therefore situates the context of financial controls on quality of public sector funds management in the presence of mediating roles of institutional specific factors. Results from data analysis of the exploratory survey design adopted through the judgmental sampling technique from a sample size of hundred (100) respondents reveals that existence financial control system, implementation of audit findings, risk assessment of internal control systems, among were found to be significant

influential factors of institutional quality. Therefore, these control factors including others that may be derived should form the basis of achieving institutional quality since financial controls can lead to institutional quality and that, institutional specific factors can be relied upon in the realization of the quality of public funds management. The study's conclusions suggest that stakeholders should explore additional financial control practices to improve public funds management quality and as well as exploring institutional specific factors alongside financial control factors to expand the relationship between these factors and the quality of funds management.

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LIST OF ABBREVIATIONS

AG - Auditor General

ANOVA – Analysis of Variance

CEO - Chief Executive Officer

COSO - Committee of Sponsoring Organisations of the Threadway

HND – Higher National Diploma

OECD – Organisation for Economic Cooperation and Development

PC – Personal Computer

PETS- Public Expenditure Tracking Survey

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QUESTIONNAIRE **Error! Bookmark not defined.**

CHAPTER ONE

INTRODUCTION

1.1 Background of The Study

Public funds management through the application of prudent financial controls and quality of Institutions are one of an economy's most important productivity and growth support mechanisms. One of its primary missions, public funds management act as a conduit for important financial resources, which may be defined as the lifeblood of an economy's productive sectors, to be funnelled to crucial sectors of an economy to guarantee long-term growth and development (Haini, 2020). There is therefore the need for financial controls coupled with the quality of institution with regard to their actions have the potential to impact the productive sectors of an economy as well as general growth and development through effective and efficient public fund management (Bulgari, 2019; Gambetta *et al*, 2021). These financial controls constitute a critical part of quality of public sector funds management as it basically encompass the key elements of controlling and managing of public funds with particular reference to how it should be used and accounted for to satisfy existing financial regulations (Jaara, 2021).

Financial controls efficiency their actions to eventually affect productive areas of an economy and overall growth and development. Whilst institutional quality on the other hand focuses on growth-enabling principles of the institution particularly amid situations of unfavourable operational shocks that have a negative impact on efficiency among public funds management (Caglayan and Xu, 2019). Also, institutions become constraint which

tend to have detrimental influence on an economy's growth trajectory if the shocks are found to be inimical to institutional quality practices and financial control practices (Baum *et al*, 2021).

Furthermore, Aluko (2020) establishes that financial control quality affects funds management in two fundamental ways. The first is the fact that it focuses on funds management efficiency and how the funds impact the quality of institutions of growth and development of the institutions which transcend into macroeconomic achievements. This has a relationship on the developmental focus of the entire financial sector of the economy. Funds management therefore is positively influenced by the quality of institution and the financial control practices.

Caglayan and Xu (2019) argue that public fund management is influenced by the quality of governance institutions and macroeconomic uncertainty by concentrating on the quality of institutions via operational efficiency of financial controls. Empirical analysis is also carried out to investigate the impacts of additional unique variables connected to this, which are either created or econometrically generated particularly for the many interactions confirmed in the study. These included institutional quality variables such as an indicator built particularly for this study utilizing the principal component analysis (PCA) method. The factors involved in the building process differ from those found in previous research (Baum *et al*., 2021; Jaara, 2021).

Hayat, Liu, and Itbar (2021) investigate the role of institutional quality in reducing carbon emissions. The authors suggest that renewable energy use and foreign direct investment inflows increase environmental quality while financial development and economic

growth degrade it, based on data from a worldwide panel from 2002 to 2019. In the panel data for numerous nations' quality institutions, the institutional quality interaction term indicates the significant moderating impact of all explanatory factors on environmental quality.

Finally, the reports of the Auditor General (2021; 2020; and 2019) reveals the existence of varying forms and degrees of financial irregularities within Ghana's public sector largely attributable to weak financial controls and quality of institutional mechanisms. There is therefore the need to empirically explore the relationship of financial controls, institutional quality and public funds management within the public sector of Ghana.

Lastly, the existing studies reveal that the subject matter of financial controls, institutional quality and public funds management have been dealt with, however, under different circumstances and jurisdiction, particularly regarding the developed economies and also at the Sub-Saharan African countries level. This research seeks to investigate and assess the efficiency of the financial controls, institutional quality and public funds management with the aim to ensure optimum administration and associated benefits of financial resources.

1.2 The Problem Statement

Prior studies by Osafo (2021), Indeche, et al. (2022), Maake (2020), Muthamia (2021) reveal varying relationship and conclusions with regard to internal controls, institutional quality and public fund management as a result of examining them with different variables, contexts, focus and jurisdictions. Similarly, Indeche, et al. (2022) finds that budgeting rather significantly affects funds management even without moderating variables. Atif, Elyas, Liaqat and Hussain (2019) examines the finance nexus through the incorporation of

the significance of institutional quality in terms of lowering carbon emissions. The authors suggest that renewable energy use and foreign direct investment inflows increase environmental quality while financial development and economic growth deteriorate it, based on data from a worldwide panel between 2002 and 2019. However, the institutional quality interaction term supports the considerable moderating influence of all explanatory factors on environmental quality in the panel data. The empirical studies reviewed point to the fact that there are not enough studies on the internal controls, institutional quality and funds management within the public financial sector in the sub region and in Ghana, whilst the few existing ones rather focus on the relationship with other variables of interest such as Auditor General Report and budget (Indeche, et al, 2022; Maake, 2021). This tends to have a rippling effect on policy decisions regarding internal controls, institutional quality and public funds management. Atif et al (2019) recommends that politicians and academics value institutions' ability to generate credible estimates and policy inputs regarding funds management. This study therefore situates the context of prudent public funds management with respect to internal controls and institutional quality.

1.3 The Research Questions

The following questions arise from the research problem that warrants answers and for that matter posed as follows to direct the focus of this study.

1. What is the relationship between financial controls and quality of public funds management?
2. What is the relationship between institutional specific factors and public funds management?

3. What is or are the effect of the institutional specific factors on the relationship between financial controls and quality of public funds management?

1.4 The Objectives of the Study

The objectives of this study are categorized into two (2) main forms which include the general and specific objectives and stated as follows:

1.4.1 The General Objective

The general objective of this study is to examine the effect of financial controls on quality of public sector funds management in the presence of mediating roles of institutional specific factors.

1.4.2 The Specific Objectives

The specific objectives of the study include:

1. To examine the relationship existing between financial controls and quality of public funds management.
2. To examine the relationship between institutional specific factors and quality of public funds management.
3. To determine the role of institutional specific elements in the link between financial controls and quality of public funds management.

1.5 Research Methodology Overview

As far as this study is concerned, the methodology that will be employed in the conduct of this study includes the exploratory survey design, which will enable in-depth exploration of information regarding the subject matter. This approach will allow the relevant primary data to be collected from the prospective respondents selected through the purposive or judgmental sampling technique from a sample size of hundred (100) out of the population. The instrument for the data collection shall be the structured questionnaire. Data analysis will next be used to investigate the numerous relationships and the mediating effects of the variables using both descriptive and inferential statistical techniques such as means, medians, standard deviations, partial least squares regression, and correlation analytical approaches.

1.6 Significance of The Study

Fund management within the public sector is significant within the framework of optimum financial resource mobilization and allocation. In this regard therefore, the research is significant in adding to the amount of current knowledge or literature in the field of public sector financial management and control of funds, thereby bridging the literature gap that has been identified from the literature search as far as the problem statement is concerned. Thus, the study will serve as a reference material for academia.

