UNIVERSITY OF CAPE COAST

INTERNAL CONTROLS AND COMPLIANCE IN PUBLIC HEALTH FACILITIES IN KWESIMINTSIM HOSPITAL - TAKORADI

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BY

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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

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this University

or elsewhere.
Candidate Signature Date:
Candidate Name: Enoch Ebo Daniels
Supervisor's Declaration
I hereby declare that the preparation and presentation of the dissertation were
supervised in accordance with the guidelines on supervision of dissertation
laid down by University of Cape Coast.
Supervisor's Signature

Name: Dr. Evans Frimpong Manso

ABSTRACT

The study assessed the internal control system compliance of public hospitals, using Kwesimintsim Hospital, Takoradi as a case in study. A specific focus of the study was on the effectiveness of the internal control system in ensuring that hospitals adhere to all applicable rules, regulations, and policies in the hospital, as well as preserving resources against theft and misuse. A crosssectional survey was used in the research. Employees at Kwesimintsim Hospital Takoradi filled out a structured questionnaire as the primary data collection instrument. The study focused on both hospital administrators and non-administrative workers. In total, there were 134 employees who took part in the survey. The data was analyzed using both descriptive and inferential statistics. The results showed that the hospital was generally adhering to its internal control procedures. To ensure orderly, ethical, economical, efficient, and effective operations; accountability duties; and compliance with laws and regulations; the hospital's internal control system played an important role. The hospital's internal control system, on the other hand, had little effect in preventing waste and fraud from occurring. In order to protect the hospital's resources from misuse, it is advised the hospital's leadership is to ensure that an effective internal control system was in place.

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DEDICATION

To my family



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LIST OF ACRONYMS

CHAG Christian Health Association of Ghana COSO Committee of Sponsoring Organisation GHS Ghana Health Service **ICAG** Institute of Chartered Accountants Ghana Millennium Development Goals **MDGs NHIF** National Health Insurance Fund National Health Insurance Scheme **NHIS** PAC **Public Accounts Committee** SD Standard deviation Sustainable Development Goals, **SDGs** Z **Z-Statistic**

CHAPTER ONE

INTRODUCTION

Promoting healthcare is crucial to achieving global development goals. Goal 3 of the current Sustainable Development Goals (SDGs), as well as Goals 4, 5, and 6 of the Millennium Development Goals (MDGs), are all geared toward achieving this end. However, health care provision that is both efficient and equitable is a challenge faced by governments worldwide. Poor revenue mobilization, inadequate health policy planning, and income leakages caused by fraud all contribute to governments' inability to adequately fund healthcare (Osei-Akoto & Adamba, 2011; Aryeteey, 2012). Problems like a lack of essential medications, supplies, and equipment, as well as poor care quality, persist in Ghana despite government initiatives like the National Health Insurance Scheme (NHIS) to improve access to and financing for healthcare. Hospitals have been paralyzed by months-long payment delays from the National Health Insurance Fund (NHIF) due to fraudulent claims. An efficient internal control system must be established to help regulate hospital operations and make healthcare available to all citizens of Ghana.

Background to the Study

As defined by Onyefulu and Ofor (2016), internal "control is the total system of control, whether financial or otherwise, established by management to carry out the enterprise's business operations effectively and efficiently, ensure adherence to management arrangements, safeguard resources, and, to the greatest extent possible, ensure the completeness and accuracy of records."

To achieve its goals, a system requires components that coordinate their

efforts to acquire, process, and disseminate information and data, as well as to incorporate feedback mechanisms (Asante, 2013).

Internal control is defined by the Committee on the Standards of Internal Control (2011) as "a framework consisting of specified procedures designed to provide management with reasonable assurance that the entity's critical objectives will be met." They argue that internal controls are necessary to improve efficiency and output, provide reliable financial and administrative data, keep valuables safe, and foster compliance with established protocols and laws. Organizational failure is often traced back to a lack of internal controls. The internal control system of a company is crucial to risk management, which is crucial to the achievement of the company's business objectives, as stated by the Institute of Chartered Accountants in England and Wales (2009). The company's assets and the shareholders' money can be better protected with an effective internal control system. Adequate operational performance, consistency between internal and external reporting, and compliance with legal and regulatory requirements are all fostered by a wellestablished system of internal control, as stated by Mwindi (2008). Internal control relies on effective financial controls, such as keeping detailed accounting records. They aid in making sure the company is not overexposed to unnecessary financial risks and that the financial data used internally and for dissemination is accurate. They help protect resources by identifying and stopping extortion attempts. According to Asare (2006), a solid internal control system ensures reliable financial reporting and aids in the detection and prevention of fraud.

Internal control systems, as defined by COSO (2011), are responsible for ensuring that (1) operations are conducted in a lawful, moral, economically efficient, and effective manner; (2) accountability responsibilities are met; (3) compliance with applicable laws and regulations is maintained; and (4) resources are safeguarded against loss, misuse, and damage. Control environment, risk assessment, control activities, information and communication, and monitoring are the five parts of the COSO framework that COSO (2011) identifies as necessary for effective internal control systems. Therefore, the purpose of this research is to determine how extensively COSO-based internal control systems have been implemented at Takoradi Metropolitan Assembly public health institutions.

The International Mission Board decided in 2008 to hand over administrative and financial control of the hospital to the Ghana Baptist Convention, and that handover occurred in February 2014. Takoradi, Ghana is home to the world-famous Kwesimintsim Hospital. In this part of the world, the hospital stands as a testament to the power of the gospel. Many patients come from out of town and even other countries to get treatment at this facility.

By the year 2020, the hospital hopes to have completed its transformation into a district referral hospital by acquiring the state-of-the-art infrastructure, systems, and processes necessary to provide excellent secondary care, medical education, and research. To realize its mission of providing excellent tertiary care, the hospital must develop a reliable internal control system to prevent waste, fraud, and abuse and to guarantee the efficient running of all hospital operations.

Statement of the Problem

Due to widespread fraudulent financial information and accounting scandals in both developed and developing nations, internal control framework has become a hot topic (Mattie & Cassidy, 2002). This is because a lack of or ineffective internal control systems has been linked to an increase in the frequency of theft, accounting fraud, and misuse of public funds (Onyefulu & Ofor, 2016; Udoayang & Uket, 2012). Project failure and financial losses can result from weak internal controls, according to the Financial Management Manual (2005). Procurement, stock issues, and distribution from stores, salaries and wages, cash, non-current assets, receivables, use and operation of vehicles, decentralized and self-accounting departments, and land over controls are all subject to the same standards as in any other organization, including public hospitals. As a result, the hospital will be more likely to run smoothly, adhere to regulations, hold its employees accountable, and prevent theft and waste of its resources (COSO, 2011).

On the other hand, companies with transparent departments have less reliable responses to accountability requests. Citizens and benefactors often dilly-dally when it comes to hospitals. Consequently, there is a rise in financial irregularities and extortion despite weak incentives for internal financial control (Hardiman, 2006). Financial losses due to fraud are commonplace in Ghana's public sector, as evidenced by the Auditor General's report to Parliament's Public Accounts Committee (PAC), which has consistently revealed numerous significant acts of financial malfeasance. The procurement procedures of the Ghana Health Service (GHS) have come under scrutiny due to allegations of fraud. Overbilling and improper purchasing have plagued the

National Health Insurance Fund (Coyle, Bardi, & Langley, 2003). Hospitals risk falling short in their mission to provide adequate, high-quality healthcare to the community if these practices are not reined in. One of the most important findings from this study is the emphasis placed on hospital adherence to internal control systems. This research is being conducted at Kwesimintsim Hospital in the Takoradi Metropolitan Assembly, and its primary aim is to answer the following questions.

Purpose of the Study

The main purpose of this study is to examine the extent of compliance of public hospitals to internal control system using Kwesimintsim Hospital in Takoradi Metropolitan Assembly.

Research Objectives

The study sought to:

- determine the effectiveness of the internal control system in executing orderly, ethical, economical, efficient and effective operations in the hospital.
- 2. examine the effectiveness of the internal control system in fulfilling accountability in the hospital.
- ascertain the effectiveness of the internal control system in ensuring compliance of hospitals to applicable laws and regulations in the hospital.
- 4. determine the effectiveness of the internal control system in safeguarding resources against losses and misuse.

Research Questions

- 1. What is the extent of effectiveness of the internal control system in executing orderly, ethical, economical, efficient and effective operations in Kwesimintsim Hospital?
- 2. What is the level of effectiveness of the internal control system in fulfilling accountability in the hospital?
- 3. What is the level of effectiveness of the internal control system in ensuring compliance of hospitals to applicable laws and regulations?
- 4. What is the effectiveness of the internal control system in safeguarding resources against losses, and misuse in the hospital?

Significance of the Study

The results would, in large part, reveal the extent of internal control system implementation in the Kwesimintsim Hospital of the Takoradi Metropolitan Assembly, as the study's abstract puts it. In other words, the investigation will reveal the depth to which the healthcare facility monitors its internal control system in terms of the control environment, risk assessment, control activities, information and communication, and monitoring and evaluation. This data is crucial to the success of the institution's and government's efforts to ensure the fiscal management of the hospital. The efficiency of the business's internal controls will also be assessed. This will show that the hospital can (1) manage its operations in a way that is ethical, cost-effective, and efficient; (2) hold its employees accountable; (3) comply with applicable laws and regulations; and (4) protect its assets from waste, misuse, and abuse (COSO, 1992). In addition to contributing to the existing

body of knowledge on internal control systems in public sector enterprises, the results of this study can be used as a benchmark for future studies.

