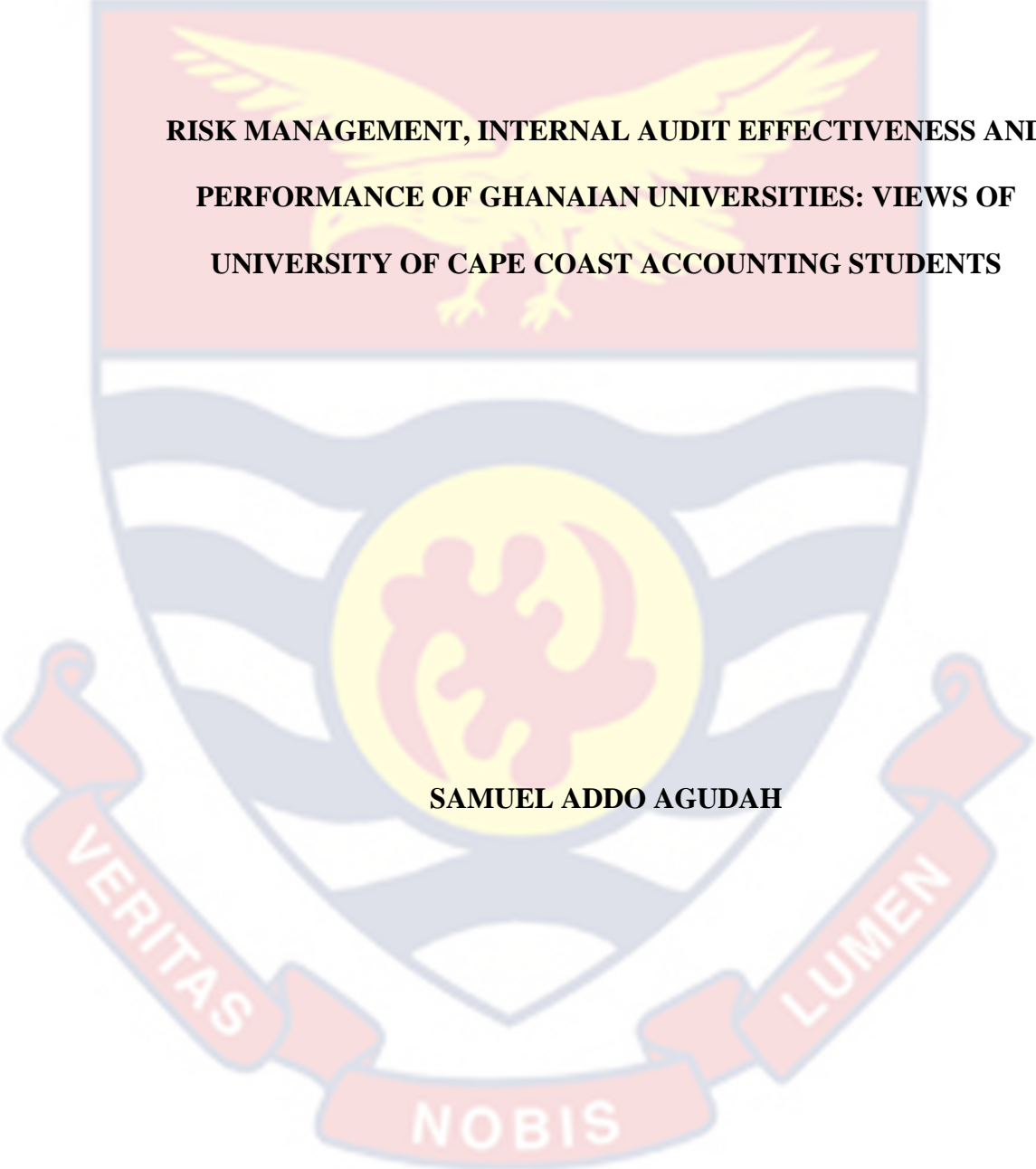


UNIVERSITY OF CAPE COAST

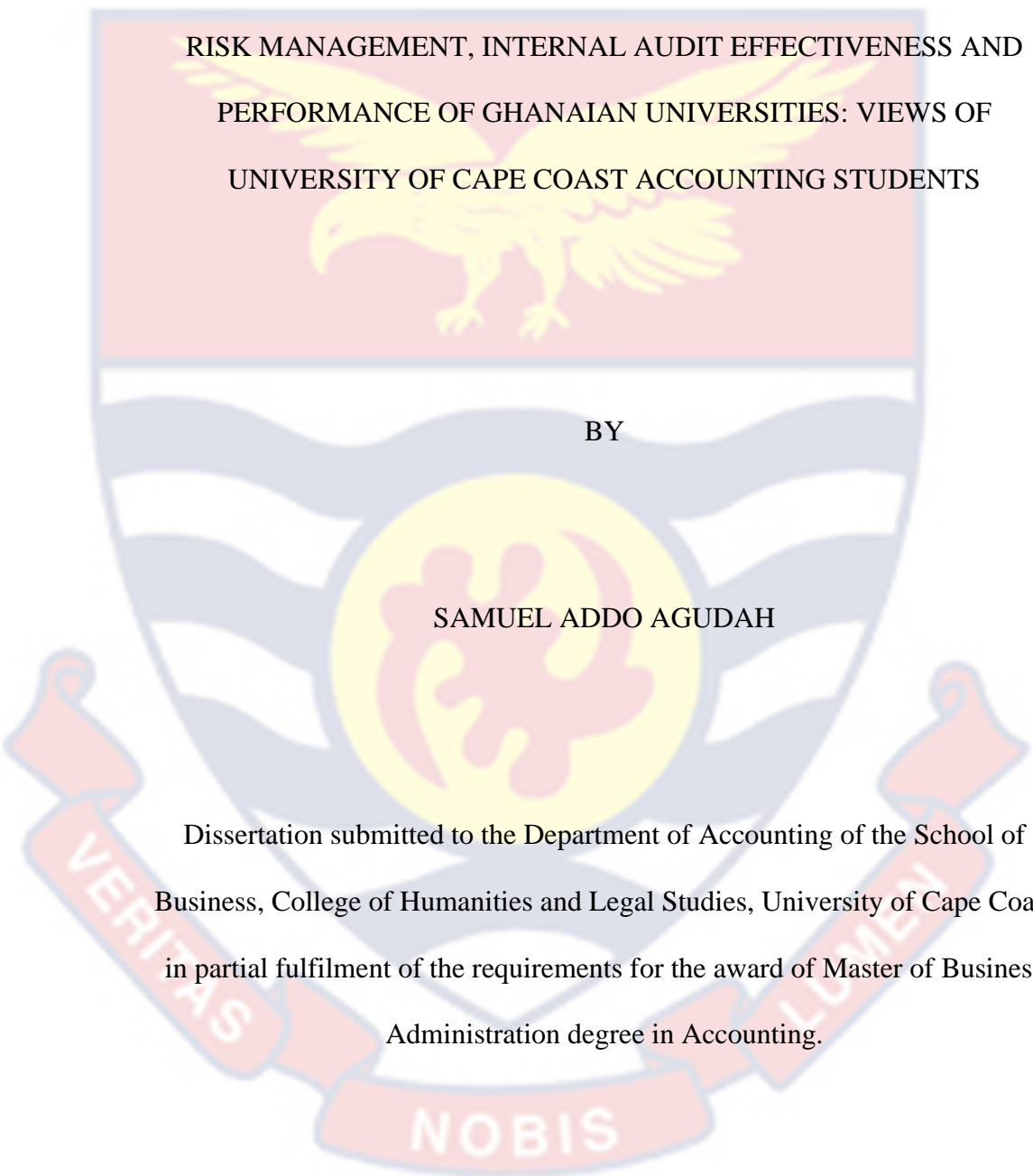


**RISK MANAGEMENT, INTERNAL AUDIT EFFECTIVENESS AND
PERFORMANCE OF GHANAIAN UNIVERSITIES: VIEWS OF
UNIVERSITY OF CAPE COAST ACCOUNTING STUDENTS**

SAMUEL ADDO AGUDAH

2022

UNIVERSITY OF CAPE COAST

The background of the page features a large, faint watermark of the University of Cape Coast crest. The crest is a shield-shaped emblem. At the top is a red horizontal band containing a yellow eagle with its wings spread. Below this is a white band with blue wavy lines. The center of the shield is a yellow circle containing a red stylized human figure. At the bottom is a red banner with the word 'NOBIS' in white capital letters. Two red banners curve upwards from the sides, with the word 'VERITAS' on the left and 'LUMEN' on the right.

RISK MANAGEMENT, INTERNAL AUDIT EFFECTIVENESS AND
PERFORMANCE OF GHANAIAN UNIVERSITIES: VIEWS OF
UNIVERSITY OF CAPE COAST ACCOUNTING STUDENTS

BY

SAMUEL ADDO AGUDAH

Dissertation submitted to the Department of Accounting of the School of
Business, College of Humanities and Legal Studies, University of Cape Coast
in partial fulfilment of the requirements for the award of Master of Business
Administration degree in Accounting.

MAY 2022

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is my original work towards the Master of Business Administration degree in Accounting and to the best of my knowledge, this study has never been previously produced for the award of degree in whole or part in any other university. However, I have acknowledged information from other sources in this original work.

Candidate Signature: Date:

Name: Samuel Addo Agudah

Supervisor's Declaration

I hereby declare that the preparation and presentation of this dissertation were supervised under the guidelines on the supervision of the dissertation laid down by the University of Cape Coast.

Supervisor's Signature: Date:

Name: Joshua Addo

ABSTRACT

This research evaluated University accounting student's perception of the risk management and performance of Ghanaian universities and the moderating role of internal audit practices with the focus on the University of Cape Coast.

The study employed the explanatory research design to achieve the aim and the objectives of the research objectives. A population of 1200 students was used from the Department of Accounting where 291 students were chosen as the sample size of the study. However, out of the 291, 152 students accepted the invitation to participate in the research. Data were collected with a questionnaire and processed and analysed using descriptive and inferential statistics. According to the study findings, the University of Cape Coast ensures good risk management and internal audit effectiveness. Also, risk management (reputational and operational risk) showed a positive significant influence on performance (quality of service) of the university. Likewise, the moderating factor (internal audit) showed a positive influence on the performance (quality of service) of the university. The study, therefore, suggests that Ghanaian public universities should stress the need for risk management, incorporate them in their strategic plan and make it priority in their decision-making. This will help them to stay competitive in the African continent and the world at large. Also, this study will contribute to and help encourage the practice of sound internal audit to help reduce the risk exposed to the university and improve their performance at large.