Another significance of this study is the fact that it will serve as a means of strengthening the existing a regulatory framework designed to ensure that public entities handle their finances in an efficient, productive, and cost-effective manner and therefore will serve as a platform for assessing the quality of management and control practices of finances in the public sector.

The study will further assist in the formulation of other new policies framework(s) for future use particularly based on the mediating characteristics and variables in the efficient control and funds management within the public sector. This thus leads to availability of financial resources that will emanate from efficient financial management approach.

1.7 Limitations of The Study

The study is limited in scope and coverage due to resource and time constraints. Financial limitations compel this research to be limited to only a few public institutions, thereby limiting the coverage of the study. As a result, therefore, the financial control systems and as well as the quality of funds management within the public sector will only be examined in relation to selected public sector organizations within the New Juaben South Municipality largely comprising of Municipal, Metropolitan and District Assemblies (MMDAs).

1.8 Structure of Chapters

The research is divided into five (5) major chapters. These are chapter one, chapter two, chapter three, chapter four and chapter five. Chapter one which is the first contains the introduction as the main heading with its content being the study's context, the issue description, the research questions, the study's general and particular objectives, relevance, among others. The second chapter examines relevant related literature review, where relevant theories, concepts, and empirical issues have been examined to support the study. Chapter three on the other hand follows deals with the study methodology by describing study design employed, the study population, sampling and sample size determination, methods of Data gathering, data sources, and data analysis methods. The fourth part looks

at the analysis and discussion of the results, while the last chapter provides a summary of the primary findings, conclusion, and suggestions.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter critically takes a review of relevant literature consisting of conceptual, theoretical, and as well as empirical as indicated as follows.

2.1 Conceptual Review

2.1.1 Internal control system of organization

As a method of responsible financial control and organizational management, proper benchmarks are necessary to examine the efficacy of processes, the dependability of accounting data, and adherence with regulations and guidelines in any firm. The Treadway Commission Committee of Sponsoring Organizations (COSO) is indeed a determined private entity aimed at delivering direction on authoritative administration, company ethics, internal control methods, board risk undertaking, misrepresentation, and budgetary detailing (Nor et al, 2019). Both companies of all sizes adopt the standard internal management model developed by COSO. As a consequence, the guiding principles created by COSO were used in this study to analyze budgeting dependability, adherence to appropriate legal requirements, and the efficacy and the effectiveness with which the internal control system operates.

The structure of checks and balances that ensures an organization's assets, including financial and non-financial assets, are safeguarded, based on the supply of correct and comprehensive accounting information as a consequence of dependence on an institution's accounting system (Roszkowska, 2021). The system of internal control is a function of accounting with the capacity and obligation intended to guarantee that individuals engaged with dynamic and partners by and large could utilize the data got from a bookkeeping framework with certainty. (Farhan et al, 2023). Without sufficient inward controls, the executives have little confirmation that its objectives and targets will be accomplished (Afsar et al, 2020). Appropriately planned and working inner controls decrease the probability that noteworthy blunders or misrepresentation will happen and stay undetected

(Amiram, 2018). Internal controls additionally help guarantee that all offices are proceeding true to form destined to prompt development and extension.

Internal controls inside a company are often classified as administrative controls, accounting controls, and operational controls. Accounting or financial controls are concerned with the financial accounting for such processes, whereas administrative controls are concerned with the actions of the institution or organization. Various authors emphasize allegedly diverse aspects of an effective internal control system. A capable internal control system, on the other hand, may be divided into eight types. These include institution, separation, organizational monitors, and guidance (Alabdullah, 2021). Other control systems include direct possession, mathematical accrual basis, and cooperation, identity verification, and authorization control techniques.

2.1.2 Financial Control Management

As Abu (2021) refers, the inside control coordinated structure created by COSO in 2013 characterizes the fundamental segments of inward money related control frameworks and gives measures to assessing them inside an establishment. There are five segments of a successful inner budgetary control framework, for assessment of the adequacy of any interior control component. These are the control condition, the chance evaluation, the control exercises, the data and correspondence, and the observation.

2.1.2.1 Financial controls

Money management is a part of and the following limb of the inner framework, aside from regulatory controls, which alludes to the measures put in place to ensure that an organization's budgetary related resources or properties are protected, either from facades

or workers of an organization from any danger at all., regardless of whether by burglary, misfortune or misappropriation, purposeful or something else. These controls are created to give sensible confirmation to the board that the association business destinations will be accomplished and chance forestalled, or recognized and rectified. Furthermore, these management methods are already in compliance with the concepts of effective monetary handles of any foundation, with five essential standards for judging a compelling monetary control arrangement of an organization, including but not limited to the following: Setting up an accounting framework, developing financial policies, managing funds, creating budgetary control and responsibility duties, and auditing are all instances of obligations. Other monetary control and open area supporting the board are also discussed as nitty gritty underneath.

2.1.2.2 Governance

Administration is about the manner in which we deal with our schools, the manner in which we manage partners and the techniques and procedures we set up to meet responsibility and stewardship commitments. The segments of good administration in any frameworks could be grouped into two, either as an inner or outward (Abhayawansa et al, 2021).

The system characteristics of effective democratic accountability are all those connected to investor and board actions and decisions, for example, the constitution as well as enrolment of the governing body and its panels, the structure of offer proprietorship, finance game plans, and the sort of leader pay (Stivers et al., 2023). Then, the outside parts are added,

such as square holders and institutional financial professionals, activists, and outside examiners.

Also, the sheets creation is yet another trademark that impacts the board's presentation. The board composition essentially alludes towards the qualification among both indoors and outdoors chiefs (Kiilu, 2021). Record keeping is another important internal component of a solid administration structure. This is the situation in light of the fact that the viability and effectiveness of the open help including relies on the accessibility as well as access to data stored in records(OECD, 2019). A successful record keeping ought to have strategy and administrative structure to control the administration of understudy records. The third segment of good administration is the presence of an inside review board of trustees, whose job is to check the spending rate so as to ensure that spending is done inside planned evaluations (OECD, 2018). Outer evaluators are expected to keep an eye on crafted by the Internal Auditor to guarantee total consistence on methods, rules and guidelines.

2.1.2.3 Accountability

Responsibility is the process of keeping selected or delegated authorities (accused of an order) holding people accountable for each other's habits and behaviours (Macaulay, 2020), and applying restrictions when determined yields and results are really not communicated. Responsibility implies that local authorities have defined obligations and be held accountable in carrying out those tasks, and if they don't, they face predetermined assents on the basis that there can't be true responsibility without consequences (Wolfe, 2022). It might be addressed from either an execution or a budgetary evaluation standpoint. Absence of responsibility among open authorities can be viewed as a significant contributing variable to the ascent in money related inconsistencies in the open division.

