

THE STRATEGIC ROLE OF THE INTERNAL AUDIT FUNCTION IN THE PERFORMANCE OF SCHOOLS WITHIN THE JURISDICTION OF THE BOLGATANGA MUNICIPAL EDUCATION DIRECTORATE

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ABSTRACT: *This research investigates the role and the perceived effectiveness of the Internal Audit Unit (IAU) in enhancing the performance of schools within the Bolgatanga Municipality. There is scarcity of literature on internal audit performance in developing countries such as Ghana. This study aims to complement the paucity of studies on the internal audit function in an emerging country context, by examining conditions under which strategies adopted by the IAU can improve educational performance, explore the factors hindering the effectiveness of the IAU in discharging its duties and how to promote the effectiveness of the IUA in the municipality. Using institutional theory as theoretical lens, the study employed a case study design using questionnaires in the data collection process. Based on a sample of 57 staff comprising of Directors of Education, audit staff, Budget Officers, Procurement Officers working at the Municipal Directorate, headmasters/mistress of four secondary cycle institutions in the municipality including heads of accounting unit; procurement units and domestic bursars. The study employed descriptive statistics with the aid of Statistical Package for Social Sciences (SPSS) version 19.0. The findings indicate that, the Internal Audit function plays a pivotal role in the performance of second cycle and basic schools in the Bolgatanga Municipality but are constrained with the needed logistics to carry out their mandate. The results confirmed that, the internal audit unit is an integral part of school management in the judicious use of resources. The practical implications of this study is that it provides useful information and insight on how organisations can adopt pragmatic steps to revamp their internal audit units to effectively manage performance. This research can help decisions makers of Government to adopt new strategies which can improve the performance of decentralized entities. The study would further help to bring out the weaknesses in internal auditing mostly found in an environment where the accounting officer is formally held accountable for his/her expenditure, combined with weak capacities amongst Internal Audit.*

KEYWORDS: strategic role, Internal Audit function, performance of schools, Bolgatanga, Municipal Education Directorate

INTRODUCTION

Internal auditing (IA) remains a unit with the potential to provide tools and strategies for organisations to efficiently and effectively manage scarce resources. The unit develops and plans strategies for public sector governance and financial management in developing countries (Asare, 2009). Additionally, it provides control structures and governance practices in both private and public sectors by identifying potential financial crisis and incidents of organisational fraud for redress (Barasa, 2015).

According to Anderson et al. (2010), Internal Audit (IA) is a strategic corporate governance mechanism that has grown exponentially over the years (Chambers & Odar, 2015). The unit

gained global professional recognition in 1941 leading to the establishment of the Institute of Internal Auditors (IIA) in New York by a group of internal auditors (Papageorgiou et al., 2012; Asare, 2009). The IIA describes Internal Auditing as an objective, independent and consulting activity intended to increase value in an organisation's operations. The functions of the IA include financial, operations, corporate governance, and compliance to laws, regulations, standards, organisational policies, procedures and ethics (Okodo et al., 2019).

Indeed, issues of internal auditing have received global attention for varied reasons and has emerged as a significant means to public financial management for improving performance in various sectors of which the education sector is not an exception (Barasa, 2015). Current research on internal auditing (IA) refers to the effectiveness of IA as the extent to which IA meets its purpose of being in existence (Mas and Barac, 2018). The effectiveness of IA is again built on policies and strategies practiced by the organization. Also the cooperation and commitment of the auditors is key to ensuring the effectiveness of IA (Ahmad et al., 2009). Onumah and Krah (2012) argued that, a misunderstanding of the role of IAF results in poor auditee cooperation whereas political constraints impede IA effectiveness. The effectiveness of IA is more dependent on the independence of individual auditors, autonomy on budget and proper internal organisation of structure and processes (Mihret & Yismaw, 2007).