KEYWORDS

Internal Audit

Operational Risk

Quality of Service

Risk Management

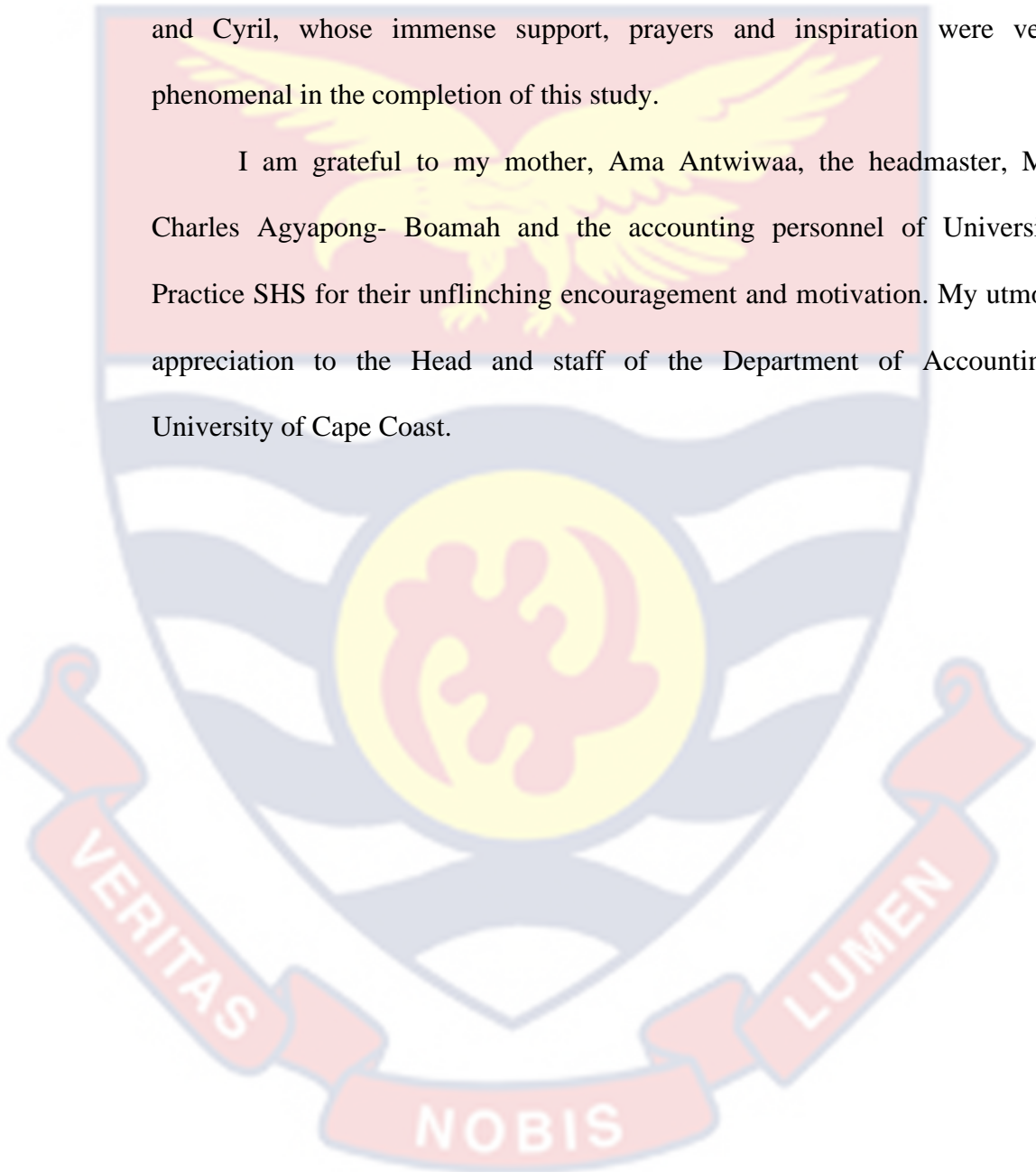
Reputational Risk



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My profound gratitude to my supervisor, Mr. Joshua Addo, who in spite of his heavy schedule worked assiduously in guiding me through the completion of this work. My sincere thanks to my wife, Dorcas and sons, Uriel and Cyril, whose immense support, prayers and inspiration were very phenomenal in the completion of this study.

I am grateful to my mother, Ama Antwiwaa, the headmaster, Mr. Charles Agyapong- Boamah and the accounting personnel of University Practice SHS for their unflinching encouragement and motivation. My utmost appreciation to the Head and staff of the Department of Accounting, University of Cape Coast.



DEDICATION

To my wife, Dorcas and my sons, Uriel and Cyril.

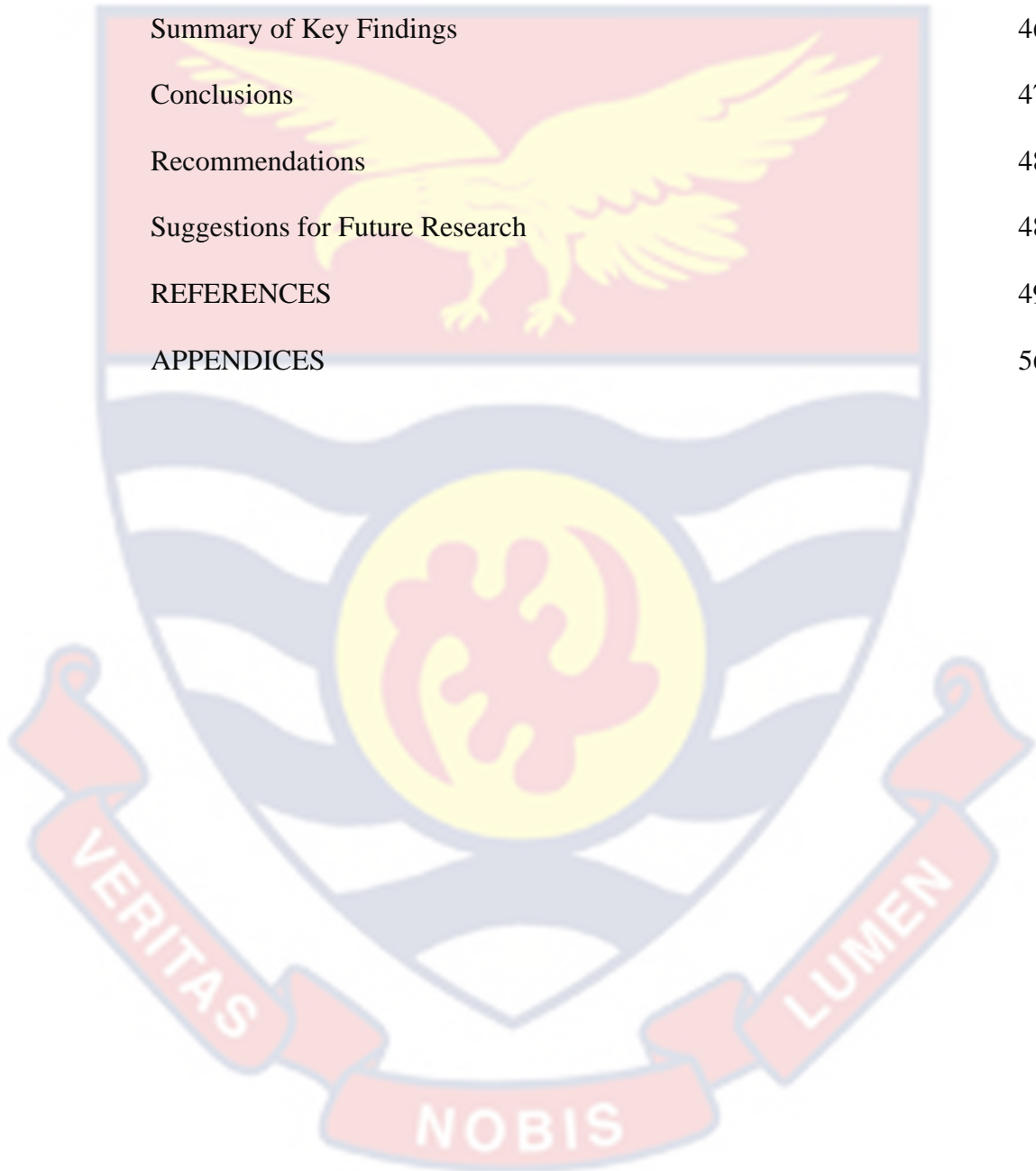


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CHAPTER ONE

INTRODUCTION

Risk management is a new instrument that has quickly gained traction, and because the nature of business and investing activities necessitates risk-taking to generate money, it is vital to emphasise that risk management can help organisations succeed. Also, effective risk management cannot be achieved without the support of a competent and independent internal audit division. This study intends to discuss the risk management and performance of Ghanaian universities and the moderating role of internal audit as these universities are mostly faced with reputational and operational risk as attested by (Ahsan & Rahman 2017). Universities are confronted with five forms of risk, according to Cassidy, Goldstein, Johnson, Mattie and Morley (2001). They are as follows: Risk on a strategic level; Risk on a financial level; Risk on an operational level; Risk on compliance level; Risk on reputational level

Background to the Study

In recent years, organisational risk management over the years has attracted substantial prominence in theory and real-world applications concerning business and public sector performance (Ahsan & Rahman 2017). It required major corporate crises a couple of years ago for the notion of internal control mechanisms, corporate governance, and risk management to be relooked at through the adoption of positive solutions like the Sarbanes-Oxley Act in 2003 in the United States, the corporate governance principles published by the Organization for Economic Cooperation and Development (OECD), the UK Corporate Governance Code, and, more lately, the updated internal control and risk management framework of COSO.