2.1.2.4 Budgeting

Conventional financial plans are arranged with the end goal that things as recorded in the inspected accounts order the pay and use. Then again, program planning endeavours to interface all the assets expected to help a specific program, for example, a specific theme. (Campbell et al, 2018). The main advantages of system planning are that it identifies with aims and yields, as well as emphasizes the future and choice. Program planning reflects an arrangement in the educational context. Planning is critical for managing the directors' financial behaviour by preventing wastage or wild expenditure of funds supplied by various instructional administrations (Libašić, 2018). The explanation is that the administrators of financial plan are constrained to follow the fitting assessment in giving reserves. Planning has the specialized capacity of approving use and fills in as a magnifying instrument in examination of subtleties. Among the prescribed procedures in planning, three of them requires extensive measure of execution exertion. The first is connecting the spending plan to a buy request framework (Barrera-Hernández, 2020). This is fundamental in light of the fact that in numerous organizations administrators push hard to guarantee that their capital and office spending demands are affirmed before those of different chiefs. Therefore, apparently the financial plan is driven by the most politically insightful and very much associated chiefs. The next phase is to transition to an initiative expenditure figure (Lee, 2019). It requires categorizing all expenditures as expense centers, giving these prices to exercises, and taxing the exercises to objects and clients. This method demands a thorough revamp of such spending framework, and the development of a single data graph to mirror the adjustments. The third phase is to design and organize programs (Martin, 2019). This product keeps up a focal database of planning data that is naturally refreshed when clients

enter data. What's more, the product creates formats for information passage use by every office, just as giving all master forma budgetary indicates at the headlines of a catch. The stronger frameworks additionally have work process the board abilities that uncover who have not yet presented a financial plan. Change examination apparatuses issue alerts to the planning staff when submitted planning data surpasses foreordained levels or when other present standards are disregarded.

2.1.2.5 The control condition

The control condition serves as a conduit for the association's moral and ethical behaviour (Wu et al, 2021). It demonstrates an organization's commitment to strong inside controls and legal monetary details (Dewi et al, 2019). It influences either emphatically or adversely the whole association and every single other component in the system. The administering board, CEO and the whole supervisory group all add to making a positive control condition (Kim et al, 2021). In any case, an interior chief supervisor of such divisions exercise power at virtually every departmental level.

2.1.2.6 Information and Communication

COSO partners three rules that highlight the relevance of the kind of data and the sufficiency of correspondence forms for the segment linked with Information and Communication (Lartey et al, 2020) Because managing hazards is the duty of all office leaders, data on known risks and methods for mitigating those hazards should be shared to those who are in charge of mitigating such hazards. The board receives or develops important quality data from sources both public and private, including evaluators, clients,

and sellers, and utilizes it to help the functioning of different internal supervision segments (Weygandt et al, 2020).

Correspondence is the continuous as well as an ongoing process of supplying, exchanging, and receiving critical data. Correspondence might take the form of strategy and technique guides, instructive reminders, or conversational exchanges (Lowenthal & Dunlap, 2018). For lesser items, the majority of correspondence will be verbal., close and personal, and coordinated by the owner or an administrator. The ways by which data is spread all through the connection, pouring up, down, and across the substance, are known as inward correspondence (Spencer, 2020).

To ensure a successful communication, the correspondence architecture should allow data to flow freely throughout the organization, reducing the possibility of incorrect assumptions (DiNapoli, 2010). It is vital to tell all representatives, as part of the data and correspondence architecture, that control requirements must be priority (DiNapoli, 2010). Every representative should be aware of their function within the institutional monitoring system, but also how their own actions connect to those planned by anyone. (DiNapoli, 2010). Representatives must also understand that they have a duty to communicate any flaws they detect in the presentation of their duties.

2.1.2.7 Monitoring of controls

Control observation is a method of evaluating the efficacy of corporate governance execution with time. (Al-Thuneibat et al., 2015) It comprises assessing the control effectiveness on an appropriate premise and implementing important corrective measures (Oliveira & Lopes, 2020). Controls are observed by the board to see if they are operating

as intended and whether they need to be altered to take into consideration modifications (Al-Thuneibat et al., 2015). Observing is significant since inner regulations were also forms that might necessitate changes after some time. This might be performed by routine monitoring and board activities, such as the observation of customer objections as well as on a regular basis check by institutional examiners (Van Loo, 2019).

2.2 THEORETICAL REVIEW

The stakeholder's theory, audit demand theories and fraud theories could be linked to the main themes of this study due to stakeholder's involvement in controls and management, existence of internal and external control mechanisms and as well as the desire and opportunity to outwit existing control measures culminating into the stakeholders' theory, the audit demand theories and the fraud theories. However, the demand for auditing theory was used in this study and reviewed as follows:

2.2.1 Theories on the Demand of Auditing

2.2.1.1 The Policeman hypothesis

The police officer hypothesis is one of the most mainstream speculations of inspecting until the 1940s. It gives an away form for the presence of evaluator inside an organization's arrangement. The hypothesis orders the inspector to go about as a police officer by concentrating on exactness of figuring and on anticipation of misrepresentation to happen just as its identification. In any case, the move in the hypothesis of evaluating, that depends on confirmation of truth and reasonableness of the fiscal summaries has fundamentally influenced the illustrative intensity of the police officer hypothesis (Baechler, 2020). An

exacting adherence to this hypothesis will guarantee trustworthy money related control and open part finances the executives inside organizations.

2.2.1.2 The Theory of Credibility

In reviewing, believability is of prime significance in adding to the expanding validity of fiscal summaries. Along these lines, the examined budget summaries expected to additionally upgrade the mentality of those liable for the arrangement of fiscal reports and additionally, this will aid in the reduction of data asymmetry that exists between the originators and clients of such budget reports. The desire for reliable budgetary data arose as a result of data asymmetry and organizational confrontations among supervisors and outside speculators, as well as the increased presence of assessors, to improve the credibility of financial data (Ni and Van Wart, 2022).

2.2.1.3 The Moderator of Claimant's Theory

This hypothesis emphasizes the significance of all members within an establishment contributing to the benefit of the foundation, and for that issue in guaranteeing the coherence of obligations, all participants can have and acknowledge that they get a reasonable portion of the organization's monetary assets as salary. The evaluator is therefore considered as a "mediator of various interested members spoken to in the salary," with an infinite supply of a sense about the exactness of the pay explanations (Loder, 2023).

2.2.1.4 The Quasi-Judicial Theory

According to Qadeer, Gul and Asghar (2021), the inspector is considered as an adjudicator in the money-related data process. Regardless, the evaluator's autonomy and objectivity are

severely harmed since the inspector's evaluation will be impacted by the operator's pre-concurred payment.

2.2.1.5 The Theory of Inspired Confidence

A totally independent examiner is the key person on whom people may rely and trust since he is regarded to be impartial, unbiased, and free. Its driven certainty and emphasizes two key things: I) The free evaluator should meet with the general population's typical wishes, and ii) The independent examiner should not offer more affirmation than he can demonstrate based on his job. People in general anticipate the evaluator to perform with significant autonomy, but surprise, the examiner fails to ensure that the auditor's dissatisfaction resulted in the audit desire gap.

In conclusion, a very serious adherence to the audit demand theory with regard to its tenets of preventing and also apprehending mismanagement of public funds and resources makes it ideal for adopting it for financial control and public sector funds management for the derivation of optimum benefits of management.

2.3 EMPIRICAL LITERATURE REVIEW

Acquah (2017), finds based on the purpose of the research which was to determine the link between financial regulations, governance, and monetary instability in Ghana's

Senior High Schools using a correlational survey design of ninety three (93) Senior High Technical Schools in Ghana's Eastern Region, with the results showing a clear relation among school - based management (board capacity, $r=.181$; gender balance on board, $r=.202$; beliefs of chair of the board, $r=-.153$, presence of execution. Financial irregularities have a significant link with three components of budgetary management (use

of accounting system, $rbi = -.222$; who really is accountable along with economy creation, $rbi = -.162$; and interested parties' participation in financial planning, $rbi = .292$). The logistic regression found that two education management parameters (headmaster sex and board size) and budgetary control (financial program) were responsible for 30.3 percent of cash irregularities. Furthermore, the figure found that just one element of school - based management (board size) clarified 25% of both the difference in a whole economic issues, emphasizing that more mature and experienced persons, among other things, should be hired as heads of institutions.