Delimitation of the Study

The Kwesimintsim Hospital in the Takoradi Metropolitan Assembly is the subject of this investigation. The researcher is a sector employee, so Kwesimintsim Hospital was a natural choice for providing access to the data needed for the study. The survey included responses from both upper- and lower-level employees. The study is limited in its scope by the following: (1) the extent to which the COSO (1992) framework of internal control systems has been implemented (control environment, risk assessment, control activities, information and communication, monitoring and evaluation); and (2) the effectiveness of the internal control system in (1) ensuring the orderly, ethical, cost-effective, and efficient operation of the business; and (3) the fulfillment of accountability obligations and adherence to all relevant laws and regulations. A quantitative survey strategy was used in the study's execution. The subjective findings of quantitative research methods counteract the inherent biases of qualitative approaches.

Limitation of the Study

A cross-sectional survey design has the potential to undermine the trustworthiness of the study's results. Since the Hospital relied so heavily on its management staff for information, getting it when it was needed proved difficult. This is because members of management were slow to provide the necessary data for this probe. Some of the intended respondents were also reluctant to open up, especially about matters of fraud and responsibility. The

survey instrument, on the other hand, was developed to streamline the data collection process for the intended audience.

The unwillingness of the staff at the hospitals of interest to participate in the study made it difficult to collect data. This is because the researcher spent a lot of time at the hospital collecting data. This slowed down data collection and raised costs for the researcher. The study's sample size was small because of time and money constraints, and this reduced the reliability of the results.

Definition of Terms

The main terms considered in this study are; internal control system and effectiveness of internal control system.

Internal control system: COSO (1992) was selected as the benchmark to be used. The board of directors, management, and other employees of an organisation all contribute to the development of an internal control framework that aims to offer a reasonable level of assurance regarding the effectiveness and efficiency of the organization's operations, the accuracy of its financial reporting, and its compliance with all relevant legal and regulatory requirements. The internal control system is composed of the following elements: control environment, risk assessment, control actions, information and communication, and monitoring.

Effectiveness of Internal control system: Researchers evaluate an internal control system's effectiveness based on how well it has succeeded in achieving its stated objectives, which include managing hospital operations in a way that upholds ethical standards, is economical, and efficient while also safeguarding resources from theft or misuse (COSO, 1992).

Organisation of the Study

The study report is systematically organised into five chapters as outlined. Chapter One: chapter one form the introductory chapter which include sections such as the background of the study, the problem statement, the objectives of the study and the research questions. It further includes the significance of the study, delimitation and limitation, definition of terms and organization of the study. Chapter Two reviews literature on the study area. The chapter reviews important theoretical and empirical literatures on internal control system and its objectives. Chapter Three constitutes the methodology chapter. The chapter will present the research design, the population and sampling technique, the data collection instrument, and the statistical tools used in the data analysis. Chapter Four presents the results and discussions. It presents the data collected from the field and summarizes them via tables. The chapter also discussed the findings of the study relative to the empirical literature. Chapter Five presents the conclusion and recommendations. The chapter summarizes the major findings of the study; the conclusions attained and also make relevant recommendations based on the findings. Suggestions for future studies are also included in this chapter.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter covers both theoretical and empirical literature on the subject. The chapter started with the conceptual review. The next section analysed the theories underpinning the study. The empirical review then followed in the subsequent sections.

Theoretical Review

The theoretical framework of this study includes theories such the Institutional theory, Agency theory, Stewardship theory, Stakeholder theory, and Accountability theory.

Institutional Theory

The institutional theory holds that organizations will adopt structures of policies such as internal control system as a result of three types of pressures; coercive pressures come from legal mandates or influence from organizations they are dependent upon; mimetic pressures to copy successful forms arise during high uncertainty and finally, normative pressures to homogeneity come from the like attitudes and approaches of professional groups and associations (Powel & DiMaggio, 2012; DiMaggio & Powell, 1991). This implies that coercive pressure from the Ghana Audit Service will influence the effectiveness of internal control system in public sector organizations. Secondly, the power of mimetic pressure will make hospitals in East Mamprusi Municipality behave similarly to other government hospital in the country in terms of adoption of effective internal control system. Finally, normative pressures will ensure that internal audit in the selected hospital

perform their functions according to their professional standards by ensuring internal control system was working properly.

Agency theory

The agency theory defines the principal-agent relationship (Jenson & Meckling, 1976). It stipulates that an agency relationship exist where a party called the principal hires another called the agent to act on his (the principal's) behalf. Thus, the principal in question has some responsibilities he or she is not in the position to perform as a result of time constraint or expertise and hence hires the services of another to perform the task(s) in question.

In an organizational setting, owners or shareholders of an entity are the principal who engage the services of managers for the running of the day to day business of the entity. In government hospitals, the principal is the government and the agents are the management staff of the hospital. Shareholders invest basically for capital appreciation or increase in share price and or for cost of capital gain in the form of dividend. Like the government hospitals, government invests in building and running of the hospital. Therefore, government will like to maximize its interest by ensuring funds provided to the hospitals are put to judicious, hence the need to institute sound internal control system. Thus, the aim of an organization (hospital) is to increase shareholders wealth (government interest). That notwithstanding, managers also have their own interest or goals such as prestige, fat salaries, allowances, bonuses, among others which may be procured through fraud which conflict the long-term objective of the firm. The difference in goals defines the conflict of interest, and hence the agency problem. This is alluded

to or ascribed to separation of ownership from management and information asymmetry (Chrisman, Chua, & Litz, 2004).

Agency theory proposes an intrinsic moral hazard in shareholder-manager relations which brings about agency costs. For example, managers can implement accounting procedures and methods that boost their compensation and reward incentives as against the maximization of shareholder value (Lan & Heracleous, 2010). The formation of an effective internal control system is one of the ways of reducing the incentive problem. This is because an effective internal control system enhances the credibility of financial statements; aids the work of the board, which is charged with safeguarding assets as well as promoting the interests of shareholders (Alchain & Demsetz, 1972; Fama & Jensen, 1983).

Stewardship theory

This theory opines that management is the steward of the assets of the organization and good governance requires active participation of all members. Management will act primarily as stewards. Stewardship theory is a theory that managers, left on their own, will indeed act as responsible stewards of the assets they control. Thus, there is non-existence of conflict of interest between management and the shareholders of an entity. This theory is an alternative view of agency theory in which managers are assumed to act in their own self-interests at the expense of shareholders. Daily, Dalton and Cannella (2003) asserted that in order to protect their reputations as decision makers in organizations, executives and directors are inclined to operate the organization to maximize performance as well as shareholders' profits (government interest). It specifies certain mechanisms which reduces agency

loss including tie executive compensation, levels of benefits and also managers' incentive schemes by rewarding them financially or offering shares that aligns financial interest of executives to motivate them for better performance. This therefore calls for the implementation of effective international control system to safeguard asset of the hospital against management interest. The importance of internal control mechanisms in dealing with counter work behaviour, specifically employee incentives through fraud, has been investigated and found that effective internal control system is significant in the detection and prevention of fraud of any kind (O'Leary, Iselin & Sharma, 2006).

Stakeholder theory

Stakeholder theory proposes that the main reason of a business endeavor is to produce as much value as possible for stakeholders (Freeman, 1984). In order to be successful and be sustained over a period of time, senior managers must ensure the interests of customers, suppliers, employees, communities and shareholders aligned and are facing the same direction. Freeman (1984) put forward the argument that managers are not just answerable to shareholders. In addition to shareholders or stakeholder they also need to consider "any group or individual who can affect or is affected by the achievement of the firm's objectives". Therefore, safeguarding the asset of the hospital from abuse through the implementation of effective internal control system will go a long way of ensuring sound operation of the hospitals to the benefit of clients (patients) or the community where the hospitals are located. (Wheeler, Fabig & Boele, 2002) opined that stakeholder theory was

derived from a combination of the sociological and organizational disciplines.

Accountability theory

The effectiveness of financial reporting as a major concern to management solely relies on reliability and accuracy of management financial report. Accountability has been an important topic that has raised concerns when it comes to corporate governance (Frink & Klimoski, 2004). Managers in their own small way may try to come out with a good and a more convincing report on profits or earning based on their own discretion all in the name to uphold the good image of the organization, and to ensure some level of assurance on overseeing the financial reporting quality and reliability. Internal control systems will ensure that the hospital is audited to ensure compliance to lay down procedures for public financial management. The auditing protects the shareholders and investors (Kamau &Waweru, 2013).

Conceptual Review

The section analysed the concept of internal control system. The components of internal control systems were also analysed under this section.

Concept of internal control system

Many researchers have examined the effects of internal control on a variety of stakeholders within an organization, each using their own definitions and aggregation levels. Traditionally, the term internal control has been understood in the context of financial reporting and regulatory conformity by the accounting profession. When it comes to financial reporting, the AICPA's definition of internal control is more all-encompassing (Mautz & Winjum, 1981). Separate definitions for accounting controls and

administrative controls were established in 1958 and 1972, respectively. The AICPA is working to reduce the likelihood of lawsuits by emphasizing the use of time-tested accounting controls like authorization, segregation of duties, and cross-checking. This limits the scope of the commander's authority. Accountants' and auditors' responsibilities, and whether or not they extend beyond financial and administrative controls, have been the subject of much discussion.

According to Cunningham (2004), an internal control system's primary purpose is to aid a company in accomplishing its objectives. The ICS is under the supervision of the management team, who are also responsible for establishing the company's goals and making strategic decisions.

The Committee on the Structure of Organizational (COSO) (2011) states that the Internal Control-Integrated Framework (ICIF) is a process that involves the board of directors, senior management, and other employees of a company and aims to provide reasonable assurance that the company's objectives in the areas of operational efficiency and effectiveness, financial reporting accuracy, and regulatory compliance have been met. The COSO definition of a control system states that it is the sum of its component control processes.

Since small businesses would struggle to implement and maintain the COSO framework (Amudo & Inanga, 2009), it is not mandatory for them to do so. Small businesses require a careful balancing act between formal and informal controls, but Amudo and Inanga argue that this nuance is lost in the COSO framework. Is it possible for internal controls to be effective in small

businesses even if only some of the COSO-recommended elements are in place? This matter was ignored by the COSO.