Research on the effectiveness of IA continues to grow and scholars have expressed the need for studies of this nature to be extended to developing countries (Endaya and Hanefah, 2016; Mas and Barac, 2018). Yetano et al. (2019: 1-2) argued that "few studies in the existing literature focus on the analysis of the effectiveness of performance audits in public entities, and the majority of them are carried out in North American and European countries....topics such as performance audits deserve attention." This research seeks to complement the extant of literature on the effectiveness of IA and to shed light on how scarce internal audit resources can be used to identify and effectively address operational and compliance issues preventing educational institutions from meeting their goals. Particularly, the study focuses on the effectiveness of the internal audit service unit in enhancing public sector performance with regards to schools within the Bolgatanga Municipal Education Service. This information could be useful to educational institutions, industry players and the Institute of Internal Auditors in crafting strategies to safeguard scarce resources and for effective performance of organisations particularly in developing countries.

According to Asare (2009), as long as countries across the globe including Ghana continue to practice and administer democratic policies, there is the need to remain transparent and accountable to the public purse for effective and efficient service delivery. The public sector in Ghana remains the core provider of services such as education, healthcare, transportation, communication, banking, financing, security and utility to the benefit of all its citizens (Mihret & Yismaw, 2007). To ensure that finances earmarked for these sectors are judiciously used, internal auditing becomes an indispensable tool towards ensuring transparency and accountable in the dispensation of resources (Gansberghe, 2003). Thus, the internal audit unit ensures internal control is put in place by revising policies and practices in organizations and institutions so as to prevent financial losses, noncompliance and to offer rational reassurance that public funds are disbursed in efficient manner (Zulkifli et al., 2014).

The Internal Audit Agency (IAA) of Ghana was instituted by the Internal Audit Agency Act, 2003, Act 658 with the core mandate to co-ordinate, facilitate, monitor and supervise internal audit activities within Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs). The Agency's ultimate goal is to safeguard accountability and performance of the public sector in Ghana (Nomo, 2009). The establishment of IAA was based on the need for government to put in place structures that

support the ultimate allocation of budgetary authority and expenditure control to the municipal and district education offices. This plan formed part of government's effort stated in the Public Financial Management Reform Programme (PUFMARP). As part of the reforms stated in PUFMARP, the creation of internal control audit functions/units in Municipal and District Education Offices was carried out. Municipal and District education offices are decentralized departments of the Ghana Education Service (GES) headed by the Director General. The decentralization policy embarked on by the government in the public sector meant delegation of authority and decision making to MMDAs. To practicalise decentralization, budgetary allocation and funding to decentralized departments need to be operationalized and increased. A lot of resources both human and financial were allocated to these departments. There was the need to safeguard these resources through the enactment of laws, rules and regulations. The internal audit department through its auditors is responsible for the enforcement of these rules and regulations. With the increased emphasis on accountability, transparency and improvement in Municipal and District Education offices' performance especially in developing countries, where various stakeholders including civil society and the media are becoming more interested in how funds are allocated and expended, it became imperative for governments to be seen as responsible actors in safeguarding and exercising efficient and effective financial control mechanism (Asare, 2008).. Specifically, the study seeks to answer the following research questions:

- i. What is the role of the internal audit unit in improving public sector performance in the Bolgatanga Municipal Education Office?
- ii. What strategies can be adopted by the internal audit unit to improve performance in the Bolgatanga Municipal Education Office?
- iii. What factors hamper the effectiveness of the internal audit unit to improving the performance of the Bolgatanga Municipal Education Office?

The paper is organized as follows: Issues relating to IA literature are discussed. Thereafter, the researchers explained the methodology adopted to collect data and analyze for this study. Subsequently the findings are discussed and the implications of the study for theory, practice, directions for future research and limitations are highlighted.