The Public Expenditure Tracking Survey (PETS) for 2007 Ministry of Education expenditures provided no data on help structure by delivery of services components.

Despite the fact that financial documents with information on cash education expenditures are prepared, such articles do not give full expenditure per school. However, only around one-third of the money supplied to Regional Education Offices was recorded in their investment records (Mokher et al, 2021).

The high level of corruption in Ghana's secondary schools demonstrates this. Ghana's education system is ranked third among the 26 countries examined by the Transparency International in 2013. Furthermore, multiple AG investigations demonstrate a constant growth in the monetary misappropriation earmarked for Senior High Schools. For example, in 2010, around GH7,000,000 went unaccounted for. Since 2010, this statistic has more than quadrupled on an annual basis. Despite the fact that the amount taken in 2013 was less than the previous year, it was nevertheless significant (almost GH16,000,000). Funds that have been misappropriated included monetary issues,

procurement irregularities, retail issues, tax issues, and payroll irregularities, among other things. Payments without supporting paperwork, payments without documentation, and payments without documentation were all examples of financial accounting irregularities at these schools. The high level of corruption in Ghana's secondary schools attests to this. Ghana's education system is ranked third among the 26 countries studied by the Transparency International in 2013. Furthermore, multiple reports issued by the AG reveal a constant growth in the monetary misappropriation earmarked for Senior High Schools. In 2010, for example, around GH7,000,000 went missing. This figure has more than doubled on average every year since 2010. Despite the fact that the amount taken in 2013 was smaller than the previous year, it was nonetheless substantial (almost GH16,000,000). Misappropriated monies included financial aberrations, procurement aberrations, retail aberration, tax aberrations, and payroll aberrations. Finance and accounting violations at some of these schools here include pay-outs without substantiation.

Specialized School was indeed found to have failed to handle Tax jurisdiction providers throughout regard to that same acquisition of shop products valued GH14,915.00, resulting in a GH1,864.37 loss of duty income (Auditor-General, 2008). Payments of GH213,212.17 made by 12 institutions in the target region were not backed by authentic receipts from payers (Auditor-General, 2011). Dazzle, which was not shown, was valued up to GH23,391.94. As a response to growing concern regarding transparency inside the different secondary schools, as many as forty-seven schools in the Central area failed to provide their 2008 budget summaries. These discrepancies and failures to follow FAA regulations

in the two places depicted above (Ashanti and Central) give an insight into Ghana's numerous auxiliary schools.

Ingersoll et al (2011) found that ladies are less engaged with pay off, and are less inclined to support pay off taking. Connection between monetary controls and inconsistencies Different creators have revealed parts of the connection between money related controls and anomalies. Said (2021) discovers the influence of spending plans on monetary execution of assembling organizations in Nairobi County and reasoned that employing financial plan and administrative execution separately has a significant impact on the monetary exhibition as evaluated by ROA.

Also, when Lenard, Langat, and Ngaba (2020) examined the connection between planning and execution of disbursement businesses in Somalia, they ended that the connection between planning and firm execution is 0.514, meaning just that level raise in planning adequacy results in 0.514 greater firm execution. Furthermore, Keng'ara, & Makina (2020) claims that the planning process has the following effects on the financial execution of business and assembling parastatals in Kenya: More formal planning and organizing promotes greater growth of deal earnings in public entities, official financial management promotes greater growth of benefit in public entities, and more prominent funding support promotes positive administrative execution.

Therefore, it can be concluded from the review that weak control systems render the financial management vulnerable to mismanagement and for that matter undermining the quality of institutional management. This study therefore seeks to establish the empirical

relation between financial controls, institutional quality and the management of public funds.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses the methods utilized to conduct this research. It defines the research design, study population, sample and sampling procedure, data source and type, data collection technique and instrument, and data analysis method and tools.

3.2 Research Design

The study employed the exploratory quantitative survey approach with a case study to examine the phenomena of financial controls, institutional quality and public funds management. The survey approach is adopted to collect the relevant data from a relatively large portion of the population.

3.3 Population

The population for the study consists of members of the selected public institutions that actually possess the specific knowledge that is required to provide the rightful data needed for the research based on their status, position or qualification among others (Chow, Wang and Lokhnygina, 2018). Therefore, as far as this study is concerned, the population is designated to comprise of all staff of the New Juaben South Municipal Assembly in the following units: Finance, Central Administration, Works, Physical Planning, and Social welfare and Community Development departments respectively in the institution. The total population therefore is eighty-five (85). It is out of this population that the sample for the study is chosen.

3.4 Sample and Sampling Procedures

A census approach was adopted in this study by examining all the eligible elements within the defined study population. This is based on the fact that the size of the study population is relatively large enough to be considered in totality without necessarily sampling from the population. These comprise of Finance Department (15), Administration (14), Works

Department (20), Physical Planning Department (22), Social welfare and Community Development Department (14), all totalling eighty-five (85).

3.4.1 Sampling procedure

In many respects, the sampling strategies used to pick individuals of the population determine the trustworthiness of a study's ultimate conclusions (Dawson et al, 2018). The census strategy was used in this study to choose the sample for this investigation based on the sample size. This strategy allows for the capture and inclusion of all members of the organization in the research.

3.5 Data Collection Techniques

3.5.1 Data Source and Data Collection Instrument

The primary source of information will be structured questionnaires presented to the 85 chosen respondents as determined by the sampling technique. The questionnaire was used because it possesses the ability to conveniently generate both qualitative and quantitative data from a large group of respondents (Folgado-Fernández, 2018). The questionnaire consisted of both open-ended and closed-ended question response formats to allow restriction and as well as at the same time wider expression of thought with respect to the various responses to the issues under consideration.

3.5.2 Data Collection Method

The survey questionnaires will be administered through self and person administered approaches. The person administered survey questionnaire approach will offer the researcher the opportunity to practically interact with the respondents in the acquisition of appropriate data for the investigation. This will be complemented by the selfadministered in cases where there is non-response through non-contact for the respondents to answer the question on their own appropriate time.

3.6 Model Specification

Apart from the descriptive statistical analysis will be performed with the aid of mean, mode, standard deviation, percentages. Inferential statistical analytical tools will also be adopted in the performance of the data analysis for the study. The specific econometric model which is the linear multiple regression model is given as:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \dots \dots \dots (1)$$

From the model equation (1), Y is the dependent variable representing public funds management;

X₁ is financial controls;

X₂ institutional quality;

X₃ is the experience of the management measured by the length of time worked with the organization;

X_4 is the experience of the non-management (other staff) measured by the length of time staff members have worked with the organization;

β_0 is the constant or intercept of the Y or the dependent variable public funds management given that X_1 is set to zero;

β_1 is the coefficient of X_1 variable of financial controls. It measures the rate of change in public funds management as a result of change in financial controls;

β_2 is the coefficient of X_2 variable of institutional quality. It measures the rate of change in public funds management as a result of change in institutional quality;

β_3 is the rate of change in public funds management with respect to change in experience of the management members.

β_4 is the rate of change in public funds management with respect to change in experience of the non-management or staff members.

ε is the error term which accounts for any other variable which have been excluded in the model or not included in the model.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.0 Introduction

This thesis report's last chapter deals with the presenting of the findings of data analysis., the interpretation and as well as the discussions thereof. The presentation of the results is displayed using descriptive and inferential methods as is described in the methodology section of this study. The presentation of the chapter has been done in a chronological manner to be in line with the objectives of the study.