Information technology (IT) is a crucial part of any system of internal controls. In modern businesses, IT is used for all stages of a transaction, including requesting, approving, recording, and processing. The effectiveness of internal controls is tracked by IT. As a result of COSO's failure to include information technology in its list of control elements, other businesses felt compelled to develop their own frameworks to do so. Control Objectives for Information and Related Technology (COBIT) is one such model.

Using this COSO paper, Internal Control - Integrated Framework, INTOSAI (International Organization of Supreme Auditing Institutions, 2001) revised its 1992 guidelines for internal control standards in accordance with their 2001 decision. The Committee intends to update the concept of internal control and promote a common understanding of it among SAIs by including the COSO model in the standards. Internal control is a critical process that is influenced by both management and staff, as stated by INTOSAI (2001). It is built to lessen uncertainty and provide adequate assurance that the following broad aims are being met:

- executing orderly, ethical, economical, efficient and effective operations;
- 2. fulfilling accountability obligations;
- 3. complying with applicable laws and regulations;
- 4. Safeguarding resources against loss, misuse and damage.

To that end, internal controls are defined as "all the measures taken by the organization to protect its resources against waste, fraud, and inefficiency; to ensure the accuracy and reliability of accounting and operating data; to ensure compliance with the policies of the organization; and to evaluate the level of performance in all organizational units" (Kaplan, 2008; Cunningham, 2004; INTOSAI, 2004).

Components of internal control systems

The five interconnected parts of an organization's internal control system are the control environment, the control activities, the risk assessment, the information and communication, and the monitoring (INTOSAI, 2004). The COSO Framework for Internal Control, on the other hand, suggests that the ICS have two main parts: the control environment and the control activities (Thuy, 2007).

Control environment

The term "control environment" (CE) is used to describe the way an organization's employees think and act, as well as their level of expertise, ethics, commitment, and self-confidence (DiNapoli, 2007). The CE is also affected by the organization's hierarchy and reporting relationships. The Control Environment (CE) is the Council's and Management's perspective on the value of control within the LG, as described by DiNapoli (2007). Structure and discipline provided by the Control Environment are essential for achieving the System of Internal Control's primary objectives. According to INTOSAI (2001), a company's culture and the control consciousness of its employees are shaped by the organization's control environment. This describes the philosophy, values, and outlook of top-level political and management personnel, as well as the company's culture as a whole, in regards to the timeliness, honesty, and accuracy of financial reporting (Thuy, 2007).

The effectiveness of the internal control systems as a whole is influenced by the control environment, which provides the necessary structure, discipline, and climate. Organizational structure (including an independent Internal Audit function and segregation of duties), setting appropriate authorisation limits, and human resource management are all part of a healthy control environment (Kaplan, 2008; Thuy, 2007; INTOSAI, 2004), as is setting the right tone from the top (management's philosophy and operating style).

Risk assessment

A risk assessment is a comprehensive analysis of your workplace that focuses on identifying potential hazards to employees. According to several sources (DiNapoli, 2007; 2004), It involves recognizing risks, assessing their severity and likelihood, gauging the organization's tolerance for risk, and developing responses to those risks. To distinguish between risks that can be mitigated through the use of internal control mechanisms and those that cannot be avoided, it is necessary to conduct a risk assessment.

Systematic and integrated risk management was recommended in the Cadbury Report (1992). Additionally, the company should encourage a mindset that values risk assessment and mitigation. Since societal, political, economic, industrial, regulatory, and operational factors are constantly evolving, risk assessment should be an ongoing, iterative process. Finding, evaluating, and updating internal controls in light of shifting risks is what is meant by the term "risk assessment." In VFM analysis, total risks, which are contingent on the service delivery method chosen, must be taken into account (Heald, 2003).

Control activities

When controllable risks are identified, they can be mitigated through the application of targeted control activities (Kaplan, 2008). SOX, or the Sarbanes-Oxley Act of 2002, according to Thuy (2007), "Control Activities" are made up of rules, processes, and systems that ensure reliable financial reporting. They include things like permissions and approvals, checks and balances, performance evaluations, safekeeping of assets, separation of duties, and information system controls (Laura, 2002). Processes for counting and valuing inventory, policies for comparing bank statements with checks written, and procurement and disposal systems are all part of the control activities that businesses should have in place (Kaplan, 2008; Thuy, 2007, SOX, 2002). Control measures can either be preventative or detective. In addition to internal control operations, corrective measures are essential for an organization to achieve its objectives and generate Value for Money.

Information and communication

Administration, the board, line services, employees, etc., all need access to relevant information in sufficient time to allow them to meet their obligations (DiNapoli, 2007; INTOSAI, 2004). Information is most useful when it is appropriate, timely, current, accurate, and accessible (INTOSAI, 2004). This means that all transactions should be recorded and categorized as soon as possible. Management and council can use the feedback provided by this communication to gauge the effectiveness of the organization's internal control mechanisms (DiNapoli, 2007). Information and Communication (IC) are vital to achieving the LG internal control objectives, specifically Value for Money. If upper management emphasizes the importance of control

responsibilities, workers will understand their place within the ICS and how their actions affect others' (DiNapoli, 2007).

Monitoring

Observation can be done continuously, on an as-needed basis, or in a hybrid fashion to evaluate the system's execution quality over time (INTOSAI, 2004; DiNapoli, 2007). The primary focus of management's oversight should be on the effectiveness of internal controls and the achievement of the organization's goals. Effective monitoring requires that all workers understand the company's objectives and their own roles within the company (DiNapoli, 2007). In order to evaluate the quality of an organization's performance over time and the efficacy of controls, monitoring is performed on its operations and transactions, including the ICS (DiNapoli, 2007). Continuous monitoring of internal control systems is necessary to prevent the use of unreliable, unethical, costly, inefficient, or ineffective internal control systems (DiNapoli, 2007; INTOSAI, 2004) by an organization. Council, DEC, standing committees, and management are responsible for monitoring and evaluating the performance of each sector in accordance with the LG Financial and Accounting Regulations (2007). As part of the monitoring process, the degree to which the ICS achieves its objectives is evaluated separately, and any deficiencies should be reported to the DEC for Council action (INTOSAI, 2004).

Kaplan (2008) argues that an organization's financial stability depends on its ability to accurately assess risk. The Internal Review function is typically the ICS's primary interface; it analyzes the existing control structure, reports on the areas where controls have failed so that they can be improved,

and provides guidance to upper management on how to implement innovative, state-of-the-art methods.

Objectives of Internal Control

According to INTOSAI (2001), the objectives of internal control system are for:

Executing orderly, ethical, economical, efficient and effective operations

Every action taken by the group must be deliberate and consistent with the organization's values. They must always keep the organization's goals in mind. Being orderly suggests deep consideration or composure. Ethics are what are meant by the term "moral." The vast majority of people want their hired help to respect their privacy and treat them with respect. A just and lawful society treats its citizens fairly. To save money, one must refrain from extravagance. It entails getting resources of the right kind and quantity, at the right time and place, and at the lowest possible cost. Efficiency can be defined as the ratio of inputs to outputs that leads to successful goal attainment. It can mean the highest possible output for a given number of resources, or the least number of resources needed to produce a desired amount of goods. Effectiveness can be defined as "the degree to which an activity attains its objectives or the extent to which its results are consistent with those objectives or expected consequences" (INTOSAI, 2001).

Fulfilling accountability obligations

Accountability refers to the practice of holding government agencies and their employees responsible for the outcomes of their decisions and actions in areas such as equity, fiscal responsibility, and service delivery. To that end, we'll be sure to create, store, and make available timely reports to

internal and external stakeholders that fairly disclose all relevant financial and nonfinancial data. Economic data, data on the efficiency and effectiveness of policies and activities, and data on performance are all examples of non-financial information (INTOSAI, 2001).

Complying with laws and regulations

Organizations must comply with a plethora of rules and regulations. Collecting, investing, and spending open cash in open organizations is subject to various regulations. Cases have involved a wide variety of statutes, including but not limited to: the Budget Act, universal settlements, laws on appropriate organization, the Act, accounting law/standards, laws on natural security and gracious rights, pay charge controls, and anti-fraud and debasement statutes (INTOSAI, 2001).

Safeguarding resources

Even though the fourth common purpose (thoughtful, moral, moderate, productive, and engaging activities) can be seen as a subcategory of the primary one, protecting assets within the open division should be emphasized. This is because public sector resources are typically funded by public funds, and their use typically requires deference to the public interest.

Other resources, such as data, source documents, and accounting records, must be kept to achieve openness and accountability of government operations. However, they might also be stolen, mistreated, or destroyed. The importance of keeping some assets and records secure has grown substantially since the advent of electronic storage systems. Information stored on computer media is vulnerable to loss, duplication, distribution, and misuse if proper measures are not taken to protect it (INTOSAI, 2001).

Relationship between components on internal control system and objectives

There is a coordinated relationship between the internal control components and the common targets, which describe what an entity must do to achieve the shared goals, as stated by INTOSAI (2001). A three-by-three cube-shaped matrix represents the connection. Accountability (and reporting), Compliance (with laws and regulations), Orderly, Ethical, Economical, Efficient, and Effective Operations, and Protection of Resources (vertical columns), Components (horizontal rows), and Organization/Entity/ Departments (third dimension) form a matrix (Figure 2).

There are four interconnected goals, and each component push "cuts across" to all of them. For instance, the financial and non-financial data generated from internal and external sources by the information and communication component is essential for managing operations, reporting and meeting accountability requirements, and complying with applicable laws. Each of the five parts is similarly connected to one of the overarching purposes. Consider the goal of improving the effectiveness and efficiency of your operations; it's easy to see that all five factors play a role.