One of the most important tactics for improving organisational performance is effective risk management (Samimi, et al, 2020). The purpose of each operation in any business unit is to attain maximum efficiency and effectiveness, which is referred to as performance. However, Nkrumah and Boateng (2020) study revealed that for risk management to be effective there is the need for an effective internal audit division. This indicates that internal audit plays an important role in managing the risk of every organisation. As a result, management may identify, manage, and implement risk mitigation strategies using the risk management system. Internal auditing, which exists to assess and report on risk exposure and the organisation's risk management initiatives, plays a role in dealing with these concerns. as these universities are confronted with five forms of risk, according to Cassidy, Goldstein, Johnson, Mattie and Morley (2001). They are as follows: Risk on a strategic level; Risk on a financial level; Risk on an operational level; Risk on compliance level; Risk on reputational level. In this regard, this study evaluates the risk management, internal audit effectiveness and performance of Ghanaian universities: views of university of cape coast accounting students.

Statement of the Problem

Ghanaian public universities cannot be overlooked when it comes to training and developing quality human capital. Consequently, no organisation on the planet does not encounter risk in their operations due to the fact that Samimi et al. (2020) emphasises risk management as a tool to enhance the performance of organisations. Also, Karami, Samimi, and Ja'fari (2020) opine that effective risk management occupies a key role in the optimum performance of every organisation and posits the organisation for future growth and survival.

Notwithstanding, the outbreak of COVID 19 has demonstrated to the globe the importance of risk management.

Moreover, risk management cannot be enforced without the presence of an internal audit. Wang, Liu, and Chang (2011) indicated that the internal audit division assures the internal control systems of an organisation to ensure proper risk management and compliance with relevant rules and regulations. Researchers (e.g. Ayimpoya et al, 2020; McShane, Nair & Rustambekov (2011) identified a great impact of risk on organisational performance. However, these findings were related to profit-oriented organisations. Also, there is scanty research on risk management and performance of Ghanaian public universities. In addition, no study has been able to use the internal audit as a moderating factor to examine the influence of risk management on the performance of Ghanaian public universities. This study upon recognizing the exposure of Ghanaian Universities to risk of negative reputation and operating effectively and efficiently intends to contribute to the literature by evaluating the risk management, internal audit effectiveness and performance of Ghanaian universities: views of university of cape coast accounting students.

Purpose of the Study

The aim of the study is to evaluate the risk management, internal audit effectiveness and performance of Ghanaian universities: views of university of cape coast accounting students.

Research Objectives

The objectives of the study are to:

1. Assess the risk management effectiveness of the University of Cape Coast.
2. Assess internal audit effectiveness of the University of Cape Coast.

3. Assess the level of performance of the University of Cape Coast.
4. Determine the direct influence of risk management effectiveness on the level of performance of the University of Cape Coast.
5. Determine the moderating role of internal audit on the relationship between risk management and the level of performance of the University of Cape Coast.

Research Questions

1. What accounts for the risk management effectiveness of the University of Cape Coast?
2. What determines the internal audit effectiveness of the University of Cape Coast?
3. What is the level of performance of the University of Cape Coast?
4. What is the influence of risk management effectiveness on the level of performance of the University of Cape Coast?
5. What is the moderating role of internal audit on the relationship between risk management and the level of performance of the University of Cape Coast?

Significance of the Study

The outcome of the study is beneficial to Ghanaian universities as it will help them to know the inefficiencies in their risk management approach and internal audit functions to help improve the performance of the schools. Also, it will help the universities to have a broad spectrum of measuring performance by incorporating SERQUAL framework (tangible, reliable, responsiveness, assurance, and empathy) of quality of service. Last but not least, this study will contribute to the literature on risk management effectiveness and performance of

Ghanaian universities and the moderating role of internal audit since there is no study available.

Delimitations

The study mainly evaluated the risk management and performance of Ghanaian universities and the moderating role of internal audit with the focus on the University of Cape Coast. The key variables in this study were risk management (reputational risk and operational risk), internal audit and performance (quality of service). The study conducted was a cross-sectional study. In addition, the unit of analysis of the study was the students from the Department of Accounting of the University of Cape Coast.

Limitations

This study was limited by the scope which used university accounting students' perception on risk management, internal audit effectiveness and the performance of Ghanaian universities. The research methodology used for this research will limit the researcher access to some resources such as data, literature which will limit the level of investigation. The researcher will also be limited by time and the existence of bias as a result of the units of analysis specified to be used for the study.

Organization of the Study

The study was in five chapters. Chapter one discussed the background of the study, statement of problem, purpose of the study, research objectives, research questions, significance, delimitations, and limitations of the study. Chapter two reviewed existing studies related to the topic while chapter three presented the research methods and chapter four presented the results and

discussion. Chapter five provides a summary, conclusions and recommendations and suggestions for further study and research.



CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter reviews related topics on risk management and performance of institutions with a concentration on internal audit that are essential to our research topic. Using internal audit as a moderating factor, the literature review provides a critical evaluation of existing studies on risk management and performance in Ghanaian universities. Conceptual review, theoretical review, conceptual framework and empirical review are the four parts of the literature review. The conceptual review elaborates on the study's concepts, with a particular focus on the research questions. The theoretical review delves into the risk management theories and models. The empirical review gives empirical evidence, but the conceptual framework highlights the visual representation of how the variables at play in the study are linked.

Conceptual Review

Every business, most especially, businesses running a large number of human and capital resources, such as Ghanaian universities, confronts risks. Because business conditions are always changing, authors such as (Basu, 2016; Baumgartner & Router, 2017; Da Silva, Ana, Veronique, Siqueira de Souza, Neto & Elaine, 2018) explained that risk is the reason why every firm conducts risk assessment to identify risks and manage them efficiently. As a result, risk assessment is necessary to determine the internal and external risks to which the business is vulnerable (Dementiev 2016; Dong, Claudia & JingMing, 2017).

According to Balaboniene and Vecerskiene (2015), risks can take many forms, including internal risks such as errors in corporate and financial reporting, fraud, irregularities, or deficient labour training, as well as external risks such as rapid diversification of the demands of consumers, new competitors, or other natural unfavourable occurrences. Bromiley, McShane, Nair, and Rustambekov (2015) argued that assessing risks include measuring the impact and the capacity to accurately estimate the chance of its occurrence, as well as determining effective mitigation measures. This is done while keeping in mind the organisation's readiness to deal with risks in terms of resources, staff, and finances. Research has proven that sustainability of every enterprise is heavily based on management's ability to anticipate and predetermine risk in order to prevent probable events (Johansson & Siverbo 2014).

Risk management can therefore be said to be a carefully planned process that includes the identifying, assessing and prioritising of risks, taking into account both the favourable and unfavourable results, as well as a conscious effort to use resources to monitor and control risks to ensure that they are kept under control and to avoid any unfortunate events, to maximise rewards (Lerskullawat, 2017). However, because of the obstacles connected with the process, which are primarily related to a lack of resources, most corporations produce a list of risks, with the most critical concerns being prioritised over less important risks to avoid making the procedure intolerable for businesses to follow (Afiah and Peny 2015; Dong et al., 2017).

Risk management process

At the heart of the risk management process is a five-step standard operational risk management process. These include; identifying risks, analysing

risk treatment alternatives, choosing the best alternative, rolling out of risk alleviation and controlling and monitoring of results and effecting changes where necessary. ISO created a risk management model that every company can use to evaluate risk in their operations. These are:

Establishing the scope of the risk management process

The extent of the risk management process varies depending on the organisation's structure and needs. Setting risk management goals and objectives, as well as defining the duties, scope, depth, and breadth of the process, are all part of this process. This is a very important step in the entire risk management process because it ensures that the organisation obtains the best risk management strategy, its risks as well as the organisation's stated objectives. It also comprises a thorough scrutiny of all stakeholders; being it internal or external, the trends, the business environment as well as the organisation's goals (McManus et al., 2012).

Risk assessment

The entire procedure of identifying risks, analysing them and evaluating can be referred to as risk assessment. Trying to gain an understanding of the various sources of risk, the specific areas which influences it, activities and their drivers, and potential repercussions are embedded in identifying risks. The goal is to come up with detailed information about risk that includes risks associated with opportunities that the organisation could not make good use of as well as dangers that are beyond the reach and control of the organisation. When the organisation carries out a comprehensive evaluation, it gives the organisation detailed information about the risk's potential effect on the company (Afiah and Azwari 2015; Dong et al, 2017).

Risk treatment

Risk treatment involves selecting a specific risk reduction strategy or a couple of risk reduction strategies and applying them to reduce risk. It can be said to a recurring process that seeks to examine a risk treatment, determines if the rest of the risk can be managed and in situations (where it is not manageable, begs the question, what other treatments can be employed) the remaining risk is manageable (and, if not, what more treatments are needed), and then examines the viability of the risk treatment (Afiah and Azwari 2015; Dong et al, 2017).

Communication and consultation

The entire risk management process will be futile if key stakeholders are not kept in the known as to what and what measures have been put in place. Constant communication and consultancy with both internal and external stakeholders is considered to be necessary (Afiah & Azwari 2015; Dong et al, 2017).

Monitoring and review

Monitoring and reviewing involves making adequate follow-ups on controls, managing risks adequately and making sure that the organisation is resilient enough for any change (Afiah & Azwari 2015; Dong et al, 2017).

Types of risk faced by universities

The top three risks for higher education, according to the 2011 Global Risk Management Survey AON (2013), can be seen in various regulatory and legislative amendments, micro and macro-economic downturns, and various adverse effects on the goodwill and brand of organisations. Universities confront

five forms of risk, according to Cassidy, Goldstein, Johnson, Mattie & Morley (2001). The following are the several forms of risk:

Strategic level risk

The risk that jeopardises an organisation's ability to meet its objectives is a strategic risk. The aim of a university which is primarily tuition-dependent, for example, is to expand student enrolment into new markets while also effectively managing its budget and other financial assistance. What then are some of the methods institutions such as these can employ to evaluate and control its risk? How accurately does the university understand its internal and external business environment to achieve its long-term goals? (Cassidy, Goldstein, Johnson, Mattie & Morley, 2001).

Financial level risk

There exists the risk that could end up loss in the value of assets. For example, a tertiary institution with a long history of conformist legacy and investment ideology decides to commit more resources in international assets and private equity funds managed by numerous investment managers, while also putting in place new hedging measures. In what ways can the university deal with market and credit risk, which are more likely to affect the institution's investments? Will the market act in a manner as predicted? (Cassidy, Goldstein, Johnson, Mattie & Morley, 2001).