4.1 Results

4.1.1 Demographic Analyses of Respondents

The respondents' demographic characteristics were assessed although not an objective, but could give more insight into the study by specifically providing the knowledge about those involved in the study. This goes a long way to further ascertain the quality and acceptability of the results if found to have been provided by the qualified respondents only. The demographic characteristics of the respondents are therefore summarized using tabular presentations and discussed as follows.

Table 4.1 Analysis of demographics

Sex distribution of respondents		
Sex	No of people	Percentage (%)
Males	54	63.53
Females	31	36.47
Total	85	100

Educational background of respondents

Second Degree	39	45.88
First Degree	23	27.06
HND/Diploma	15	17.65
Professional	5	5.88
Others	3	3.53
Total	85	100

Position of Respondents

Position	No of people	Percentage (%)
Management	49	57.65
Head of Department	17	20
Accountant/Audit office	19	22.35
Total	85	100

Number of years served in the institution

Experience of respondents	No of people (Years)	Percent (%)
0-9	19	22.35
10-19	26	30.59
20-29	31	36.47
30 and above	9	10.59
Total	85	100

Source: Field data (2023)

The first demographic characteristic examined about the respondents was the gender distribution as summarized in the Table 4.1. From the examination of the gender distribution of respondents involved in the study, 54 respondents out of 85 respondents were males, with the remaining 31 respondents being females, representing 63.53% and

36.47% respectively. It can be concluded that more males were involved in the study than females. This may be attributed to the composition of females in the study population.

The second demographic characteristic as highest educational qualification of the respondents as presented in the Table 4.1 shows that the highest educational qualification reveals that majority of respondents accounting for 27.06% had first degree. This was followed by HND/Diploma with 17.65%, 45.88% with second degree, and as well as 5.88% having professional qualification with the remaining 3.53% having other qualifications. The results further show that various educational qualifications were involved in this study.

The position of respondents as analysed and presented in the Table 4.1 reveal that majority of the respondents involved in this study were in Accountant or Auditor position being amounting to 22.35%. The remaining positions of Management and Head of Department position representing 57.65% and 20.00% respectively. This is a clear indication of the fact that the rightful respondents with regard to knowledge on the subject matter were the ones captured since they are in managerial and for that matter have control functions to play to bring about the desire result in the institution.

The results show based on the distribution of respondents' years of service at the institution as displayed in the Table 4.1, that the respondent with the majority years of service was between 0-9 years with 22.35% out of the total respondents involved in the study. The next highest years of service was 10-19 years covering 30.59% out of the total number of survey participants. Again, around 36.47 percent of respondents had worked at their respective institutions for 20-29 years, while 10.59 percent had worked for 30 years or more.

According to the results of the years of service in the institution, all of the respondents in the study had been in the institution for quite some time and had therefore earned the requisite knowledge and experience to deal with this subject matter of financial control and public sector funds management.

4.1.2 Relationship Existing Between Financial Controls and Quality of Public Funds Management

The first and foremost specific goal as far as this study is concerned is to look into the link between financial controls and the quality of public fund management. Based on exploratory literature review, the following factors identified and ranked by the respondents in order of importance using the average and its associated standard deviation is used in assessing the effect on the financial controls and quality of fund management. The results are summarized in the Table 4.2.

Table 4.2: Relationship between financial controls and quality of public funds management

Financial control method	Mean	Std. Deviation
	relationship	
Internal audit unit existence	3.81	0.550
Clearly defined organizational structure	2.76	0.571
Policy manual for financial control	1.62	0.873

Audit findings enforcement/implementation	4.19	0.327
Assessment of internal control systems risk	4.00	0.615
Documentation of objectives of activities	2.57	0.773
Involvement of employees in objective setting	3.04	0.432
	3.66	0.421
Tracking of use of office equipment		
	4.10	0.443
Prior authorization of all transactions		
	4.41	0.257
Computerization of financial control systems		
	3.85	0.562
Investigation and acting upon clients' complaints		
	4.81	0.230
Internal control systems monitoring and evaluation		
Effectiveness of functional internal audit unit	4.67	0.434

Source: Field data (2023)

The assessment of the relationship between financial controls and quality of public funds management is done using the average effect of each of these control factors or practice as contained in the Table 4.2 and how it affects the quality of public fund management.

The results as summarized in the Table 4.2 is done using the descriptive statistics of the average effect and the corresponding standard deviation based on a rank of a scale of one (1) to five (5), where; 1=highly unrelated, 2= unrelated, 3= neutral, 4= related, 5= highly

related. Out of the thirteen (13) factors chosen and analyzed, only one factor of financial control practice is unrelated with regard to financial control and quality of institutional management of funds. Also, two (2) financial control practices indicated a high relationship with respect to quality of fund management. Out of thirteen, seven (7) financial control practices are also related to quality of fund management. Availability of very functional internal audit unit was found to be very important in influencing financial control and public sector fund management practices with an average score approximately 5 (4.81). This is required because the company's internal control systems are frequently examined, branch management has complete access to documents, and the business maintains an internal audit department. These responses indicate strongly that the process of internal control that management has set is evaluated periodical and the effect is communicated to the appropriate stakeholders for decision making and implementation of any recommendation that may emanate from such activities.

Again, ten (10) other factors which included: Existence financial control system, Implementation of audit findings, Risk Assessment of Internal Control Systems, Employees representation in objective setting, tracking of the location and use of office equipment, Approval of all financial transactions, Computerization financial control systems, Investigation and acting upon clients' complaints, and Monitoring of Internal Control Systems, were found to be important influential factors with approximate mean values of 4.

Clearly, the remaining two factors such as Organizational structure clearly defined and Existence of financial control policy manual, were ranked as unimportant in influencing financial control and public sector fund management practices since they accounted for

approximate mean values of 2. It means that there can be a financial control policy to guide financial control management but can't be effective in isolation in the case of any disregard unless all the other factors are in place in their full implementation, likewise the existence of a clearly defined organizational structure.

4.1.3 The Relationship Between Institutional Specific Factors and Quality of Public Funds Management

The second goal of this study was to investigate the link between institutional specific factors and the quality of fund management. This is descriptively analyzed with results presented in Table 4.3 and subsequently inferences drawn as follows.

Table 4.3: The effect of institutional specific factors on public funds management

Institutional specific factor	Average effect	Standard deviation of effect
Preventive	2.26	1.52
Directive	3.16	0.32
Detective	3.82	0.16

Monitoring of internal control systems	4.36	0.10
Responsibility for setting up internal control Board Management Team	3.18	1.36
Computerization financial control systems	4.30	0.33
Risk Department activities	2.17	1.34
Approval of all financial transactions	3.35	0.97
Control lapses report by audit	4.17	0.34
Risk assessment by audit	2.32	1.06
Audit Report Implementation Committee	4.20	0.43
Group Management Team	4.12	0.34
Board Management Team	3.31	0.62

Source: Field data (2023)

The assessment of the effect of institutional specific factors on public funds management is done using the average effect of each of these institutional specific factors as contained in the Table 4.3. The results as summarized in the Table 4.3 is done using the descriptive statistics of the average effect and the corresponding standard deviations based on a rank

of a scale of one (1) to five (5), where; 1=highly unrelated, 2= unrelated, 3= neutral, 4= related, 5= highly related.