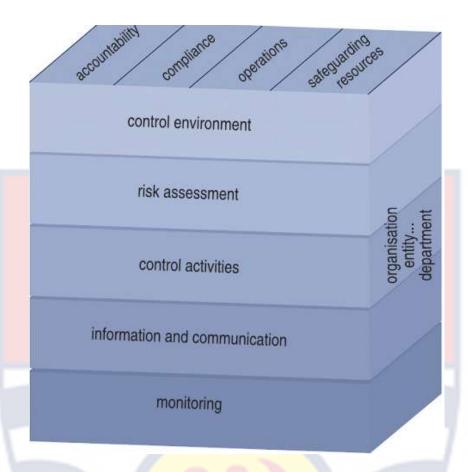


Figure 1: Relationship between Objectives and Components on internal control

Source: INTOSAI (2001)

A company's internal controls can be applied to the whole organization, or just to one division within it. This connection is represented by the third dimension, which includes whole organizations, entities, and departments. This means that it is possible for each matrix cell to receive special treatment. While the internal control framework is universally applicable, the manner in which it is implemented by management will vary greatly from one entity to the next depending on factors unique to that particular entity. There are many factors to consider, including organizational make-up, risk assessment, operational setting, business volume, complexity, and oversight. When tailoring the internal control framework components to the entity's specific situation, management must make a number of decisions

about the complexity of the underlying processes and methodologies (INTOSAI, 2001). The research makes use of this conceptual framework (INTOSAI, 2001) to establish connections between the various components of the internal control system and the aforementioned goals.

Empirical Review

To determine whether or not the Ghana Post Company Limited's (GPCL) internal controls are effective, Ofori (2011) conducted an evaluation in the Ashanti region. Due to the nature of the study, an explanatory research strategy was adopted. Employees of the Ghana Postal Company Ltd. took part in the research. Fifty participants were used for the study's sample. Purposeful sampling was employed in this investigation. Questionnaires and in-person interviews were used to compile the data. Based on the responses, it appears that the majority of employees at the Ghana Postal Service in the Ashanti Region agree that the control environment is effective. After examining the risk assessment subsystem of Ghana Post's internal control system, the study found that it, too, was effective. Again, the survey's actual data showed that most people thought Ghana Post did a good job of keeping things under control. The surveys show that most people are happy with this setup, so they think the internal control information and communication system works well.

Akinyomi (2012) investigated bank fraud and proposed solutions for its elimination in Nigeria's financial sector. The primary data for this study was gathered from a survey given to 200 employees at 10 different commercial banks in Lagos. Respondents were selected through a process of non-probability selection. The t-test was utilized to analyze the statistical significance of rating scale responses. Most employees in the survey

considered their pay to be satisfactory, indicating that greed is the primary motivator of fraud. Employees of the bank were implicated in every step of the fraud process, from planning and preparation to execution and cover-up. Furthermore, most bank fraud involved some sort of computer system. The two most serious consequences of fraud are a loss of revenue and a drop in customer confidence. Creating an effective internal control system was recommended as a course of action.

The correlation between internal control systems and financial performance was investigated by Mawanda (2008) at a Ugandan university. Liquidity, accountability, and reporting were used to analyze financial performance, while Control Environment, Internal Audit, and Control Activities were analyzed to analyze internal controls. The research employed a mix of quantitative and qualitative techniques. Questionnaires, interview guides, and document and record reviews were used to collect data from a sample of 270 university employees at Uganda Martyrs University. Deans, Associate Deans, Department Heads, Management Committee Members, and Finance and Accounts Workers made up the bulk of the respondents. The data was analyzed using the tables and figures provided by the Statistical Package for Social Scientists.

According to the results of the investigation, the internal review office is inefficient and understaffed, and it does not carry out routine review procedures or issue routine review reports. Additionally, it was determined that the institution's administration is dedicated to the control frameworks and takes an active role in monitoring and supervising the College's activities. It was also revealed that the institution has a training programme for capacity

building, that there is a clear separation of duties, and that systemic flaws are addressed. However, the probe also uncovered a lack of adequate information sharing and security measures to safeguard University property. It was also mentioned that there isn't enough money to fund the university's goals, that student fees don't cover expenses, and that the university isn't collecting all of the fees that it should be. However, it was found that the university's assets had grown and that all income and expenditures had been properly recorded. Financial success was found to have a high correlation with the existence of an effective internal control system.

Similar research has investigated the role of internal control mechanisms in preventing and resolving counterproductive behavior, especially employee fraud, as conducted by O'Leary, Iselin, and Sharma (2007). The report stresses the significance of an effective internal control system in detecting and preventing fraud. The research also found that a high level of management commitment to internal control reduced the prevalence of both internal criminality and fraud. Another study's findings that access to a variety of control measures alone can mitigate fraud-related losses were corroborated by these findings (Holtfreter, 2004).

Organizational culture has been shown to have an impact on employee dishonesty in similar ways in previous research. Greenberg (2002) found a correlation between theft on the job and perceptions of honesty in the workplace. Organizational factors may also play a larger role in the development of harmful deviance, according to some research (Robinson & Bennett, 1995). The relationship between employee fraud and perceptions of organizational fairness was found to be moderated by the efficiency of internal

control measures, according to research by Rae and Subramaniam (2008). The authors argue that efforts to reduce employee fraud should center on structural factors such as the physical workplace, internal control processes, and education and training.

Chapter Summary

This chapter reviewed the theories underpinning this study. This includes the agency theory, stewardship theory, stakeholder theory and accountability theory. Literature on the subject matter was reviewed under the empirical review.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter presents the methodology used to achieve the purpose of the study. This chapter presents the research design; the target population, and the sampling procedure including the sample size and sampling technique. The chapter further presents the data collection instrument used to gather data and data collection procedure. Finally, the chapter describes how the data collected was analyzed.

Research Approach

A research design is a strategy for how a researcher plans to collect data and draw conclusions. The researchers in this study used a cross-sectional survey design and a quantitative approach. According to Patel and Davidson (1991), qualitative research methods are used to analyze information other than numbers (i.e., words), while quantitative research methods are used to analyze numerical data in statistical form. Because the respondents themselves supply the data in the form of numbers, rather than the researcher's subjective interpretation, the quantitative approach was chosen because it is grounded in a positive philosophical ideology and thus helps provide objective research findings (Quinn, 2010). Additionally, a survey was selected as the research design because "surveys provide a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population" (Creswell, 2009).

Research Design

The study is both descriptive and explanatory in nature, as befits its stated aim. Observing and describing a subject's behavior without attempting to change it is at the heart of descriptive research, a scientific method (Creswell, 2009). The study is descriptive because it aims to describe the degree to which an internal control system has been implemented, as well as the degree to which its objectives have been met. The research is illuminating because it aimed to clarify the connection between an organization's internal control system and its stated goals, which included (1) carrying out operations in an orderly, ethical, economically efficient, and effectively; (2) meeting accountability obligations; (3) complying with applicable laws and regulations; and (4) protecting resources against loss, misuse, and damage in the organization.

On a temporal scale; the study is also cross-sectional because it focused on the phenomena of internal control system and its objectives at a specific time, as opposed to longitudinal research, which focuses on the phenomena at successive time periods (Saunders, Lewis, & Thornhill, 2012).

Population

For the sake of this investigation, Malhotra (2007) defines population as "the sum of all things sharing some common set of characteristics that constitute the universe." Kwesimintsim Hospital staff in the Takoradi Metropolitan Assembly are the sole participants in this study. Employees at both the managerial and non-management levels were included in the research. All areas of the hospitals were represented among the participants.

The Takoradi Metropolitan Assembly is home to the Kwesimintsim Hospital in Ghana's western region. The hospital's payroll data showed that 193 people were employed there in total (KH Report, 2018).

Sampling Procedure

With regard to the sampling technique used, a non-probability sampling technique will be adopted. Convenience sampling techniques was adopted because only employees of selected hospital who were present at the time of the study and demonstrate willingness to participate in the study were considered.

Sample Size

To determine the sample size for the study, Yamane (1967) formula was adopted:

$$n = \frac{N}{1 + Ne^2}$$

In this formula, n represents the sample size to be calculated, while N is the relevant population (total number of target employees). The value of e" (standard error) depends on the required confidence level set by the researcher. If the confidence level is 95 percent, then the e" value would be 0.05. In this study 95% confidence level was adopted. Therefore, knowing the total number of target employees, the sample size was estimated. The record of the hospital revealed that overall, there were 193 employees (KH Report, 2018). Using the population size of 193, the minimum sample size was estimated as follows:

$$n = \frac{N}{1 + Ne^2} = \frac{193}{1 + 193(0.05)^2} = \frac{193}{1.4825} \square 130$$

Table 1: Sample size determination

	N	percent	Estimated	Actual sample	
		1	sample size	size	
Administrator	4	2.2	3	3	
Accountant/Account officer	14	7.5	10	10	
Doctor	6	3.0	4	4	
Nurse	135	70.1	91	94	
Pharmacist	7	3.7	5	5	
Lab Technician	3	1.5	2	2	
Others	24	11.9	15	16	
Total	193	100.0	130	134	

Source: Field Survey (2022)

In this study a total of 134 employees of the hospital took part in the study. Therefore, the actual sample size used in the study is 134.

Data Collection Procedure

The hospital management of Kwesimintsim Hospital was served with an introductory letter to seek their consent. The validated and pre-tested questionnaires were distributed to the target respondents personally by the researcher for the questionnaires to be self-administered by the target employees. The employees were given ample time of about 3 weeks to provide their response to the questionnaires. The completed questionnaires were collected back from the participants through personal contact for editing, sorting and analysis.

Data Collection Instruments

A survey questionnaire was used to gather data for the study. The questionnaire was organized into three sections: The first section assessed the

demographic profile of the respondents including gender, age, educational background, position held, and tenure of work in hospital.