Operational level risk

A risk that impacts an ongoing management process is known as operation risk. For example, a university who has just rolled out a new computerised administration system including systems that manages the general

ledger, payroll and remuneration accounts, human resources, as well as students' information management systems. Alterations to business processes for processing business transactions by administrators at the decentralised level and staff were mandated to be part of the system installation. In what ways does the university handle a situation where its core employees are not able to monitor and control transactions within this new business architecture? In what most efficient ways can the business implement this new system in administration? (Fite & Pfleiderer, 1995).

Compliance level risk

Compliance risk is a threat to a company's ability to comply with both externally enforced rules and protocols, as well as internal strategies and procedures governing safety and conflict of interest. An Academic Medical Center (AMC) with major examination and scientific operations, for example, is accountable for adhering to a constantly evolving body of centralised guidelines and regulations, as well as their explanation. In what novel ways does the AMC guarantee that its main researchers, physicians, and personnel are in the know of and follow the laid down rules? (Cassidy, Goldstein, Johnson, Mattie & Morley, 2001).

Reputational level risk

A risk to an establishment's repute, brand, goodwill, or all is known as reputation risk. The inability to manage any or all of the other risk types may eventually end up in the risk. The perception individuals have played a major role in reputation risk. A university, for example, is developing various satellite campuses across the country. The campuses will be funded by a combination of donor monies and funds acquired by the host country. Faculty and the human

resource from the university will be teaching and engaging on the campuses. In what ways can the university deal with the possibility of its famous reputation being tainted by inefficient management of its new campuses? (Cassidy, Goldstein, Johnson, Mattie & Morley, 2001).

Importance of risk management in universities

According to Agyei-Mensah and Kwame (2016), risk management is critical in the public sector since failure to properly identify enterprise risk could result in a crisis in achieving lasting goals and possibly a loss of public trust in government institutions. Onder, Bulent and Alper (2016) explained that without suitable procedures in place to shield the business from any possible deviation from laid down rules, budgeted revenue, net income, and budgeted productivity could be jeopardised.

“Poor controls result in fatalities, scandals, catastrophes, and reputational damage to firms in any sector,” says the report (Knechel & Steven, 2016, p.13). They are bound to be issued when the opportunity is given for some element of risk to be existent and new businesses are launched without a risk management strategy in place.” Enterprise risk management, once again, is preoccupied with productivity and performance measurement.

An optimistic step toward administrative efficiency and corporate governance is a critical analysis of risk variables in the public sector (Joyce, 2015). Therefore, risk management is an effective tool to help public universities achieve their long-term goals and objectives.

Role of internal audit of universities

In Ghana, the internal audit has evolved into an important aspect of government fiscal control and a tool for enhancing deliverables in civic

organisations. The requirement for effective governance and accountability (IIA,2014), has driven governments to display a higher sense of responsibility and reasonableness in using public resources and to provide for services to the citizenry effectively. In addition, good governance and effective public financial control require adequate internal controls and monitoring. Internal auditing is part of internal oversight, and it must be effective and adhere to generally accepted auditing standards in terms of technique and method (Millichamp, 2011).

The internal audit component of every institution is a very vital aspect of any public organisation because it helps ensure that public expenditure are all within the approved budgetary limits, that the various monetary disbursement processes are followed, timely account balance reconciliations are done, and that efficient financial management systems are put in place in managing financial assets and non-financial assets. (Tumwine, 2011).

The effectiveness of internal audit systems of universities

The term "effectiveness" has been defined in a variety of ways by various authors. Arena and Azzone (2009), as cited by Badara and Saidin (2013), elaborated effectiveness as the ability to achieve outcomes that are congruent with objectives. Dittenhofer (2001) contends that the accomplishment of internal auditing aims and targets is the utilisation of the factor measurements offered for defining such variables.

Moreover, from the perspective of internal audit, Mihret and Yismaw (2007) outlined the qualities of an effective internal audit unit. Therefore, for public universities' internal audit to be effective, these qualities must be in place: Carries out an autonomous valuation of financial and operational structures and

processes; Aids in the realisation of administrative objectives; Necessitates management's pledge to putting recommendations into action; Where needed, makes meaningful ideas for improvements; Lack of attention from management has a bad impact on the auditee qualities, which in turn harms the auditee attributes.

Performance measurement of universities

The measurement of performance in public institutions like public universities varies from a private enterprise where profit is the motive of operation. The performance of public institutions is measured based on their effective and efficient use of resources and their governance structure. This includes budgeting and budget controls, internal control systems, procurement procedures, value for money, and quality of services. However, the focus of this study is on the quality of services as the performance indicator (Drury, 2001).

The student population tends to be the primary concern in university administration and as such, the degree of quality of service from the University would have a direct influence on students.

Budgeting and budget controls

The budget is a financial strategy for putting management's varied decisions into action. The entire budget is expressed in terms of monetary inflows and outflows, as well as sales turnover and expenditures. These budgets are combined into a single, unified statement of the institution's future aspirations (Drury, 2001).

“Budgetary can be seen as the formation of budgets relating to the commitments of management's plan and the various steps taken to draw lines between the actual situation and the budgeted information, which is secured by

human resource actions, the aims of the policy that triggered it or some other basics for the review of same,” according to the Chartered Institute of Management Accountants (CIMA), as cited by Lucey (2003).

As a result, budgeting control is seen as the creation of a budget about managers' obligations to a policy's demand, as well as ongoing contrasts of real or planned results, either to obtain the policy's aims by individual action or to give the foundation for its change.

Internal control systems

In 1949, the American Institute of Certified Accountants (AICPA) gave the novel ideology of internal control. The association propounded that internal control is a strategy and other synchronised means and procedures that is employed by institutions to protect their assets, to test the privacy and veracity of information, increase its efficiency and ensure effective management policies.

The current description of the term controlling has seen several changes and there seem to be a fairly wider group of theories that supports the idea of business internal control as a singular tool of leadership for ensuring the safety and regular improvement of institutional assets.

A model introduced in the year 1992 called the COSO model through its analysis has distinguished between the ideologies of internal control and risk. Internal control now comprises not only bookkeeping errors and the rolling out of various preventative measures, but it also has a current mentality which is capable of finding the various forms of control management and procedures as well as motivated development of their rigorous analysis.

Procurement procedures

Every government institution's supply chain management relies heavily on procurement. According to Waters (2002), procurement is in charge of procuring the materials that an organisation requires, and it encompasses all connected actions that bring commodities, services, and other materials into the organisation from suppliers. However, the planning, procedure selection, steps to solicit offers from renderers, study and evaluation of those bids, contract award, and contract administration are all aspects of the procurement process.

Value for money

According to Heald (2003), the greatest advantage that an organisation may gain from the commodities and services it purchases and/or delivers, within the resources available to it, is referred to as value for money. This can be accomplished by striking the ideal balance between cost-effectiveness, efficiency, and effectiveness. Quality of goods or services, resource utilisation, appropriateness for purpose, and timeliness all contribute to good value.

This idea links resource deployment to the achievement of some expected output values, or the value that a user department or a consumer obtains from using products or services in relation to the resources used.

Quality of services

Parasuraman, Berry, and Zeithaml (1988) established the general assessment of a single service organisation that arises from the comparison between the firm's performance and the expectations of the general customer of the nature of how firms in that industry should carry out their operations. Following their description, SERVQUAL, a multidimensional service quality evaluation tool, was created. This method has subsequently become widely

accepted and utilised in marketing, retailing, health care, education, and library contexts to measure service quality (Narit & Haruki, 2003; Ashok, 2007, Kiran, 2010).

The concept of customer satisfaction is linked to service quality. Customer satisfaction is considered a more general notion, whereas service quality is concerned with specific aspects of service (Parasuraman et al., 1998). As a result, consumer happiness is influenced by perceived service quality. Service quality, according to Pitt, Watson, and Kavan (1995) and Jung-Yu (2006), is a superior indication of user satisfaction and implies that service quality can influence customer satisfaction.

Theoretical Review

For the theoretical review, the study used agency theory and stakeholder's theory as the key theories.

Agency theory

The principle of separating ownership from control, coupled with managerial incentives are embedded in the agency theory's analysis of the institution. Various problems have been seen to have an impact on the attitudes of management in terms of risk-taking and guarding against risk in the realm of corporate risk management (Smith & Stulz, 1985).

The theory also describes how irregularities in earning sharing can result in a mismatch of interests between shareholders, management, and creditors, which ends up in the firm harnessing excessive risk or failing to engage in positive net value projects (Mayers & Smith, 1987). Resultantly, according to the theory, hedging policies as defined, bring about a significant influence on business worth (Fite & Pfliderer, 1995). In a hierarchy, an organisation

proprietor or shareholder is the primary who utilises the administrations of a director to do the everyday tasks of the organisation. Therefore, the goal of the University of Cape Coast is to increase the wealth (national interest) of its shareholders. Nevertheless, administrators have their own advantages or targets like renown, enormous compensations, benefits, rewards, and others possible through swindling that oppose the organisation's drawn out objectives. Differences in goals define conflicts of interest and define agency issues.

Stakeholders theory

The stakeholder ideology, which was initially established as a managerial resource according to Freeman (1984), in recent years has evolved to a firm theory with important explanatory potentials. The main factor that determines business policy direction, according to the stakeholder theory, is identified as an equilibrium of stakeholder interests. The widening of inherent contracts theory that goes beyond employment to other forms of contracts, such as financing and sales, can be seen as the most promising introduction to risk management. (Cornell & Shapiro, 1987). The value of these embedded assertions is significantly reliant on the costs of financial difficulty and insolvency. Since corporate risk management policies decrease these estimated costs, the worth of the institution grows (Klimczak, 2005). Therefore, protecting the resources of the University of Cape Coast from misuse by implementing effective risk management and internal audit practices is essential to ensure that the government maximises the interest of stakeholders and to ensure that it is organised for the benefit of its citizens. greatly assist in ensuring the sound operation of. (Wheeler Fabig & Boele, 2002) contended that stakeholder theory emerges from a mix of humanistic and organisational disciplines.

Empirical Review

The relationship between enterprise risk management and firm value was investigated by McShane, Nair, and Rustambekov (2011). Secondary data from S&P's enterprise risk management rating was used in the study. According to the findings, there is a positive correlation between enterprise risk management and firm value.