Out of the thirteen (13) institutional specific factors chosen and analyzed, three institutional specific factors are unrelated with regard to public fund management. Also, six (6) institutional specific factors indicated related with respect to public fund management. And four (4) institutional specific factors are also neutral with regards to public fund management. Availability of very functional internal audit unit was found to be very important in influencing institutional specific factors and public fund management with an average score approximately 4 (4.36). This is necessary because of the fact ensuring internal control systems are periodically examined, that branch management has unfettered access to information, and that the business has an internal audit department. These responses indicate strongly that the process of internal control that management has set is evaluated periodical and the effect is communicated to the appropriate stakeholders for decision making and implementation of any recommendation that may emanate from such activities. The findings of the study emphasize the need to enhance Romania's audit process in order to impact fiscal discipline at the degree of public organizations, by properly implementing the principles of economy, efficiency, and performance in the use of government funds and the management of the public resources, an outcome backed by audit reports, files, and regulatory requirements posted by competent authorities. Again, ten (10) other factors which included: Existence financial control system, Implementation of audit findings, Risk Assessment of Internal Control Systems, Employees representation in objective setting, tracking of the location and use of office equipment, Approval of all financial transactions, Computerization financial control systems, Investigation and acting

upon clients’ complaints, and Monitoring of Internal Control Systems, were found to be important influential factors with approximate mean values of 4.

Clearly, the remaining two factors such as Organizational structure clearly defined and Existence of financial control policy manual, were ranked as unimportant in influencing financial control and public sector fund management practices since they accounted for approximate mean values of 2. It means that there can be a financial control policy to guide financial control management but can’t be effective in isolation in the case of any disregard unless all the other factors are in place in their full implementation, likewise the existence of a clearly defined organizational structure.

4.4 Determination of The Effect of Financial Controls and Institutional Specific Factors on Public Funds Management

The study's ultimate goal was to determine the impact of financial controls and institutional-specific characteristics on fund management. Tables that follow summarize and describe the findings.

Table 4.4: Descriptive statistics of the effect of financial controls and institutional specific factors on public funds management.

Statistic of financial control, fund management & level of benefit	Financial Controls	Institutional Quality	Fund Management
Mean	2.9647	2.9765	3.0118
Standard Error	0.1529	0.1525	0.1574

Median	3	3	3
Mode	2	2	1
Standard Deviation	1.4096	1.4056	1.4516
Sample Variance	1.9868	1.9756	2.1070
Kurtosis	-1.2867	-1.3035	-1.3559
Skewness	0.0378	0.0953	-0.0209
Range	4	4	4
Minimum	1	1	1
Maximum	5	5	5
Sum	252	253	256
Count	85	85	85

Source: Field data (2023)

From Table 4.4, it reveals that the average level of financial controls, institutional quality and fund management are approximately 3.00 with the minimum values of each of the variable being 1.00 and maximum value also being 5.00, resulting in a range of 4.00.

This result implies that the financial controls, institutional quality and public fund management are effective. However, there is the need for an enhanced control, institutional quality and fund management practices since the average value of 3.00 implies neither effective nor in effective.

Table 4.5: Correlation analysis of relationship between financial controls and institutional specific factors on public funds management

Statistic	Value
Multiple R	0.3750
R Square	0.1406
Adjusted R Square	0.1197
Standard Error	1.3620
Observations	85

The Table 4.5 gives the model summary of the regression and correlation analysis of the public fund management as the dependent variable, and financial controls and institutional quality as the exploratory variables. The R statistic coefficient with value of 0.374 indicates a moderately strong positive correlation between the dependent and independent variables. It implies that the public fund management is or can be determined by financial controls and instructional quality. This therefore means that efforts should be made by the institution to strengthen the financial control and institutional quality activities in order to propel greater public funds management.

The coefficient of determination value of 0.1406 further underscore the point that only 14% of the changes in public fund management are attributed financial controls and institutional quality.

Table 4.6: Analysis of variance (ANOVA) of relationship between financial controls and institutional specific factors on public funds management

Source	of
---------------	-----------

Variation	df	SS	MS	F	P-Value
Regression	2	24.88607	12.44303	6.70818	0.00200
Residual	82	152.10217	1.85491		
Total	84	176.98824			

From the results presented in analysis of variance Table 4.6, it can be seen that at a significant level of 0.05, Because the P-value of 0.002 is less than the significant level of 0.05, the model produced is statistically significant. As a result, the model should and may be used to investigate the link between financial controls, institutional quality, and fund management.

Table 4.7: Regression model coefficients of relationship between financial controls and institutional specific factors on public funds management

Variable	Coefficients	Standard Error	t Stat	P-value
Intercept	5.0602	0.5793	8.7357	0.0000
Financial Control (X1)	-0.3309	0.1136	-2.9123	0.0046
Institutional Quality (X2)	-0.3586	0.1139	-3.1474	0.0023

The regression coefficients give the parameters for developing the actual model which displays the relationship between the variables and to further show the contribution of each variable and their significance levels in the model as well. From the results as contained in the Table 4.7, the model is $Y = 5.0602 - 0.3309X_1 - 0.3586X_2$, where Y is the dependent variable representing fund management, X_1 and X_2 being the independent variables representing financial control and institutional quality respectively. The value of the constant in the model of 5.0602 will be the initial average fund management in the absence of financial control and institutional management. Further, the coefficient of X_1 and X_2 which is -0.3309 and -0.3586 are the rate at which fund management is changing as a result of changes in financial control and institutional quality. The p-value shows that the model is statistically significant since its p-value of 0.0000 is less than 0.05 and hence may be used for forecasting and estimation.

4.2 Discussions

4.2.1 Demographic Analyses of Respondents

The main demographic characteristic examined about the respondents were gender, educational qualification, position, and as well as experience of respondents. From the examination of the gender distribution of respondents involved in the study, 54 respondents out of 85 respondents were males, with the remaining 31 respondents being females, representing 63.53% and 36.47% respectively. It can therefore be inferred from the results that more males were involved in the study than females. This may be attributed to the composition of females in the study population.

On the highest educational qualification, the results reveal that majority of respondents accounting for 27.06% had first degree. This was followed by HND/Diploma with 17.65%, 45.88% with second degree, and as well as 5.88% having professional qualification with the remaining 3.53% having other qualifications. The results further show that various educational qualifications were involved in this study.

Again, with respect to the position of respondents, the study results reveal that majority of the respondents involved in this study were in Accountant or Auditor position being amounting to 22.35%. The remaining positions of Management and Head of Department position representing 57.65% and 20.00% respectively. This is a clear indication of the fact that the rightful respondents with regard to knowledge on the subject matter were the ones captured since they are in managerial and for that matter have control functions to play to bring about the desire result in the institution.

Furthermore, based on the distribution of number of years served in the institution by respondents, the respondents with the majority years of service were between 0-9 years with 22.35% out of the total respondents involved in the study. The next greatest years of service ranged from 10 to 19, accounting for 30.59 percent of all respondents in the research. Again, around 36.47 percent of respondents had worked at their respective institutions for 20-29 years, while 10.59 percent had worked for 30 years or more. As a consequence of years of service in the institution, it suggests that all of the respondents in the research had been there for quite some time and, as a result, had gained the requisite knowledge and expertise to deal with the subject matter of financial control and public sector funds management.

4.2.2 Relationship Existing Between Financial Controls and Quality of Public Funds Management

The first objective of study was to examine the relationship between financial controls and the quality of public fund management. Based on exploratory literature review and subsequent to ranking of same by the respondents using the average and its associated standard deviation in assessing the effect on the financial controls and quality of fund management, depict that out of the thirteen (13) factors chosen and analyzed, only one factor of financial control practice is unrelated with regard to financial control and quality of institutional management of funds.

Also, two (2) financial control practices indicated a high relationship with respect to quality of fund management. Out of thirteen, seven (7) financial control practices are also related to quality of fund management. Availability of very functional internal audit unit was found to be very important in influencing financial control and public sector fund management practices with an average score approximately 5 (4.81). This is required because the company's internal control systems are frequently examined, branch management has complete access to documents, and the business has an internal audit department.