The next section determined the extent of implementation of the practice of internal control systems in the organization. Items in this section included components of internal control system; control environment, risk assessment, control activities, information and communication and monitoring as established by the COSO Framework (2011). The items will be responded to on a Five-point Likert Scale (Likert, 1932) scale: 1= Strongly Disagree; 2= Disagree; 3 = Neutral; 4= Agree; 5= Strongly agree.

The third section will measure the effectiveness of the organization. Items of this scale were measured on a Five-point Likert Scale: 1=Strongly disagree; 2=disagree; 3=Neutral; 4=agree; 5=strongly agree. Items included ability of the organization to; executing orderly, ethical, economical, efficient and effective operations; fulfilling accountability obligations; complying with applicable laws and regulations; and safeguarding resources against loss, misuse and damage (COSO, 2011).

Data Processing and Analysis

Both descriptive and inferential statistical tools were considered in the data analysis. Descriptive statistics such as frequency distribution was used to present the demographic profile of the respondents. Also, measures such as mean and standard deviation were used to represent the extent of implementation of internal control system, and effectiveness of the hospital internal control systems.

Also, inferential statistics such as correlation and regression method were used to establish the relationship between the various component of

internal control system and effectiveness of the hospital internal control system. Data analysis was done using the Statistical Product for Service Solutions (SPSS, Version 22).

Validity and Reliability

The validity is defined as the extent to which the measuring instrument measures what it is supposed to measure (Saunders et al., 2012). To ensure validity of the research instrument, the questionnaire was given to research experts in Internal Control System for review in terms of its content and construct. To further ensure validity of the instrument, 10 samples of the questionnaires were pre-tested. Pre-testing refers to a procedure that involves a trial run with a group of respondents to iron out fundamental problems in the survey design (Zikmund & Babin, 2007). Any inconsistencies in the questionnaire were corrected before fully scale data collection. Cronbach's alpha coefficient was used to measure the reliability of the items (Chronbach, 1951). The coefficient varies from zero for no reliability to one for maximum reliability. If the value of this coefficient is 0.70 and above, the scales are judged to be reliable (Sousa, Galante & Figueiredo, 2006). Therefore, Cronbach's alpha coefficient of at least 0.70 was considered acceptable in this study. The value was reported for all the components of internal control system and the objectives of internal control system as shown in Table 2.

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Table 2: Results of Reliability Analysis

Construct	Number	Cronbach alpha
	of items	coefficient
Control environment	8	0.773
Risk assessment	5	0.853
Control activities	8	0.856
Information and communication	4	0.850
Monitoring and evaluation	5	0.828
Executing efficient and effective operations	6	0.840
Fulfilling accountability obligations	7	0.872
Compliance with applicable laws and	4	0.825
regulations		
Safeguarding resources against abuse	5	0.838

Source: Field Survey (2022)

Chapter Summary

The chapter presented the methodology adopted to achieve the purpose of the study. It described the research design adopted as well as the target used in the study and the way they were sampled. The chapter further provided the sources of the data and a description of the data collection instrument used. The procedure for data collection was outlined and how the analysis was done indicated.

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CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter provides the data presentation, analysis and discussion of the results obtained from the field of study. It starts by presenting the findings on the demographic profile of the respondents. The next sections presents the findings on the effectiveness of the internal control system in executing orderly, ethical, economical, efficient and effective operations in Kwesimintsim Hospital in the Takoradi Metropolitan Assembly, the effectiveness of the internal control system in fulfilling accountability in the public hospital, effectiveness of the internal control system in ensuring compliance of the hospital to applicable laws and regulations, and the effectiveness of the internal control system in safeguarding resources against losses and misuse. The chapter ends by presenting the discussion, finding of the study and summary of the chapter.

Descriptive Statistics

This section presents the demographic characteristics of the respondents who were employees of Kwesimintsim Hospital. The profile of the respondents included; gender, age, educational background, position held, and tenure of work. Overall, 134 employees of the hospital participated in the study.

Table 3: Demographic Characteristics

Variable	Frequency	Percent
Gender		
Male	86	64.2
Female	48	35.8
Age Distribution		
Less than 20 years	4	3.0
20-29 years	73	54.5
30-39 years	45	33.6
40-49 years	5	3.7
50 years and above	7	5.2
Educational Qualification		
SHS/O-Level/A-level	17	12.7
Diploma	81	60.4
Bachelor Degree	28	20.9
Masters or higher	8	6.0
Role Performed		
Administrative staff	29	21.6
Non-administrative staff	105	78.4
Years of Experience		
1-5yrs	80	59.7
6-10yrs	32	23.9
11-15yrs	10	7.5
16yrs and above	12	9.0
Total	134	100.0

Source: Field Survey (2023)

Regarding the gender distribution of the 134 respondents sampled for the study, majority, 64.2% (n=86) were males and the remaining, 35.8% (n=48) were female respondents. These findings imply that the information regarding the compliance of Kwesimintsim Hospital to internal control system was obtained from both male and female respondents. This distribution is represented in Table 3.

With regard to the age distribution of the respondents as shown in Table 3, 3.0% (n=4) of the respondents were less than 20years of age and 54.5% (n=73) representing the majority were within the age group of 20-29 years. Also, while 33.6% (n=45) of the respondents were within the age group of 30-39years, 3.7% (n=5) were within 40-49years and the remaining 5.2% (n=7) were 50 years and above. This age distribution implies that the information regarding the compliance of Kwesimintsim Hospital to internal control system was obtained from employees of various age groups.

Table 3 shows that most respondents (60.4%; n=81) had diplomas while the vast majority (12.7%; n=17) had some sort of secondary school or equivalent (O-Level or A-Level) education. In addition, only 6.0% (n=8) had a master's degree, compared to the 20.9% (n=28) who had a bachelor's degree. Everyone who answered the survey had at least a bachelor's degree. The implication is that a wide range of hospital staff members were consulted in order to determine the extent to which the institution complied with its internal control system.

Pertaining to the role performed by the participants sampled in the study as presented in Table 6, 21.6% (n=29) were administrative staff of the hospital and the remaining constituting the majority, 78.4% (n=105) were non-administrative staff of the hospital.

This means that the issue of compliance of the hospital to internal control system was responded by employees both administrative and non-administrative staff of the hospital.

The duration of work can help determine the respondents' knowledge of the practices of internal control system in the hospital. This distribution is shown in Table 3.

Regarding the duration of work of the respondents, majority, 59.7% (n=80) had been working in the hospital for 1-5years. Also, while 23.9% (n=32) of the respondents indicated that they have been working in the hospital for 6-10 years, 7.5% (n=10) noted that they have been working in the selected hospital for 11-15years. Finally, only 9.0% (n=12) have worked in the hospital for 16years and above. The finding implies that information regarding compliance of the hospital to internal control system was responded by employees with diverse working experience in the hospital.

Compliance of Kwesimintsim Hospital to Internal Control System

This section determines the level of compliance of Kwesimintsim Hospital to internal control system. Implementation of the internal control system in the hospital was measured using a Five-Point Likert Scale. The Five components of the Internal Control System as prescribed by COSO Framework (2011) was used including control environment, risk assessment, control activities, information and communication, and monitoring and evaluation. Therefore, descriptive statistics such as mean and standard deviations were used to present the findings. Component of internal control system with means value significantly greater than 3.0 (population mean) at 5% significance level indicates that the hospital complied with or implemented that aspect of the internal control system. One-sample z-test was conducted at 5% alpha to determine whether or not means value are greater than 3.0. One sample-z test was used as opposed to one-sample t-test because the sample

size (193) is greater than 30. The finding for this objective is summarized in Table 8.

Table 4: Extent of Implementation of Internal Control System in Hospital

•	Number	Mean	Stdev	z-statistic	p-value
Control environment	84	3.83	0.56	13.310	0.000*
Risk assessment	128	3.44	0.78	6.364	0.000*
Control activities	123	3.92	0.66	15.461	0.000*
Information and communication	99	3.59	0.82	7.132	0.000*
Monitoring and evaluation	121	3.87	0.67	14.255	0.000*
Overall	84	3.73	0.51	10.83	0.000*

Source: Field Survey (2023)

The outcome of the one-sampled z-test revealed that, largely, internal control system was implemented in hospital (M=3.73, SD=0.51, z=10.83, p<0.05) since p<0.05. The component of internal control system implemented in the organization involved the control environment (M=3.83, SD=0.56, z=13.310, p<0.05), risk assessment (M=3.44, SD=0.78, z=6.364, p<.05), control activities (M=3.92, SD=0.66, z=15.461, p<0.05), information and communication (M=3.59, SD=0.82, z=7.132, p<0.05), and monitoring and evaluation (M=3.87, SD=0.67, z=14.255, p<0.05). The implication is that the hospital complied with all components of internal control system. Therefore, it can be concluded that largely, the hospital complied with internal control system.

The Control Environment Component of Internal Control System

The control environment aspect of internal control system was largely implemented in the hospital (M=3.83, SD=0.56, z=13.310, p<0.05). This means the participants agreed to the assertions that employees with high

personal and professional integrity as well as the ethical values are put in place to handle resources in the organization; the hospital has clear objectives and these have been communicated so as to provide effective direction to employees on risk assessment and control issues; management of the hospital lead the fight against resource misappropriation by example (tone at the top); the staff of the hospital are competent and knowledgeable; the hospital has put in place separation of powers/checks and balances in its outfit; the organization has effective human resource management practices (training, compensation, etc.); the hospital has sound codes of conduct; and that the hospital has an effective control environment to safeguard assets against abuse.

Risk Assessment Component of Internal Control System

Largely the risk assessment component of internal control system was implemented in the hospital (M=3.44, SD=0.78, z=6.364, p<.05). This means that the respondents agreed to the assertions that; as part of the implementation of internal control system, the hospital periodically identifies both external and internal factors which could cause financial fraud (Risk identification), the hospital assesses the likelihood of the fraud risk occurrence (Risk assessment), the hospital estimates the impact of the likely impact of fraud risk (risk evaluation), the hospital deploys its fraud risk management policy to mitigate the effect of the frauds (risk mitigation), and that overall, fraud risk management practices in the hospital was very effective in the detection and prevention of fraud.