Dellai (2016) investigated the elements influencing the effectiveness of internal audit in Tunisian corporations. The study administered a structured questionnaire to the respondents to solicit their responses. Also, 225 companies were sampled and it was reached that the effectiveness of internal audit is influenced by the independence of the internal audit, the objectives of the audit, the support management receives, the utilisation of the internal audit function, and sector organisation, according to the survey.

In Ghana, Kong, Lartey, Bah, and Biswas (2018) investigated the worth of state-owned risk management. The study used a quantitative method and an explanatory research design. In addition, to obtain data from the respondents, the study used a questionnaire survey. The study used a sample size of 300 people, and the data were analysed using SPSS version 13.10. The study revealed that internal control systems influence the risk management effectiveness of the public sector. Furthermore, the study found that, as a result of globalisation and intensifications in the measure of procedures, it becomes practically difficult for individuals in management, with auditors help and those tasked with governance, to prove the entire public sector's procedures to ensure stringent adherence with internal controls, to reduce the risk's adverse effects. However, the significance of value financial reporting, agreement, dedication to ethical values, and

steadiness in pursuit of tactical and operative objectives based on sound corporate governance is required for alternative sustainability.

The role of top management support was used to investigate the internal audit quality characteristics and organisational performance in universities (Bello, Ahmad, & Yusuf, 2018). The study employed a descriptive research design, purposive sampling technique, and a questionnaire to gather data.

The population there was the internal audit employees at the top level in Nigeria's federal universities audit department while the sample size was 400. Internal audit quality factors (internal audit competence, independence, and size) influence the performance of Nigerian federal universities, according to the study's findings. In addition, the management support position is critical in supporting successful internal audit activities and organisational success.

The impact of risk assessment, control environment, and control activities on the performance of Ghana's publicly traded banks was investigated (Ayimpoya, Akolgo, Mbilla, & Gbegble, 2020). To obtain data from the selected 12 banks, the researchers utilised a quantitative research design, a purposive sampling procedure, and a questionnaire. The study has a sample size of 101 participants. The data was analysed using SPSS version 20. The results of the study indicated that risk assessment, control environment, and control activities significantly affect the financial performance of the selected listed banks.

The effects of the antecedents of internal audit function effectiveness in Ghanaian private universities were investigated by (Mensah, Ngwenya, & Pelsler, 2020). To gather data from respondents, the study used a causal research design, a simple random technique, and a structured questionnaire. The study's population consisted of senior administration professionals, with 250 respondents chosen as

the study's sample. Various statistical tools were employed to evaluate the data gathered.

The research paper came out with findings that supports the assertion that the independence of internal auditors, the competence of the internal auditor and the commitment of management has a significant influence on the effectiveness of the overall internal audit. Nkrumah and Boateng (2020) researched the role of internal audit in risk identification and management in public subverted universities in Ghana. The study used a mixed-method thus quantitative and qualitative research methods, and a purposive sampling procedure to select a sample size of 112. The results of the study revealed that by performing actions such as pre-audits, revenue checks, updating procedures, offering suggestions, and ensuring rules and procedures are followed, the Internal Audit function helps to make risk management more effective. Financial risk is also identified as the biggest threat to the University's operations.

According to the results of the survey, more than 77 percent of respondents believed that Internal Audit helps to decrease risk, conducts regular risk appraisal and review, has qualified people, and management values the unit's suggestions.

Conceptual Framework

According to Camp (2001), the structure that a one carrying out the research believes can help him or her explain the turn of events of the variables or variables to be understudied is a conceptual framework. Peshkin (1993) added that a conceptual framework connects the concepts or variables, empirical study, and the relevant theories used in gathering information necessary for the study. The independent variables for the study were reputational risk, occupational risk,

compliance risk and operational risk while the dependent variable for the study was quality of services. The diagram below shows the formulation of the conceptual framework for the study.

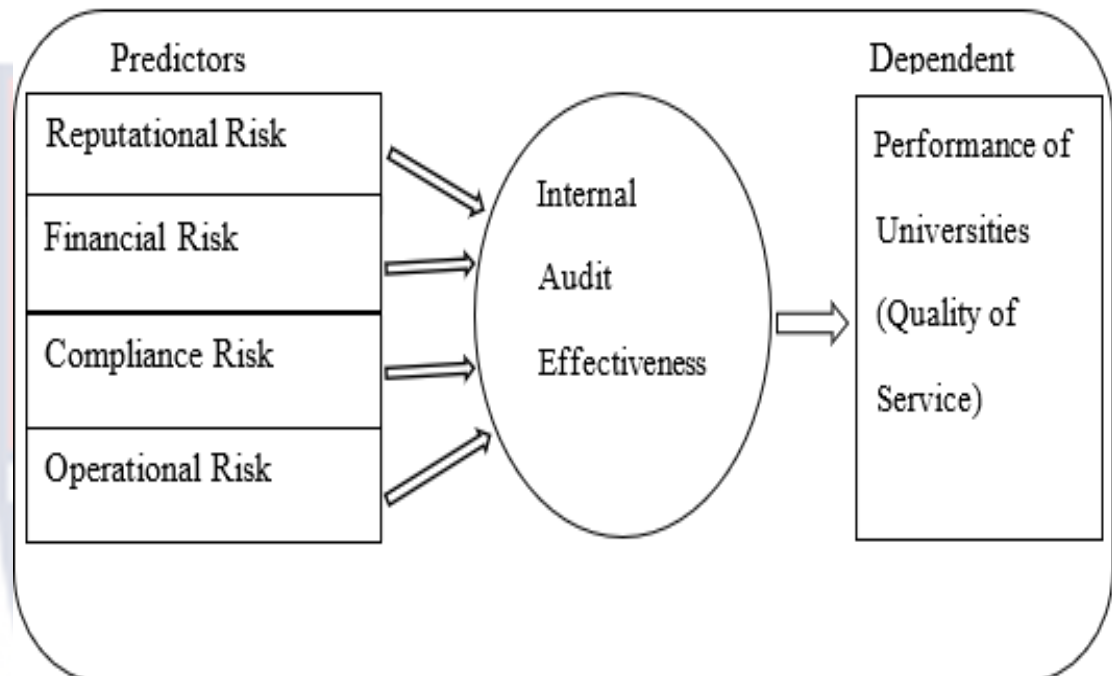


Figure 1: Conceptual Framework of Study

Source: Author's construct (2021)

From figure 1, it can be observed that the predictor variables reputational financial, occupational and operational risks are all faced by universities. These risks feeds into the robustness of their internal audit processes which makes the internal audit structures effective or otherwise. The predictor variables move into the internal audit effectiveness then the internal audit effectiveness ultimately influences the performance of the university with regards to the quality of service.

Chapter Summary

This chapter represents the literature review pertinent to this study to risk management, internal audit effectiveness and performance of Ghanaian universities. The theories reviewed showed that risk management and internal audit has significant influence on organisational and institutional performance. Empirical review showed the various risk management and internal audit practices and how that influences performance of Ghanaian universities.



CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter focuses on the research approach to be adopted in assessing the risk management and performance of the University of Cape Coast with a concentration in internal audit. This chapter's subheadings are research design, population, sample and sampling technique, data collection method, data collection procedure, validity and reliability, data processing and analysis, and ethical consideration.

Research Design

A research design, according to Saunders, Lewis, and Thornhill (2007), is a technique utilised by a researcher to perform investigations to obtain the desired outcome. There are possible forms of research design such as exploratory, descriptive, and explanatory, and they all serve different purposes. For example, the main purpose of a descriptive research design is to describe or provide an overview of an event, situation or person and to establish how they relate to one another. Explanatory research tries to explain descriptive information. As mentioned earlier, the main goal of this research is to examine the relationship between risk management and institutional performance. To achieve this goal, the most appropriate design for the research is the explanatory research design, as it helps to derive statistical and quantitative results and to try to justify the relationship with the qualitative research.

In addition, the explanatory structure was chosen because it answers both the how and the why of the fundamental research questions. The study employed an explanatory research design to investigate the possible relation that exist

between risk management and the performance of Ghanaian Universities using the internal audit as a mediating factor. Explanatory studies are investigations that establish causal links between variables (Saunders, Lewis, & Thornhill, 2007). Considering the sample size and the inherent limitations of the research design, the study does not give conclusive evidence but contributes to the literature.

Study Area

This research study was done in the University of Cape Coast in the Cape Coast Metropolitan Assembly. Cape Coast, a city in the Central Region of Ghana, West Africa. The University of Cape Coast is a public collegiate university located in the historic town of Cape Coast. The campus has a rare seafront and sits on a hill overlooking the wide Atlantic Ocean. It operates on two campuses: the Southern Campus (Old Site) and the Northern Campus (New Site). Two of the most important historical sites in Ghana, Elmina and Cape Coast Castle, are a few kilometres away from its campus.

The University of Cape Coast was established in October, 1962 as a University College and placed in a special relationship with the University of Ghana, Legon. On October 1, 1971, the College attained the status of a full and independent University, with the authority to confer its own degrees, diplomas and certificates by an Act of Parliament - The University of Cape Coast Act, 1971 [Act 390] and subsequently the University of Cape Coast Law, 1992 [PNDC Law 278]. From an initial student enrolment of 155 in 1963, the University of Cape Coast now has a total student population of 74, 720, senior member population of 829, teaching and research staff of 677 according to the University of Cape Coast website.

Population

Population can be said to be a collection of items that share certain features and meet certain criteria (Creswell, 2009; McMillan & Schumacher, 2010). The accessible population was the regular students under the accounting department at the University of Cape Coast. Statistics from the department show that there were 1,200 active students. Students were used because they are the primary beneficiaries of university services and because they have a deep knowledge of the subject, having read relevant courses such as auditing and assurance.

Sampling Procedure

McMillan and Schumacher (2010), defines a sample as "the group of subjects or participants from whose data are collected" (p. 129). The goal of sampling is to pick individuals who are good representatives of a broader community so that the results of research studies can be applied to that population (Creswell & Plano Clark, 2007). The study used the purposive sampling technique to select and gather significant information. The reasoned sampling technique was used because it helps us focus our attention on specific features of the population that interest us and helps us best answer our research questions. Purposive sampling was used to select respondents who were deemed to be relevant simply because not every accounting student in the University was ready and willing to provide answers to help our study.