These responses indicate strongly that the process of internal control that management has set is evaluated periodical and the effect is communicated to the appropriate stakeholders for decision making and implementation of any recommendation that may emanate from such activities.

These replies clearly suggest that management's internal control process is examined on a regular basis, and the results are conveyed to the appropriate stakeholders for decision making and execution of any recommendations that may result from such actions. Again, ten (10) other factors which included: Existence financial control system, Implementation of audit findings, Risk Assessment of Internal Control Systems, Employees representation in objective setting, tracking of the location and use of office equipment, Approval of all financial transactions, Computerization financial control systems, Investigation and acting upon clients' complaints, and Monitoring of Internal Control Systems, were found to be important influential factors with approximate mean values of 4. This result is also corroborated by Larry (2014), COSO's audit and review effective system, released in 2013, describes the essential elements of institutional financial control structures and gives framework for assessing them inside an institution.

For evaluating the efficacy of any internal control mechanism, an effective internal financial control system consists of five components. The control environment, vulnerability assessments, control actions, information and communication, and supervision are all aspects of the control environment. are examples of these (DiNapoli, 2010; Larry, 2014). Another evidence to support the result with particular reference to tracking of activities and equipment which specifically scored mean of 3.66 (approximately 4.00) is According to the Public Expenditure Tracking Survey (PETS) completed in 2008 for 2007 spending again for Ministry of Education, even though documents are made which disclose details on funds expenditures spent in school, such findings do not disclose full expenses on every institution (Garcia, 2018).

Clearly, the remaining two factors such as Organizational structure clearly defined and Existence of financial control policy manual, were ranked as unimportant in influencing financial control and public sector fund management practices since they accounted for approximate mean values of 2. It means that there can be a financial control policy to guide financial control management but can't be effective in isolation in the case of any disregard unless all the other factors are in place in their full implementation, likewise the existence of a clearly defined organizational structure.

4.2.3 The Relationship Between Institutional Specific Factors and Quality of Public Funds Management

Secondly, the analyses of the relationship between institutional specific factors and the quality of fund management also as second aims of the research shows that, outside the thirteen (13) institutional specific factors chosen and analysed, three institutional specific factors are unrelated with regard to public fund management. Also, six (6) institutional specific factors indicated related with respect to public fund management. And four (4) institutional specific factors are also neutral with regards to public fund management. Availability of very functional internal audit unit was found to be very important in influencing institutional specific factors and public fund management with an average score approximately 4 (4.36). This is required because the company's internal control systems are frequently examined, branch management has complete access to documents, and the business has an internal audit department. These responses indicate strongly that the process of internal control that management has set is evaluated periodical and the effect is communicated to the appropriate stakeholders for decision making and implementation

of any recommendation that may emanate from such activities. These results are in line with Spatariu's (2021) findings, who investigated the relationship between the study unit's specific aspects and advanced theory, providing an overview of the evolution of auditing entities in Romania from 2015 to 2020, in order to understand how external public audit contributes to the principles of efficiency, effectiveness, and economy in the use of public funds, as well as to ensure institutional performance. These results are in line with Spatariu's (2021) findings., who investigated the link between the specific aspects of the study unit and advanced theory, providing an overview of the evolution of auditing entities in Romania from 2015 to 2020, to understand how external public audit contributes to the principles of efficiency, effectiveness, and economicity in the use of public funds and to ensure institutional performance. The result is further supported by Asongu and Nwachukwu (2018) in their study on institution. This finding is consistent with the findings of Spatariu (2021), who investigated the relationship between the study unit's specific aspects and advanced theory, providing an overview of the evolution of auditing entities in Romania from 2015 to 2020 in order to understand how external public audit contributes to the ideologies of efficiency, relevance, and economy in the use of public funds and to ensure organizational efficiency, institutional quality, and public financial management with evidence from Sub-Saharan Africa," discovered, measured by factors such as The rule of law, regulatory quality, and the efficacy of government, has a significant positive effect on public financial management in SubSaharan Africa. Again, ten (10) other factors which included: Existence financial control system, Implementation of audit findings, Risk Assessment of Internal Control Systems, Employees representation in objective setting, tracking of the location and use of office equipment, Approval of all financial transactions,

Computerization financial control systems, Investigation and acting upon clients“ complaints, and Monitoring of Internal Control Systems, were found to be important influential factors with approximate mean values of 4. This result is also corroborated by a study by Kinyondo and Mwakalila (2019) titled "Institutional Factors and Public Financial Management in Tanzania" found that institutional factors such as political will, leadership, and accountability have a significant effect on public financial management in Tanzania.

Again, "Institutional

Quality and Public Financial Management in Developing Countries: Evidence from South Asia," Ahmed and Islam (2020) found that institutional quality, measured by factors such as Controlling corruption, improving government performance, and establishing the rule of law all have a major positive impact on public financial management in South Asian developing countries. Oyelere and Adeyemi (2021) finally corroborate that found that institutional factors such as transparency, accountability, and political will have a significant effect on public financial management in Nigeria.

Clearly, the remaining two factors such as Organizational structure clearly defined and Existence of financial control policy manual, were ranked as unimportant in influencing financial control and public sector fund management practices since they accounted for approximate mean values of 2. It means that there can be a financial control policy to guide financial control management but can“t be effective in isolation in the case of any disregard unless all the other factors are in place in their full implementation, likewise the existence of a clearly defined organizational structure.

4.3.4 Determination of The Effect of Financial Controls and Institutional Specific Factors on Public Funds Management

With regard to the effect of financial controls and institutional specific factors on the management of public funds, the results reveal that the average level of financial controls, institutional quality and fund management are approximately 3.00 with the minimum values of each of the variable being 1.00 and maximum value also being 5.00, resulting in a range of 4.00. This result implies that the financial controls, institutional quality and public fund management are effective. However, there is the need for an enhanced control, institutional quality and fund management practices since the average value of 3.00 implies neither effective nor in effective.

Again, the regression and correlation analysis of the public fund management as the dependent variable, and financial controls and institutional quality as the exploratory variables result in the R statistic coefficient with value of 0.374 which indicate a moderately strong positive correlation between the dependent and independent variables. It implies that the public fund management is or can be determined by financial controls and instructional quality. This therefore means that efforts should be made by the institution to strengthen the financial control and institutional quality activities in order to propel greater public funds management. This finding is reinforced by Belay (2020), who discovered that the correlation between financial planning and effectiveness of remittance firms in Somalia is 0.140, that also suggests that such tier improvement in budget preparation performance leads to 0.140 greater company performance. The coefficient of determination value of 0.1406 emphasizes that only 14% of changes in public fund management are linked to financial controls and institutional quality. Following the regression and correlation results,

analysis of variance demonstrated that the model constructed is statistically significant at a significance level of 0.05 since the P-value of 0.002 is less than the significant level of 0.05. As a result, the model should and may be used to investigate the link between financial controls, institutional quality, and fund management.

Finally, on the basis of the model's statistical significance, the resulting model thus given as $Y = 5.0602 - 0.3309 X_1 - 0.3586 X_2$. The value of the constant in the model of 5.0602 will be the initial average fund management in the absence of financial control and institutional management.

Further, the coefficient of X_1 and X_2 which is -0.3309 and -0.3586 are the rates at which fund management is changing as a result of changes in financial control and institutional quality. The p-value demonstrates that the model is statistically significant since its pvalue of 0.0000 is less than 0.05 and can thus be utilized for forecasting and estimate.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter of the thesis which happens to be the final chapter of the thesis deals with presentation of the findings derived from the study, the conclusions thereof and as well as the recommendations for consideration. The presentations are done in line with the chronological order of the objectives of the study.