Control Activities Component of Internal Control System

Kwesimintsim Hospital largely undertakes control activities in the organization as part of the implementation of internal control system (M=3.92, SD=0.66, z=15.461, p<0.05). This implies that the participants agreed to the assertions that the hospital has put in place authorization and approval procedures for resource utilization, the hospital ensures that resources utilized are properly recorded, the hospital verifies and reconciles claims of resource application (verifications and reconciliations), the hospital conducts review of operations, processes and activities to check fraud, the organization reviews its operational performance periodically, the hospital supervises its operations and activities (Supervision), the hospital has put systems in place to ensure that duties are rotated periodically, and that the activities of the hospital are effectively controlled to detect and prevent fraud.

Information and Communication Component of Internal Control System

The hospital ensures that there is information flow and effective communication in the organization as part of the implementation of internal control system (M=3.59, SD=0.82, z=7.132, p<0.05). This implies that the respondents agreed to the assertions that the hospital has put in place effective reporting procedures to communicating a balanced accounts of the organization's financial position, the hospital makes available information about the operations of each department/unit within its jurisdiction, the hospital communicates information within and between departments (two-way communication), and that the information and communication practices in the hospital is effective in reporting the occurrence of fraud.

Monitoring and Evaluation Component of Internal Control System

The hospital, largely, undertakes control activities in the organization as part of the implementation of internal control system (M=3.87, SD=0.67, z=14.255, p<0.05). This implies that the respondents agreed to the assertions that the hospital monitors ongoing operating activities, the hospital make separate evaluations of ongoing operating projects, and the hospital audits its accounts to ensure compliance, the hospital reviews its internal control systems to ensure that they are working effectively, and that the hospital undertakes follow-up to ensure that appropriate change in response to changes made in implementation of the control systems are strictly ahead to.

Effectiveness of internal control system in Kwesimintsim Hospital

This section determines the level of effectiveness of internal control system in the hospital. Effectiveness of internal control system was measured in respect of the four objectives of the Internal Control System as prescribed by COSO Framework (1992) including executing orderly, ethical, economical, efficient and effective operations; fulfilling accountability obligations; complying with applicable laws and regulations; and safeguarding resources against loss, misuse and damage, using a Five-Point Likert Scale. Again, descriptive statistics such as mean and standard deviations were used to present the findings. Items with means value significantly greater than 3.0 (Test value or population) indicates that the hospital was effective in respect to that objective of internal control system. Again, one-sample z-test was conducted at 5% alpha to determine whether or not means values are greater than 3.0. The finding for this objective is summarized in Table 9.

Table 5: Effectiveness of internal control system in the Hospital

	Number	Mean	Stdev	z-statistic	p-value
Executing efficient and effective	114	3.80	0.72	11.894	0.000*
operations	114	3.00	0.72	11.074	
Fulfillment accountability	114	3.46	0.73	6.706	0.000*
obligations	114	3.40	0.73	0.700	
Compliance with laws and	101	2.64	0.70	0.017	0.000*
regulations	121	3.64	0.78	9.017	
Safeguarding resources	121	3.67	0.73	10.048	0.000*
Overall	100	3.65	0.62	10.545	0.000*

Source: Field Survey (2023)

The outcome of the one-sample z-test revealed that overall Kwesimintsim Hospital was found to be effective in the implementation of internal control system (M=3.65, SD=0.62, z=10.545, p<0.05) since p<0.05. The hospital was effective in the implementation of internal control system in terms of execution of orderly, ethical, economical, efficient and effective operations (M=3.80, SD=0.72, z=11.894, p<0.05), fulfillment of accountability obligations (M=3.46, SD=0.73, z=6.706, p<0.05), compliance with laws and regulations (M=3.64, SD=0.78, z=9.017, p<0.05), and safeguarding resources (M=3.67, SD=0.73, z=10.048, p<0.05).

Execution of Orderly, Ethical, Economical, Efficient and Effective Operations

The hospital, largely, was effective in the implementation of control activities in the organization as reflected in the execution of orderly, ethical, economical, efficient and effective operations (M=3.46, SD=0.73, z=6.706,

p<0.05). This implies that the respondents agreed to the assertions that the operation of the hospital was well organized, the organization serves the public interest with fairness, the hospital manages public resources properly, the hospital is economical in the management of public resources, the hospital maximizes the use of public resources to achieve its desired objectives, and that the hospital is effective in accomplishing its objectives.

Fulfillment of Accountability Obligations

The hospital was also effective in the implementation of control activities in the organization as reflected in their fulfillment of accountability obligations (M=3.46, SD=0.73, z=6.706, p<0.05). This implies that the respondents agreed to the assertions that the hospital accounts for its decisions and actions, the hospital accounts for its use of public funds, the hospital accounts for performance, the hospital makes available reliable and relevant financial information, the hospital makes available reliable and relevant non-financial information, the hospital fairly discloses information in timely reports to internal stakeholders, and that the hospital fairly discloses information in timely reports to external stakeholders.

Compliance with Laws and Regulations

The hospital was again effective in the implementation of control activities in the organization as reflected in their compliance with laws and regulations (M=3.64, SD=0.78, z=9.017, p<0.05). This implies that the respondents agreed to the assertions that the organization follows laws and regulations on resource utilization, the hospital prepares a comprehensive budget for its resources, the hospital complies with the public procurement law, and that the hospital complies with the financial administration laws.

Safeguarding Resources against Abuse

Finally, the hospital was effective in the implementation of control activities in the organization as reflected in the extent to which the organization safeguard resources against abuse (M=3.67, SD=0.73, z=10.048, p=0.000). This implies that the respondents agreed to the assertions that documents and accounting records are kept safe to avoid been altered, backups are provided for sensitive information, the hospital safeguards it resources avoid abuse, the hospital has been able to detect fraud of any form, and that the hospital has been able prevent fraud any form.

Relationship between Internal Control System and Organizational Effectiveness

This determines the relationship between internal control system and organisational effectiveness of internal control in Kwesimintsim Hospital. To achieve this, correlational analysis was done to examine the relationship between components of internal control system and the extent to which the organization attained the objective of internal control systems. The resulting correlation matrix is presented in Table 6.

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Table 6: Results of Correlation Matrix

	Executing efficient and effective operations	Fulfillment of accountabil ity obligations	Compliance with laws and regulations	Safeguarding resources
Control	.465**	.512**	.443**	.447**
environment				
Risk assessment	.587**	.662**	.597**	.637**
Control activities	.592**	.624**	.596**	.581**
Information and communication	.564**	.688**	.591**	.624**
Monitoring and evaluation	.716**	.670**	.623**	.641**
C , araunon				

Source: Field Survey (2023)

The output of the correlational analysis showed that component of internal control system such as control environment had significant positive correlations with the ability of the hospital to execute efficient and effective operations (r=0.465, p<0.010), fulfill accountability obligations (r=.512, p<0.010), to comply with laws and regulations (r=0.443, p<0.010), and ability of the hospital to safeguarding resources against abuse (r=0.447, p<0.010).

Similarly, the ability of the hospital under risk assessment had positive and significant correlations with the ability of the hospital to execute efficient and effective operations (r=0.587, p<0.010), fulfill accountability obligations (r=0.662, p<0.010), to comply with laws and regulations (r=0.597, p<0.010), and ability of the hospital to safeguarding resources against abuse (r=0.637, p<0.010).

Control activities component of internal control system had positive and significant correlations with the ability of the hospital to execute efficient and effective operations (r=0. 592, p<0.010), fulfill accountability obligations (r=0.624, p<0.010), to comply with laws and regulations (r=0.596, p<0.010), and ability of the hospital to safeguarding resources against abuse (r=0.581, p<0.010).

Information and communication component of internal control system control environment had significant positive correlation with the ability of the hospital to execute efficient and effective operations (r=0.564, p<0.010), fulfill accountability obligations (r=0.688, p<0.010), to comply with laws and regulations (r=0.591, p<0.010), and ability of the hospital to safeguarding resources against abuse (r=0.624, p<0.010).

Finally, Monitoring and evaluation component of internal control system control environment had significant positive correlations with the ability of the hospital to execute efficient and effective operations (r=0.716, p<0.010), fulfill accountability obligations (r=0.670, p<0.010), to comply with laws and regulations (r=0.623, p<0.010), and ability of the hospital to safeguarding resources against abuse (r=0.641, p<0.010).

Effectiveness of Internal Control System in Ensuring Sound Operations

The first objective of the study is to determine the effectiveness of the internal control system in executing orderly, ethical, economical, efficient and effective operations in Kwesimintsim Hospital. To achieve this objective, regression analysis was performed using multiple linear regression method to relate all components of internal control system to effectiveness of the hospital in executing orderly, ethical, economical, efficient and effective operations.

Table 7: Results of regression analysis

Model	Unstandardized		Standardized	t-state	Sig.
	Coefficients		Coefficients		
	В	Std. Error	Beta		
(Constant)	.877	.545		1.608	.114
Control environment	.040	.162	.034	.248	.805
Risk assessment	.254	.115	.325	2.218	.031*
Control activities	198	.155	192	-1.280	.207
Information and communication	021	.114	026	182	.856
Monitoring and evaluation	.709	.141	.637	5.046	*000

a. Dependent Variable: Sound operation

Source: Field Survey (2023)

The finding shows that of all the the components of intenal control system implemented in the hospital only the risk assessment and monitoring and evaluation components had signficant positive effect on the ability of the hospital to execute orderly, ethical, economical, efficient and effective operations in the hospital (p<0.05) while the other components such as control environment, control activities, and information and communication components did not have significant positive effect on the ability of the hospital to execute orderly, ethical, economical, efficient and effective operations (p>0.05).