Sampling Size

Adam, (2020) has it that given a population of 1,200, a fair sample size to adequately represent the population is 221; however, the sample size was revised to 152 because a significant number did not show up to be interrogated. The

simple random sampling was chosen and this is because the simple random sampling gives each respondent the same chance of selection.

Data Collection Instruments

This study used primary data and secondary data. Primary data was primarily obtained from the questionnaires that were administered to respondents. deVaus (2002) has it that a questionnaire is a strategy used for data collection strategy where every single respondent answers a particular set of questions in a specified order. Questionnaires are more appropriate when used for explanatory research (Saunders et al., 2007). This procedure was chosen because it is very convenient, simple and avoids injection of bias in the way questions are asked. It made it easy to reach our respondents to collect the needed data for our study. On the other hand, secondary data was synthesised from peer-reviewed journal articles, books, published and unpublished dissertations and thesis. The questionnaire is divided into four parts; the first section focuses on the demographic characteristics of the respondents. The second part of the questionnaire assesses the effectiveness of risk management of the University of Cape Coast. The third part of the questionnaire assesses the effectiveness of the internal audit of the University and the last part focuses on the performance of the University in delivering quality of service.

Data Collection Procedures

Data collection procedure spells out the procedure the researcher uses in gathering data. The procedure used to collect data was a self-administered questionnaire. Respondents typically complete self-administered surveys. These questionnaires are distributed electronically over the Internet (Internet mediated questionnaires) or an intranet (intranet-mediated questionnaires), via mail (postal

or mail questionnaires), or by hand (hand-delivered questionnaires) (Saunders et al., 2007). The sampled students were served with the questionnaire in the form format to fill online and the class reps of the various levels were consulted to liaise with the class to fill the form for the study. Timely reminders were sent to the target population to get the questionnaire filled within a month due to their reluctance to fill the form. The questionnaire used for this study has been divided into four sections. Section A collected demographic information, Section B collected risk management effectiveness information, Section C collected internal audit information while Section D collected the information on the quality of service.

Data Processing and Analysis

Data that was gathered through data collection was analysed using the Statistical Package for Social Sciences v3.0 (SPSS v3.0). Afterwards, the data were analysed using descriptive statistics (such as, frequencies, ratios, percentages, means, and standard deviations). The use of the Pearson's correlation coefficient, and multi-linear regression analysis were employed as well.

Regression Model

Also, the general regression formula was employed:

$$Y_{it} = \beta_0 + \beta_1 x_{1it} + \beta_2 x_{2it} + \varepsilon_{it} \quad \text{Equation}$$

Where,

Y_{it} = Performance of Universities

β_0 = Constant

$\beta_1 x_1$ = Risk Management Effectiveness

$\beta_2 x_2$ = Internal Audit Effectiveness

ε = error term

The regression analysis was carried out in three steps to accurately identify the effect of the presumably mediating variable.

First Step

A regression analysis using the simple linear regression was run using Risk Management Effectiveness (predictor variable) and Quality of Service (dependent variable) to examine the statistical impact of the predictor variable on the outcome variable. The following regression model was used:

$$Y_{it} = \beta_0 + \beta_1 x_{it} + \varepsilon_{it} \quad \text{Equation 1}$$

Where,

Y_{it} = Quality of Service β_0 = Constant β_1

x_{it} = Risk Management Effectiveness

ε = error term

Second Step

A regression analysis using the simple linear regression was run using Internal Audit Effectiveness (moderating variable) and Risk Management Effectiveness (predictor variable) to examine the statistical impact of the predictor variable on the predictor variable.

$$Y_{it} = \beta_0 + \beta_1 x_{it} + \varepsilon_{it} \quad \text{Equation 2}$$

Where,

Y_{it} = Risk Management Effectiveness β_0

= Constant

$\beta_1 x_{it}$ = Internal Audit Effectiveness ε =

error term

Step 3

A regression analysis using the simple linear regression was run using Internal Audit Effectiveness (moderating variable) and Quality of Service (outcome variable) to examine the statistical impact of the moderating variable on the outcome variable.

$$Y_{it} = \beta_0 + \beta_1 x_{it} + \varepsilon_{it} \quad \text{Equation 3}$$

Where,

Y_{it} = Quality of Service

β_0 = Constant

$\beta_1 x_{it}$ = Internal Audit Effectiveness

ε = error term

Ethical Consideration

All ethical considerations and protocols were observed throughout the study. The university's permission was sought by sending a letter to the school of Business, Department of Accounting. Also, the researcher assured the respondents of anonymity and confidentiality of the responses they provide.

Chapter Summary

This chapter has described the research design and methodology used in collecting the data needed to answer the research questions posed above. At the beginning of the chapter there is a brief discussion of the chapter followed by a brief discussion of the research design for this study. This chapter then describes the questionnaire survey methodology used to collect data and discuss the study population, as well as the sampling technique used.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents the analyses of the data collected and discusses the results and findings extracted from the analysis on risk management, internal audit effectiveness and performance of Ghanaian universities: views of university of cape coast accounting students are discussed and analysed in this chapter. The chapter begins with the demographics of the respondents. This is followed by a regression analysis and discussion of the results. The chapter's summary and conclusion are presented in the final section.

Demographics**Table 1: Demographics for Respondents**

	Frequency	Percent
Gender		
Male	93	61.2
Female	59	38.8
Total	152	100.0
Age		
Below 20	3	2.0
20 - 30	140	92.1
31 - 40	9	5.9
Total	152	100.0

Marital Status		
Single	145	95.4
Married	6	3.9
Divorced	1	.7
Total	152	100.0

Source: Fieldwork (2022)

The background of the respondents was examined and the results from table 1 indicated that males were dominant with a proportion of 61.2% followed by females who had 38.8%. The majority of the respondents were within the age bracket 20 – 30 (92.1%) followed by 31 – 40 (5.9%), and then below 20 (3%). Most of them belong to the single category (95.4%) followed by the married category (3.9%), and then the divorced category (0.7%). Also, most of the respondents (99.3%) were resident students.

Risk Management Effectiveness

Table 2: Descriptive Statistics on Risk Management Effectiveness

	Mean	SD
Reputational Risk	3.60	0.986
The university has a good relationship with the surrounding communities	3.38	1.159
The university has a good relationship with students and alumni	3.52	1.119
The university has a good relationship with staff	3.61	1.123
The university is recognized as one of the best		

universities in Ghana	3.95	1.182
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The graduates from the university are pegged as the

best	3.70	1.193
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The university has the best educational design and

delivery	3.54	1.094
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The university's grading system is challenging	3.70	1.213
--	------	-------

The university's assessment is fair and not based on connection	3.41	1.070
--	------	-------

Operational Risk	3.31	1.024
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The university system provides academic freedom and competition among faculties	3.32	1.236
--	------	-------

The university system provides quality academic programs	3.47	1.207
---	------	-------

The university grading system is merit-based	3.31	1.158
--	------	-------

The university has the logistics to promote both face to face and online teaching	3.29	1.175
--	------	-------

The university environment promotes the fight against sexual assault, drug abuse, and suicide	3.39	1.251
--	------	-------

The university is dedicated to ensuring infrastructures are in good condition to smooth learning and teaching	3.28	1.170
--	------	-------

The lecture rooms are connected with a plant to

ensure a 24/7 supply of electricity for teaching and learning	3.08	1.193
The university has emergency alert systems for students' safety	2.98	1.258

Source: Fieldwork (2022)

The reputational and operational risk were investigated to reveal how it is managed effectively by the University of Cape Coast. With regards to reputational risk, the respondents rated “the university is recognized as one of the best universities in Ghana” (Mean = 3.95, SD = 1.182), “the graduates from the university are pegged the best” (Mean = 3.70, SD = 1.193), and “the university’s grading system is challenging” (Mean = 3.70, SD = 1.213) high. On the other hand, the respondents rated “the university has a good relationship with the surrounding communities” (Mean = 3.38, SD = 1.159) low. This shows that the university's reputation in connection with developing and training students is very high, however, its relationship with the neighbouring communities is not good enough. Overall, the university's reputational risk management is good (Mean = 3.60, SD = 0.986).

Concerning operational risk, the respondents rated “the university system provides quality academic programs” (Mean = 3.47, SD = 1.207), “the university environment promotes the fight against sexual assault, drug abuse, and suicide” (Mean = 3.39, SD = 1.251), and “the university system provides academic freedom and competition among faculties” (Mean = 3.32, SD = 1.236) high. However, the respondents rated “the university has emergency alert systems for students' safety” (Mean = 2.98, SD = 1.258). This implies that the university has

a conducive environment for students to thrive in academics but less attention has been paid to alert and emergence systems in times of crisis. Overall, the respondents agreed that the University of Cape Coast manages its operational risk effectively.

Internal Audit Effectiveness

Table 3: Descriptive Statistics on Internal Audit Effectiveness

	Mean	SD
Internal Audit	3.35	0.992
The internal audit of the university is staffed with competent staff	3.39	1.081
The internal audit has adequate logistics to discharge their duties	3.36	.967
The internal audit helps to reduce the risk of the university	3.33	1.090
The internal audit regularly assesses and reviews the risk of the university	3.32	1.094
The internal audit regularly reports to management on any key matters related to the university's operations	3.32	1.106
The internal audit ensures that the university complies with relevant rules and regulations	3.39	1.129

Source: Fieldwork (2022)

Secondly, the internal audit effectiveness of the University of Cape Coast was examined. The findings from table 2 revealed that there is high effectiveness

of the internal audit (Mean = 3.35, SD = 0.992) of the university. Among the internal audit items, the respondents rated “the internal audit of the university is staffed with competent staff” (Mean = 3.39, SD = 1.081), “the internal audit ensures that the university complies with relevant rules and regulations” (Mean = 3.39, SD = 1.129), and “the internal audit has adequate logistics to discharge their duties” (Mean = 3.36, SD = 0.967) high. This finding indicates that the university management views the internal audit function as an important component of their core activities and the desire to support the internal audit department to effectively conduct their activities. These findings agree with Mensah, Ngwenya and Pelsler (2020) that revealed that the independence of internal auditors, internal auditors’ competence, and management commitment affect the effectiveness of an internal audit.