5.2 Summary of Findings

The following are the major findings derived from the study based on the results and the discussions emanating from the analysis of the data performed.

5.2.1 Financial Controls and Quality of Public Funds Management

With regard to the examination of the relationship between financial controls and the quality of public funds management as the first objective of the study, an exploratory literature review identified and ranked thirteen factors as the assessible areas in the determination of the relationship between financial controls and quality of fund management.

The average effect of each of these control factors or practices finds the factor „Policy manual for financial control“ factor chosen and analyzed is unrelated with regard to financial control and quality of institutional management of funds. Again, other factors including: Existence financial control system, Implementation of audit findings, Risk Assessment of Internal Control Systems, Employees representation in objective setting, tracking of the location and use of office equipment, Approval of all financial transactions, Computerization financial control systems, Investigation and acting upon clients“ complaints, and Monitoring of Internal Control Systems, were also found to be important influential factors.

Clearly, the remaining two factors such as Organizational structure clearly defined and Existence of financial control policy manual, were found to be insignificant in influencing financial control and public sector fund management. It means that there can be a financial control policy to guide financial control management but can“t be effective in isolation in the case of any disregard unless all the other factors are in place in their full implementation, likewise the existence of a clearly defined organizational structure.

The study finds these results to be consistent with earlier researches.

5.2.2 Institutional Specific Factors and Quality of Public Funds Management

The analyses of the relationship between institutional specific factors and the quality of funds management as the second objective of the study finds the following institutional specific factors with a strong or higher relation with quality of public funds management including: Existence financial control system, Implementation of audit findings, Risk Assessment of Internal Control Systems, Employees representation in objective setting,

tracking of the location and use of office equipment, Approval of all financial transactions, Computerization financial control systems, Investigation and acting upon clients" complaints, and Monitoring of Internal Control Systems, were found to be important influential institutional specific factors relating with quality of funds management. This finding is corroborated by other earlier studies.

Institutional specific factors such as „Organizational structure clearly defined" and 'Existence of financial control policy manual" did not have a significant influence on the quality of public funds management.

5.2.3 Financial Controls and Institutional Specific Factors on Public Funds

Management

The last but not least finding of the study which relates to the final objective of the study the determination of the effect of financial controls and institutional specific factors on fund management reveals that the average level of financial controls, institutional quality and fund management are effective. Also, coefficients of correlation and determination indicates a moderately strong positive correlation between the dependent and independent variables, thereby revealing that public fund management is or can be determined by financial controls and instructional quality as a result of the significant relationship between financial controls, institutional quality and fund management.

5.3 Conclusion

Based on the study's findings and outcomes, the study comes to the following conclusions.

Firstly, the study concludes that since the average effect of each of these financial control factors or practices of the majority of the including „„Existence financial control system, Implementation of audit findings, Risk Assessment of Internal Control Systems, Employees representation in objective setting, tracking of the location and use of office equipment, Approval of all financial transactions, Computerization financial control systems, Investigation and acting upon clients“ complaints, and Monitoring of Internal Control Systems““, were found to be significant influential factors of institutional quality. Therefore, these control factors including others that may be derived should form the basis of achieving institutional quality since financial controls can lead to institutional quality.

The study again concludes with respect to the relationship between institutional specific factors and the quality of funds management, institutional specific factors including „„Existence of financial control system, Implementation of audit findings, Risk Assessment of Internal Control Systems, Employees representation in objective setting, tracking of the location and use of office equipment, Approval of all financial transactions, Computerization financial control systems, Investigation and acting upon clients“ complaints, and Monitoring of Internal Control Systems““, were found to have a strong or higher relation with quality of public fund management. Therefore, institutional specific factors can be relied upon in the realization of the quality of public funds management.

Finally, the last but not least conclusion of the study which relates to the final objective of the study specifically on the determination of the effect of financial controls and institutional specific factors on fund management is the fact that the average level of

financial controls, institutional quality significantly influences the quality of public funds management. Therefore, the elements of financial controls and institutional specific factors are the necessary ingredients in achieving the quality of public funds management. The relationship model should and can be used for examining the relationship between financial controls, institutional quality and funds management can be adopted for practical purposes.

5.4 RECOMMENDATIONS

The study's conclusions suggest that stakeholders should explore additional financial control practices to improve public funds management quality. It also recommends exploring institutional specific factors alongside financial control factors to expand the relationship between these factors and the quality of funds management. Additionally, the study suggests developing a more robust and parsimonious relationship model to determine the effect of financial controls and institutional specific factors on fund management, considering other variables and institutional specific factors. The relationships found were moderately strong, suggesting that further exploration of these factors could enhance the quality of public funds management.

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APPENDICE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

INSTITUTE OF DISTANCE LEARNING

QUESTIONNAIRE

Dear Sir/Madam.

This questionnaire is designed purely for academic purpose to solicit for data on the study **FINANCIAL CONTROLS AND INSTITUTIONAL QUALITY OF PUBLIC FUND MANAGEMENT. THE CASE OF MUNICIPAL, METROPOLITAN AND DISTRICT ASSEMBLIES IN THE NEW JUABEN SOUTH MUNICIPALITY OF THE EASTERN REGION OF GHANA**

Please be rest assured that your identity and contact information will be considered confidential and anonymous, and that the information, opinions, and responses you

provide will also be kept private and employed exclusively for the study's stated objectives.

Kindly be sincere when providing your inputs. Thank you for the time and willingness to be part of this study.

A: GENERAL INFORMATION OF RESPONDENTS

1. Gender M F

2. Educational qualification.
 - Second Degree

 - First Degree
 - HND/Diploma

 - Professionals

 - Others

3. Position/ job title
 - Management

 - Head of Department

 - Accountant/Audit Office

4. How long have you worked in the organization?
 - 0 – 9 years

 - 10 – 19 years

 - 20 – 29 years

 - 30 years above

B: FINANCIAL CONTROLS AND QUALITY OF PUBLIC FUNDS MANAGEMENT

This section assesses the link between financial controls and the quality of public fund management. Please use a scale of 1 to 5 (Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4) and Strongly Agree (5), indicate how these statements apply to you as far as the specific link between financial controls and the quality of public fund management goes.

	Statement	1	2	3	4	5
1	Internal audit unit existence					
2	Clearly defined organizational structure					
3	Policy manual for financial control					
4	Audit findings enforcement/implementation					
5	Assessment of internal control systems risk					
6	Documentation of objectives of activities					
7	Involvement of employees in objective setting					

8	Tracking of use of office equipment					
9	Prior authorization of all transactions					
10	Computerization of financial control systems					
11	Investigation and acting upon clients' complaints					
12	Internal control systems monitoring and evaluation					
13	Effectiveness of functional internal audit unit					

C: THE EFFECT OF INSTITUTIONAL SPECIFIC FACTORS ON PUBLIC FUNDS MANAGEMENT

The section C is examining the effect of institutional specific factors on public funds management. Please use a scale of 1 to 5 (Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4) and Strongly Agree (5)) indicate how these statements apply to you as far as the effect of institutional specific factors and the quality of fund management is concerned.

Statement	1	2	3	4	5
Preventive					
Directive					
Detective					

Monitoring of internal control systems					
Responsibility for setting up internal control Board Management Team					
Computerization financial control systems					
Risk Department activities					
Approval of all financial transactions					
Control lapses report by audit					
Risk assessment by audit					
Audit Report Implementation Committee					
Group Management Team					
Board Management Team					