The risk assessment had significant positive effect on effectiveness in fraud detection and prevention (β =-.254, p<0.05). The implication is that if the extent of implementaion of the risk assessment aspect of internal control system is improved, it would lead to significant improvement in the

^{*}Statistically significant at 5% alpha level, F=10.70692 (p=0.000)*, R-square=52.2%

effectiveness of the hospital to execute orderly, ethical, economical, efficient and effective operations.

Also, the monitoring and evaluation element of internal control system had significant positive effect on the ability of the hospital to execute orderly, ethical, economical, efficient and effective operations (β =-.709, p<0.05). This means that that if the extent of implementation of the monitoring and evaluation element of internal control system is improved, it would lead to significant increase in effectiveness of the hospital in executing orderly, ethical, economical, efficient and effective operations.

The coefficient of determination of the above regression model was found to be (Rsq = 52.2%). The implication is that, internal control system explained 52.2% of the effectiveness of the hospital in executing orderly, ethical, economical, efficient and effective operations. The remaining proportion 47.8% of effectiveness of the hospital in executing orderly, ethical, economical, efficient and effective operations was accounted for by other factors not included in the study.

Therefore, risk assessment, and monitoring and evaluation components of internal control system are the main predictors of the effectiveness of the hospital to execute orderly, ethical, economical, efficient and effective operations.

Effectiveness of Internal Control System in Fulfilling Accountability Obligation

The second objective of the study was to examine the effectiveness of the internal control system in fulfilling accountability in Kwesimintsim Hospital. The finding of this objective is presented in Table 8.

Table 8: Results of Regression Analysis

Model	Unstandardized		Standardized	t-stat	Sig.
	Coefficients		Coefficients		
	В	Std. Error	Beta	-	
(Constant)	033	.564		059	.953
Control environment	008	.162	006	049	.961
Risk assessment	.120	.123	.141	.974	.334
Control activities	.130	.162	.115	.801	.427
Information and communication	.259	.120	.295	2.161	.035*
Monitoring and evaluation	.427	.153	.343	2.797	.007*

a. Dependent Variable: Ensuring accountability obligations

Source: Field Survey (2023)

The coefficient of determination of the above regression model was found to be (Rsq = 52.8%). The implication is that, internal control system contributed to explaining 52.8% of the the effectiveness of the hospital in fulfilling accountability obligation. The remaining proportion 47.2% of the effectiveness of the hospital in fulfilling accountability was explained by other factors not included in the study.

The finding in Table 8 revealed that of all the components of intenal control system implemented in the hospital only the information and communication as well as the monitoring and evaluation components had signficant positive effects on effectiveness of the hospital in fulfilling accountability obligation (p<0.05). Contrary, the other components such as control environment, risk assessment, and control activities did not have

^{*}Statistically significant at 5% alpha level, F=11.872 (p=0.00)*, R-square=52.8%

significant effects on the effectiveness of the hospital in fulfilling accountability (p>0.05).

The information and communication element of internal control system had significant positive effect on the effectiveness of the hospital in fulfilling accountability (β =0.259, p<0.05). This means that if the extrent of implementation of the information and communication element of internal control system is improved, it would lead to significant improvement in the effectiveness of the hospital in fulfilling accountability.

Finally the monitoring and evaluation element of internal control system had significant effect on the effectiveness of the hospital in fulfilling accountability (β =0.427, p>0.05). This means that if the extents of implementation of the monitoring and evaluation element of internal control system is improved, it would lead to phenomenal increase in the effectiveness of the hospital in fulfilling accountability.

Therefore, information and communication and monitoring and evaluation components of internal control system are the main predictors of the effectiveness of the hospital in fulfilling accountability.

Internal Control System and Compliance to Applicable Laws and Regulations

To ascertain the effectiveness of the internal control system in ensuring compliance of hospital to applicable laws and regulations. The finding of the regression analysis is presented in Table 9.

The coefficient of determination of the above regression model was found to be (Rsq = 36.2%). The implication is that, internal control system

contributed to explaining 36.2% of the effectiveness of the hospital to comply with applicable laws and regulations.

Table 9: Results of Regression Analysis

Model	Unstandardized		Standardized	t-stat	Sig.
	Coefficients		Coefficients		
	В	Std. Error	Beta		
(Constant)	1.836	.670		2.740	.008
Control environment	172	.181	144	952	.346
Risk assessment	.264	.139	.322	1.901	.063
Control activities	097	.198	084	489	.627
Information and communication	.301	.140	.357	2.156	.036*
Monitoring and evaluation	.237	.167	.198	1.414	.163

a. Dependent Variable: Compliance to laws and regulations

Source: Field Survey (2023)

The finding in Table 9 revealed that of all the the components of intenal control system implemented in the hospital only the information and communication component has significant positive effect on effectiveness of the hospital to comply with applicable laws and regulations (p<0.05). On the other hand, the other components such as control environment, risk assessment, control activities and monitoring and evaluation did not have significant positive effect on effectiveness of the hospital to comply with applicable laws and regulations (p>0.05). Therefore, if the extent of implementation of the information and communication element of internal control system is improved, it would lead to significant improvement in the effectiveness of the hospital to comply with applicable laws and regulations.

^{*}Statistically significant at 5% alpha level, F=6.004 (p=0.00)*, R-square=36.2%

It can be concluded that the information and communication component of internal control system is the main predictor of the effectiveness of the hospital to comply with applicable laws and regulations.

Internal Control System and Safeguarding Resources against Losses and

Misuse

The fourth objective is to determine the effectiveness of the internal control system in safeguarding resources against losses and misuse in Kwesimintsim Hospital. The finding of the regression analysis is presented in Table 10.

Table 10: Results of Regression Analysis

Model	Unstandardized		Standardized	t-stat	Sig.
	Coefficients		Coefficients		
	В	Std. Error	Beta		
(Constant)	1.369	.572		2.394	.020
Control environment	066	.162	061	409	.684
Risk assessment	.159	.124	.212	1.284	.205
Control activities	.047	.167	.047	.280	.781
Information and communication	.175	.125	.227	1.402	.167
Monitoring and evaluation	.305	.163	.284	1.869	.067

a. Dependent Variable: Safeguarding resources against abuse

Source: Field Survey (2023)

The finding in Table 14 again portray that of all the components of intenal control system implemented in the hospital no component had significant effect on the effectiveness of the hospital to sefeguad resources against abuse (p>0.05). The implication is that internal control system does

^{*}Statistically significant at 5% alpha level, F=5.852 (p=0.00)*, R-square=36.0%

not explain the effectiveness of the hospital to sefeguad resources against abuse. Therefore, internal control system is not a predictor of the effectiveness of the hospital to sefeguad resources against abuse.

Chapter Summary

The chapter analysed the specific objectives of the study. Descriptive and correlational analysis was used to analyse the objectives of the study. Also, the regression analysis was used to analyse the effect of control environment, control activity, risk assessment, monitoring and evaluation and information and communication on safeguarding resources against abuse.



CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents the summary of the major finding of the study, the conclusion attained and makes relevant recommendation based on the finding of the study. The chapter ends by making suggestions for future research.

Summary of Findings

The purpose of the study was to examine the extent of compliance of public hospitals to internal control system using Kwesimintsim Hospital in Takoradi Metropolitan Assembly. Specifically, the study determined the effectiveness of the internal control system in executing orderly, ethical, economical, efficient and effective operations; fulfilling accountability, ensuring compliance of hospitals to applicable laws and regulations in the hospital, and safeguarding resources against losses and misuse.

A cross-sectional survey strategy and quantitative methodology was adopted. A structured questionnaire was used as a primary data collection instrument to obtain data from employees of Kwesimintsim Hospital. Both administrative and non-administrative staff of the hospital was included in the study. Overall, 134 employees participated in the study. Both descriptive and inferential statistics were used to analysis the data.

With regard to the compliance of the hospital to internal control system in the hospital, the study found that largely internal control system including; control environment, risk assessment, control activities, information and communication; and monitoring; were implemented/practiced in the hospital.

Pertaining to the effectiveness of internal control system in executing orderly, ethical, economical, efficient and effective operations in Kwesimintsim Hospital, the study found that internal control system through risk assessment and monitoring and evaluation components had signficant positive effect on the effectivenes of the hospital to execute orderly, ethical, economical, efficient and effective operations.

With respect to the effectiveness of the internal control system in fulfilling accountability in Kwesimintsim Hospital, the study found that internal control system through information and communication and monitoring and evaluation had signficant positive effect on effectiveness of the hospital in fulfilling accountability obligations.

Regarding the effectiveness of the internal control system in ensuring compliance of the hospital to applicable laws and regulations, the findings revealed that internal control system through information and communication had signficant positive effect on the effectiveness of the hospital to comply with applicable laws and regulations.

With respect to the effectiveness of the internal control system in safeguarding resources against losses and misuse in Kwesimintsim Hospital, the study found that internal control system had no significance on the effectiveness of the hospital to safeguard resources against abuse.

Conclusions

The study's findings suggest that, in general, Kwesimintsim Hospital is following the COSO (2011) framework for implementing an internal control system, including a risk assessment, control activities, information and communication, and monitoring and evaluation. The hospital's internal control

system helps to guarantee the hospital's operations are carried out in an orderly, ethical, cost-effective, and efficient manner, that accountability obligations are met, and that laws and regulations are followed. However, the hospital's internal control system does nothing to prevent waste, fraud, or abuse of patient funds.

Recommendations

Based on the findings of the study, the following recommendations are deemed appropriated by the researcher.

The hospital was found to have an effective internal control system. The study suggests that to maintain organizational efficiency, the hospital should adhere consistently to its internal control system. The study advises hospital management to improve the implementation of the internal control system by bolstering the risk assessment and monitoring and evaluation components in order to carry out operations in an orderly, ethical, cost-effective, and efficient manner. The hospital's administration is urged to regularly conduct a risk assessment in order to: (a) identify external and internal factors that could cause financial fraud in the hospital, (b) estimate the likelihood of the fraud risk occurrence, (c) estimate the impact or the likely impact of the fraud risk, and (d) deploy the fraud risk management policy in order to mitigate the effect of the fraud.