Performance (Quality of Service)

Table 4: Descriptive Statistics on Quality of Service (Performance)

	Mean	SD
Tangible	3.32	1.035
The university has modern lecture rooms that support teaching and learning	3.37	1.143
The university lecture rooms are fixed with microphones, internet, and lights for academic purposes	3.35	1.141
The university facilities are in good shape	3.25	1.117
Reliable	3.63	1.001

The university provides quality tuition	3.64	1.083
The university lecturers provide students with the right materials to support their learning	3.65	1.075
The university library materials support current learning and teaching	3.61	1.146
Responsiveness	3.39	1.131
The university is prompt to students' needs	3.20	1.266
The university keeps updating students regularly on information crucial for their academics	3.54	1.150
The university is always willing to help students	3.43	1.227
Assurances	3.58	1.024
The university produces quality students	3.72	1.068
The university ensures the safety of the students	3.47	1.150
Students possess adequate knowledge of their field of study after school	3.55	1.161
Empathy	3.28	1.128
The university always has the student interest at heart	3.26	1.159
The university pays attention to students' concern	3.34	1.201

The university ensures that students get the best treatment on campus

3.24 1.190

Overall Quality of Service

3.42 0.937

Source: Fieldwork (2022)

Moreover, the performance of the University of Cape Coast was measured with respect to the quality of service it offers. Five key sub-constructs (tangible, reliable, responsiveness, assurance, and empathy) were evaluated. In a manner of rating and ranking, the respondents rated and ranked reliable (Mean = 3.63, SD = 1.001) high. Among the items in the reliable “the university lecturers provide students with the right materials to support their learning” (Mean = 3.65, SD = 1.075) was ranked high by the respondents. Assurance (Mean = 3.58, SD = 1.024) was the second on the list with “the university produces quality students” (Mean = 3.72, SD = 1.068) as the highly ranked item by the respondents.

Next on the list was responsiveness (Mean = 3.39, SD = 1.131) with “the university keeps updating students regularly on information crucial for their academics” (Mean = 3.54, SD = 1.150) as the highest-ranked item. Tangible (Mean = 3.32, SD = 1.035) was the next sub-construct with “the university has modern lecture rooms that support teaching and learning” (Mean = 3.37, SD = 1.143) as the highest-ranked item. Finally, empathy (Mean = 3.28, SD = 1.128) was ranked the least with “the university pays attention to students' concern” (Mean = 3.34, SD = 1.201) ranked high by the respondents. Overall, the quality of service (Mean = 3.42, SD = 0.937) offered by the university was good and agreed upon by the respondents. However, the university is not seen to show enough empathy to students.

Correlation Analysis

Table 5: Correlation Coefficient Output

		1	2	3	4
1	Reputational Risk	1			
2	Operational Risk	.764**	1		
3	Quality of Service	.821**	.796**	1	
4	Internal Audit	.770**	.769**	.910**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Fieldwork (2022)

The study further examined the relationship between risk management effectiveness sub-constructs (reputational risk and operational risk), internal audit, and performance (quality of service). The findings showed that there is strong positive relationship between reputational risk ($r = 0.821$), operational risk ($r = 0.796$), internal audit ($r = 0.910$) and quality of service. These findings agree with McShane, Nair, and Rustambekov (2011) findings that revealed that there is a positive correlation between enterprise risk management and firm value. Also, Ayimpoya, Akolgo, Mbilla and Gbegble's (2020) findings found a significant relationship between risk assessment, control environment, and control activities significantly and the financial performance of the selected listed banks. Although the findings of McShane, Nair, and Rustambekov (2011) and Ayimpoya, Akolgo, Mbilla and Gbegble (2020) sound more like commercial findings, they have played a key role in the risk management and performance of firms' literature.

Influence of Risk Management Effectiveness on Performance**(Quality of Service)****Table 6: Regression Analysis Output****Unstandardized**

	Coefficients		Beta	Coefficients	
	B	Std. Error		t	Sig.
(Constant)	.440	.150		2.942	.004
Reputational Risk	.487	.061	.512	7.962	.000
Operational Risk	.370	.059	.405	6.296	.000
R			0.862		
R Square			0.743		
Adjusted R Square			0.74		
F Statistics			215.37		
No. of Observations			5		
			151		

a. Dependent Variable: Quality of Service

Source: Fieldwork (2022)

The influence of the risk management sub-constructs (reputational risk and operational risk) on performance (quality of service) was investigated. The findings from table 6 showed that there is a positive significant influence of risk management (reputational risk (Beta = 0.512, $p < 0.01$); operational risk (Beta = 0.405, $p < 0.01$) on performance of the University of Cape Coast. This implies

that the effectiveness of the risk management of the university increases its performance while the ineffectiveness of its risk management will result in poor performance of the university. These findings agree with McShane, Nair, and Rustambekov's (2011) findings that revealed that there is a positive significant relationship between enterprise risk management and firm value.

Influence of the moderating factor (Internal Audit) on Performance

(Quality of Service)

Table 7: Regression Analysis Output

	Unstandardized Coefficients		Standardised Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	.532	.111			4.774	.000
Internal Audit	.860	.032	.910		26.960	.000
R			0.910			
R Square			0.829			
Adjusted R Square			0.828			
F Statistics			726.8			
No. of			4 4			
Observations			151			

a. Dependent Variable: Quality of Service

Source: Fieldwork (2022)

The influence of the moderating factor (internal audit) was also investigated on the performance (quality of service) of the University of Cape

Coast. The analysis revealed that there is a strong positive significant influence of internal audit (Beta = 0.910, $p < 0.01$) on the performance of the university. This implies that the higher the internal audit effectiveness the higher the performance of the university and the lower the internal audit effectiveness the lower the performance of the university. These findings agree with Bello, Ahmad, and Yusuf's (2018) findings that indicated that internal audit effectiveness influences the performance of federal universities in Nigeria.

Moderating Analysis

Table 8: Sobel Test Analysis

Input		Test Statistic	Std. Error:	p-value
a .803	Sobel test:	12.04370082	0.05360578	0
b .804	Arion test:	12.03363523	0.05365062	0
S _a .051	Goodman test:	12.05379171	0.05356091	0
S _b .043	Reset all		Calculate	

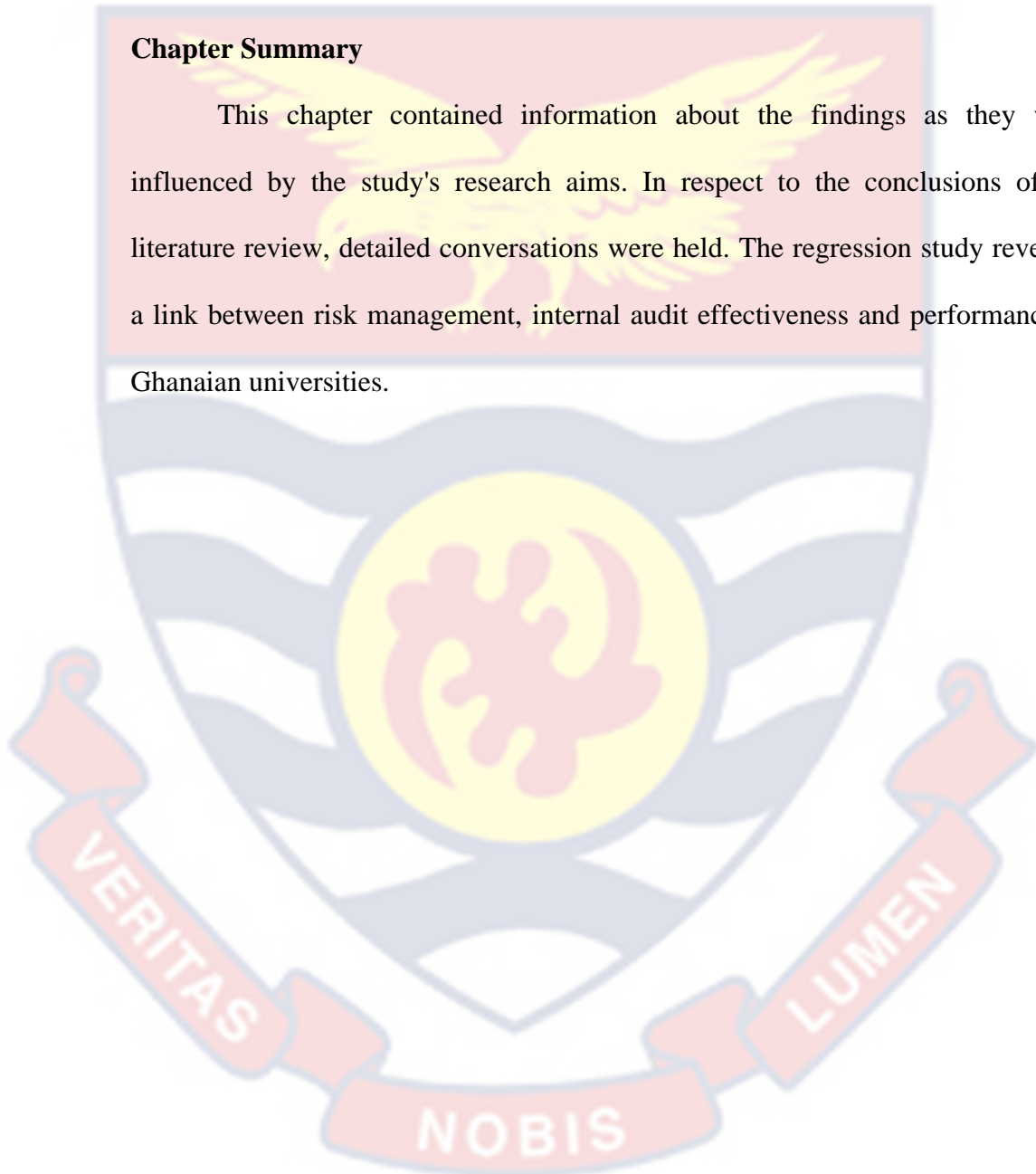
Source: Fieldwork (2022)

Finally, the moderating analysis was carried out using the Sobel Test Analysis to examine the moderating influence of internal audit on risk management effectiveness and performance of the University of Cape Coast. The findings revealed that internal audit effectiveness significantly ($p < 0.01$) influences the risk management and performance of the university. This indicates that the higher the internal audit effectiveness the better the risk management and performance of the university and the lower the internal audit effectiveness the least the risk management and performance of the university. These findings

agree with Nkrumah and Boateng (2020) that found that internal audit effectiveness reduces the level of risk of private universities. Also, it agrees with Bello, Ahmad, and Yusuf's (2018) findings that indicated that internal audit effectiveness influences the performance of federal universities in Nigeria.