Researcher advises hospital administration to implement internal control system by guaranteeing information flow and efficient communication to ensure hospital's effectiveness in fulfilling accountability obligation. The hospital is also urged to step up its monitoring and assessing efforts. The health care facility must establish reliable reporting mechanisms in order to

provide transparent accounts of its financial health. The hospital can facilitate efficient communication within and between departments (two-way communication) by making operational data available to all those who fall under its purview. The hospital's information and communication practices need to have a reporting system for fraudulent activities built into them.

In addition, it is recommended that the hospital ensures constant monitoring and evaluation of all ongoing surgical procedures. In order to ensure compliance, the hospital must perform independent assessments of all active operating projects and timely internal audits of all financial records. To guarantee operational soundness and conformity with applicable laws and regulations, the hospital should evaluate the efficiency of its internal control systems. The group should also increase its efforts to adhere to the country's regulations governing its financial administration. Once again, the hospital's ability to prevent theft from its coffers warrants enhancement.

Suggestions for further research

Future studies should expand the scope of the study to cover many more public hospitals in Ghana to make the finding more dependable. Future studies can consider examining the effectiveness of internal control system in detection and prevention of fraud in public sector organizations. The method used (questionnaire) in this research to collect the data is very common. Other methods could have been used for this research study, e.g in-depth interview and focused group discussions/discussion forum etc.

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APPENDIX: SURVEY QUESTIONNAIRE UNIVERSITY OF CAPE COAST

TOPIC: An Assessment of Internal Controls and Compliance In Public

Health Facilities In Takoradi Metropolitan Assembly. as case of

Kwesimintsim Hospital

Dear Sir/Madam,

The researcher of the above topic is a post-graduate student of the University of Cape Coast (UCC). This questionnaire is meant to achieve the aforementioned topic, and successful completion of which will lead to the award of Business Administration (MBA) Degree in Accounting. The researcher therefore would be glad if respondents could be as frank as possible. The researcher assures respondents of conceal the identify of all persons who provided information for the study and that information provided will be used for academic purpose only.

SECTION A: Demographic Profile of Respondents

I.	Gender	distribution	ΟĪ	respondent	
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A. Male [] **B.** Female []

2. Age distribution of respondent as at last birthday

A. Less than 20yrs [] **B**. 20-29 yrs [] **C**. 30-39yrs [] **D**. 40-49yrs

E. 50yrs and above []

3. Educational level of Respondent

A. SHS/O-Level/A-level [] **B**. Diploma [] **C.** Degree []

D. Masters []

4. How long have you been working in the organisation? (Years of experience)

A. 1-5yrs [] B . 6-10yrs [] C. 1	1-15yrs [] D. 16yrs and above []
5). Position held by respondent in th	e hospital
A. Management staff	[]
B. Non-management staff	[]
6) Role played in the organization	
A. Administrator [] B. Accountan	t[] C. Doctor[] D. Nurses[]
E. Others (specify)	

SECTION B: Extent of implementation of Internal Control System

This section measures the perception of employees of your organization about the extent of implementation of Internal Control System (ICS) in the organization. Please rank the following items which influence the extent of implementation of ICS by choosing a number from 1 to 5 on the scale.

- 1= Strongly disagree
- 2=Disagree,
- 3=Neutral
- 4=Agree
- 5= Strongly agree

		Choose only one number				
A	The Control environment	Strongly disagree	Disagree,	Neutral	Agree	Strongly agree
1	Employees with high personal and professional integrity as well as the ethical values are put in place to handle resources in the hospital	1	2	3	4	5
2	The hospital has clear objectives and these have been communicated so as to provide effective direction to employees on risk assessment and control issues.	1	2	3	4	5
3	Management of the organization lead the fight against resource misappropriation by example (tone at the top)	1	2	3	4	5
4	The staff of the hospital are competent and	1	2	3	4	5

	knowledgeable					
5	The hospital has put in place separation of	1	2	3	4	5
	powers/checks and balances in its outfit					
6	The hospital has effective human resource	1	2	3	4	5
	management practices (training,					
	compensation, etc)					
7	The hospital has sound codes of conduct	1	2	3	4	5
8	The hospital has an effective control	1	2	3	4	5
	environment to safeguard assets against	7				
	abuse					
В	Risk assessment					
	TO TO	ngly rree	ŗree,	tral	gree	ongly gree
		Strongly disagree)isagree	Neutra	Agı	Strongly agree
		9 1 0	Γ			0 1
1	The hospital periodically identifies both	1	2	3	4	5
	external and internal factors which could					
	cause financial fraud (Risk identification)					
2	The hospital assesses the likelihood of the	1	2	3	4	5
	fraud risk occurrence (Risk assessment)		J			
3	The hospital estimates the impact of the	1	2	3	4	5
	likely impact of fraud risk (risk evaluation)					
4	The hospital deploys its fraud risk	1	2	3	4	5
	management policy to mitigate the effect of				1	
	the frauds (risk mitigation)			S		
5	Overall, fraud risk management practices in	1	2	3	4	5
	the hospital is very effective in the detection					
	and prevention of fraud					
C.	Control Activities					
1	The hospital has put in place authorization	1	2	3	4	5
	and approval procedures for resource					
	utilization					
2	The hospital ensures that resources utilized	1	2	3	4	5
	are properly recorded					

3	The hospital verifies and reconciles claims of	1	2	3	4	5
	resource application (Verifications and					
	Reconciliations)					
4	The hospital conducts review of operations,	1	2	3	4	5
	processes and activities to check fraud					
5	The organization reviews its operational	1	2	3	4	5
	performance periodically					
6	The hospital supervises its operations and	1	2	3	4	5
	activities (Supervision)	7				
7	The hospital has put system in place to	1	2	3	4	5
	ensure that duties are rotated periodically					
8	The activities of the hospital are effectively	1	2	3	4	5
	controlled to detect and prevent fraud			-		
D	Information and Communication					
1	The hospital has put in place effective	1	2	3	4	5
	reporting procedures to communicating a			J		
	balanced accounts of the organization's			7		
$\overline{}$	financial position		Н,	1		
2	The hospital makes available information	1	2	3	4	5
1	about the operations of each department/unit		7			
	within its jurisdiction					
3	The hospital communicates information	1	2	3	4	5
	within and between departments (two-way					
	communication)			$\langle \circ \rangle$		
4	The information and communication	1	2	3	4	5
	practices in the hospital is effective in					
	reporting the occurrence of fraud					
E	Monitoring and Evaluation	yI;	ee	al	ده	Jl;
		Strongly	Disagree	Neutra]	gree	Strongly
		Str	Dis	ž	A	Str
1	The hospital monitors ongoing operating	1	2	3	4	5
	activities					
2	The hospital make separate evaluations of	1	2	3	4	5
	·					

	ongoing operating projects					
3	The hospital audits its accounts to ensure compliance	1	2	3	4	5
	1					
4	The hospital reviews its internal control	1	2	3	4	5
	systems to ensure that the are working					
	effectively					
5	The hospital undertakes follow-up to ensure	1	2	3	4	5
	that appropriate change in response to					
	changes made in implementation of the	7				
	control systems are strictly ahead to.					

SECTION C: Effectiveness of internal control system

This section intends to assess the effectiveness of internal control system in your organization. Please respond using the following scale.

1= Strongly disagree

2=Disagree,

3=Neutral

4=Agree

5= Strongly agree

		Choose only one number							
(75	Strongly	Disagree,	Neutral	Agree	Strongly			
E	xecuting or <mark>derly, ethical, economical, effi</mark>	cient an	d effe	ctive o	perati	ions			
1	The operation of the hospital is well	1	2	3	4	5			
	organized								
2	The hospital serves the public interest	1	2	3	4	5			

	with fairness					
3	The hospital ns manages public resources	1	2	3	4	5
	properly					
4	The hospital is economical in the	1	2	3	4	5
	management of resources		4			
5	The hospital maximizes the use of public	1	2	3	4	5
	resources to achieve the its desired					
	objectives	3				
6	The organization is effective in	1	2	3	4	5
	accomplishing its objectives					
	Fulfilling accountability of	bligati	ons			
1	The hospital accounts for its decisions	1	2	3	4	5
	and actions			7		
2	The hospital accounts for its use of funds.	1	2	3	4	5
3	The organization accounts for	1	2	3	4	5
	performance.					
4	The hospital makes available reliable and	1	2	3	4	5
	relevant financial information					
5	The hospital makes available reliable and	_1	2	3	4	5
	relevant non- financial information	ح				
6	The hospital fairly discloses information	1	2	3	4	5
	in timely reports to internal stakeholders					
7	The hospital fairly discloses information	1	2	3	4	5
	in timely reports to external stakeholders					
	Complying with laws and	regulat	ions			

	1	The hospital follows laws and regulations	1	2	3	4	5
		on resource utilization.					
	2	The hospital prepares a comprehensive	1	2	3	4	5
		budget for its resources					
	3	The hospital complies with the public	1	2	3	4	5
		procurement law	,	M			
	4	The hospital complies with the Public	1	2	3	4	5
		Financial Management laws	3				
		Safeguarding Resou	irces				
	1	Documents and accounting records are	1	2	3	4	5
		kept save avoid been altered					
	2	Backups are provided for sensitive	1	2	3	4	5
		information	\				
	3	The hospital safeguards it resources	1	2	3	4	5
	1	avoid abuse		1		2	
	4	The hospital has been able to detect fraud	1	2	3	4	5
		of any form			Z		7 2
	5	The hospital has been able prevent fraud	1	2	3	4	5
1	C	any form			/		
- 1						1	

Thank you