Chapter Summary

This chapter contained information about the findings as they were influenced by the study's research aims. In respect to the conclusions of the literature review, detailed conversations were held. The regression study revealed a link between risk management, internal audit effectiveness and performance of Ghanaian universities.



CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The concluding chapter for this paper, chapter five, highlights the summary of the study, the conclusions drawn from key findings of the study and recommendations the researcher wants to make for stakeholders of the study. It also communicates other areas for future research.

Summary of Study

This study evaluated the risk management, internal audit effectiveness and performance of Ghanaian universities, and the view of University of Cape Coast Accounting students. The following research objectives guided the research:

1. Assess the risk management effectiveness of the University of Cape Coast.
2. Assess internal audit effectiveness of the University of Cape Coast.
3. Assess the level of performance of the University of Cape Coast.
4. Determine the direct influence of risk management effectiveness on the level of performance of the University of Cape Coast.
5. Determine the moderating role of internal audit on the relationship between risk management and the level of performance of the University of Cape Coast.

The study adopted an explanatory research design together with using students from the Department of Accounting as the study population. A sample size of 291 was estimated but 152 respondents accepted the invitation to participate in the study.

Data were collected using a questionnaire and processed and analysed with SPSS version 2.1 using descriptive statistics (Mean, Standard Deviations, Percentages, and Frequencies) and inferential statistics (Correlation and Regression).

Summary of Key Findings

The following summary contains the key findings of the study in a summarised form:

The study revealed that the University of Cape Coast ensures good reputational and operational risk management. The study also showed that risk management effectiveness is high; however, less attention has been placed on alert and security systems and good rapport with the surrounding communities. Also, the study indicated that there is high internal audit effectiveness in the university. This is because the university's internal audit is staffed with competent personnel who ensure proper internal audit procedures to reduce the risk to the university is exposed.

Concerning the performance of the university in terms of quality of service, the study showed that the university services are more reliable in terms of providing good tuition and learning materials to the students, followed by assurance in terms of producing quality students, responsiveness in terms of updating students with academic and other curricular information regularly, tangible in terms of good structures and lecture rooms, and then empathy in terms of showing concerns to students needs. However, the students revealed that the university's concern for them is still not enough and as a result needed more attention.

Moreover, the study revealed that there is a positive significant influence of risk management sub-constructs (reputational and operational risk) on the performance (quality of service) of the University of Cape Coast.

This shows that risk management is very essential in all organisations of any kind. And the more effective it is the better the performance of such an organisation.

In addition, the study indicated internal audit effectiveness positively influences the performance (quality of service) of the University of Cape Coast. This shows the independence and competence of every internal audit department have a great influence on the performance of every institution.

Last but not least, the moderating role of the internal audit showed a significant influence on both risk management effectiveness and the performance of the University of Cape Coast. Indicating that the internal audit function plays a key role in risk management and performance of organisations of any kind.

Conclusions

Conclusively, it is clear that risk management, internal audit effectiveness affects performance of Ghanaian universities, but the manner in which these institutions manage their risk, internal audit may have a negative impact on their performance. Based on the findings of the study and the results obtained, the conclusions below can be drawn from the study:

Risk management is an essential component of every organisation and it has a great impact on its core operations. Managing risk is like managing the future success of the organisation and it should be taken into account very seriously and added to the organisation's strategic plan.

The internal audit function helps to manage the risk and compliance procedures of organisations. A strong forefront internal audit is key to improving organisational performance. Therefore, the effectiveness of the internal audit department is key for every organisation.

The university provides quality services to students according to the findings of the study; however, the school should not rely on this performance but should endeavour to earn more recognition in developing and training quality students.

A positive relationship between the independent variables (risk management, internal audit) implies that Universities in Ghana will get superior results if risk management and internal audit are carefully considered.

Recommendations

Given the conclusions drawn, the researcher will like to make the following recommendations to stakeholders. Ghanaian public universities should stress the need for risk management and incorporate it into their strategic plan and make it a priority in their decision making. This will help them to stay competitive in the African continent and the world at large.

Also, the internal audit division should be strengthened by the public universities to help ensure proper risk management to help improve their performance in promoting quality and resourced human capital.

Suggestions for Future Research

The study was limited to students in the Department of Accounting and as a result, a broad base study should be conducted by using both the undergraduates and post-graduate students to evaluate the risk management and performance of public universities.

Secondly, the scope of the study should be widened to include other public universities to broaden the findings and contribute extensively to the literature.

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APPENDIX

UNIVERSITY OF CAPE COAST

COLLEGE OF HUMANITIES AND LEGAL STUDIES

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING

Dear Respondent,

Thank you for taking part in this research. The purpose of this study is to determine the impact of risk management on the performance of Ghanaian universities, with internal audit serving as a moderating factor. Your objective response will help to figure out how risk management affects the performance of Ghanaian universities. We guarantee that your responses will be kept completely anonymous and confidential.

SECTION A: DEMOGRAPHICS

Please indicate your response by ticking the appropriate space:

1. Gender Male [] Female []
2. Age
- Below 20 []
- 20 – 30 []
- Above 30 []
3. Level 100 [] 200 [] 300 [] 400

4. Marital status

Single

Married

Divorced

5. Which type of student are you?

Resident

International

SECTION B: RISK MANAGEMENT EFFECTIVENESS

Read the following statements carefully. Respond to each statement by ticking the appropriate space corresponding to the 5-point scale:

Key:

1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4= Agree; 5 = Strongly Agree.

NO	Items	1	2	3	4	5
	Reputational Risk					
5	The university has a good relationship with the surrounding communities					
6	The university has a good relationship with students and alumni					
7	The university has a good relationship with staff members					
8	The university is recognized as one of the best universities in Ghana					
9	The graduates from the university are pegged as the best in their respective disciplines					

10	The university has the best educational design and delivery					
11	The university's grading system is challenging					
12	The university's assessment is fair and not based on connection					
	Operational Risk					
13	The university system provides academic freedom and competition among faculties					
14	The university system provides quality academic programs					
15	The university grading system is merit-based					
16	The university has the logistics to promote both face to face and online teaching					
17	The university environment promotes the fight against sexual assault, drug abuse, and suicide					
18	The university is dedicated to ensuring infrastructures are in good conditions to smooth learning and teaching					
19	The lecture rooms are connected with a plant to ensure a 24/7 supply of electricity for teaching and learning					
20	The university has emergency alert systems for students safety					

SECTION C: INTERNAL AUDIT EFFECTIVENESS

Read the following statements carefully. Respond to each statement by ticking the appropriate space corresponding to the 5-point scale:

Key:

1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4= Agree; 5 = Strongly Agree.

NO	Items	1	2	3	4	5
21	The internal audit of the university is staffed with competent staffs					
22	The internal audit has adequate logistics to discharge their duties					
23	The internal audit helps to reduce the risk of the university					
24	The internal audit regularly assess and review the risk of the university					
25	The internal audit regularly report to management on any key matters related to the university's operations					
26	The internal audit ensures that the university compliance with relevant rules and regulations					

SECTION D: PERFORMANCE (QUALITY OF SERVICE)

Read the following statements carefully. Respond to each statement by ticking the appropriate space corresponding to the 5-point scale:

Key:

1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4= Agree; 5 = Strongly Agree.

NO	Tangible	1	2	3	4	5
27	The university has modern lecture rooms that support teaching and learning					
28	The university lecture rooms are fixed with microphones, internet, and lights for academic purposes					
29	The university facilities are in good shape					
	Reliable					
30	The university provides quality tuition					
31	The university lecturers provide students with the right materials to support their learning					
32	The university library materials support current learning and teaching					
	Responsiveness					

33	The university is prompt to students needs					
34	The university keeps updating students regularly on information crucial for their academics					
35	The university is always willing to help students					
	Assurances					
36	The university produces quality students					
37	The university ensures the safety of the students					
38	Students possess adequate knowledge on their field of study after school					
	Empathy					
39	The university always has the student interest at heart					
40	The university pays attention to students concern					
41	The university ensures that students get the best treatment on campus					

Thank You

Table for Determining Minimum Returned Sample Size for a Given Population Size for Continuous and Categorical Data by Adam (2020)

Population Size	Sample Size					
	Categorical data (margin of error=.05), $\rho=2$			Continuous data (margin of error=.03), $\rho=4$		
	90% confidence Level t = 1.645	95% confidence Level t = 1.96	99% confidence Level t = 2.58	90% confidence Level t = 1.645	95% confidence Level t = 1.96	99% confidence Level t = 2.58
10	10	10	10	10	10	10
15	15	15	15	14	15	15
20	19	20	20	19	19	20
25	23	24	25	23	23	24
30	28	28	29	26	27	29
35	31	33	34	30	31	33
40	35	37	38	33	35	37
50	43	45	47	40	43	46
60	50	52	56	46	49	54
70	56	60	64	52	56	61
80	62	67	72	57	62	69
90	68	73	80	61	68	76
100	74	80	87	66	73	83
110	79	86	95	70	78	89
120	84	92	102	74	83	96
130	88	98	109	77	88	102
140	93	103	116	81	92	108
150	97	108	123	84	97	114
160	101	113	129	87	101	119
170	105	118	136	90	104	125
180	109	123	142	92	108	130
190	112	128	148	95	111	135
200	116	132	154	97	115	140
220	122	140	166	102	121	150
250	130	152	182	108	130	163
300	143	169	207	116	142	182
350	153	184	230	123	152	200
400	162	196	250	128	161	215
450	169	208	269	133	168	229
500	176	218	286	137	174	241
600	187	235	316	144	185	262
700	196	249	342	149	194	279
800	203	260	364	153	201	293
900	209	270	383	156	206	306
1000	213	278	400	159	211	317
1200	221	292	429	163	219	334