LITERATURE

Internal audit assists organizations and institutions to achieve their set targets by applying a well-structured, logical, organized and disciplined approach to assess and increase the efficiency of risk management, control, and governance processes (Udeh and Nwadiakor, 2016). The description shows the complexity and extent of activities of internal auditing in organizations against prior orientation of payment reviews in previous years. It is evident that, the scope of IA activities is not only limited to the methods and practices of finance and accounts but includes the systematic analysis and assessment of the efficacy of institutional governance, internal control system, risk management process, as well as executions of assigned tasks to accomplish organizational goals and objectives. Again, Ljubisavljevic & Jovanovi (2011) stress that, Internal Audit focuses on the consistency, integrity and authenticity of operational and financial information in administrative and institutional units.

Internal controls are procedures, policies and systems put in place to protect assets, secure the accuracy and the reliability of reported data, promotion of operational efficiency and attainment of institutional goals and objectives. According to Scott (2003), two types of internal controls exist. These include; institutional controls which are designed to enforce compliance

to procedural or regulatory standards, whereas the technical controls are designed to enforce quality and timeliness of activities or issues. Similarly, Bryan (2010) identified two forms of internal controls, as those to avoid waste, exploitation, fraudulent activities, and unintended mistakes while the second type is detection of when they may have been actually occurred. Bryan further identified control activities in every firm as separation of responsibilities, appropriate authorization, physical safe-guards, self-regulating checks and sufficient documentation. He further observed that, whereas the first three activities are preventive mechanisms, the last two are detective mechanisms in nature. The implementation of these internal controls by the District Assemblies especially the Education Service is crucial to achieving effective performance.

Effectiveness according to Arena and Azzone (2009), is the ability to achieve results that are consistent with the set targets. Dittenhofer (2001) posits that, effectiveness is an accomplishment of the goals and objectives of internal auditing by employing the factor measures given for determining such factors. However, Mihret and Yismaw (2007) argued that, internal auditing effectiveness is the degree to which the office of the internal audit unit accomplishes its established objectives and outcomes. Badara and Saidin (2013) define the concept as the capability of both internal and external auditors to achieve set objectives in an institution or organization. In addition, Institute of Internal Auditors (IIA) 2010 defined the concept of IA effectiveness as the extent to which stated targets are attained.

Role of Internal Auditing in the Public Sector

The roles and objectives of the internal audit unit vary across organizations and institutions. The difference can be attributed to the varying needs of departments as well as the common misunderstanding of the prospective applications and significance of internal auditing. The internal audit function has often been misidentified as the external audit function. Though there exist some similarities between both functions, the scope and content of an internal audit unit exceed beyond the financial statements of an external auditor, integrating risk management and control procedures. Also, whereas an external audit stereotypically ends at reportage of issues, the internal audit offers recommendations for unceasing improvement (Okodo et al., 2019).

Based on the New Public Management (NPM) perspective, the Institute of Internal Audit, IIA (2012) indicates that auditing is the foundation of good public-sector governance and play a crucial part in financial and non-financial administration of both public and private institutions. By giving neutral and impartial evaluation of how public funds are being handled, auditing helps public sector organisations especially the education sector to accomplish accountability, honesty, advance procedures and infuse self-confidence amongst the publics and shareholders. Internal Audit (IA) is a key factor in the assurance setting and a vital element in effective risk management within the public sector. This is confirmed by Mgbame et al., (2013) that, audit effectiveness ensures effective management in the public sector.

Internal Audit offers an autonomous and unbiased evaluation of the efficiency of controls while making suggestions for improvement. Internal audit ensures that organisational objectives are achieved by enforcing compliance to relevant acts, rules, principles as well as behavioural standards, and appropriate assessment of risk (Asare, 2009). Of recent times, IA has increasingly become important in management of public sector institutions especially the education service given its ability to provide objective risk assessment and controls that ensure effective and efficient use of public resources (Spanhove et al., 2008).

Similarly, Asare (2009) analysed IA roles in the public sector through the lenses of control, risk assessment and managerial processes. In the public sector where there exist prevalence of corruption and resource misuse, internal audit functions as key governance mechanism used to report to senior management on the functioning of control systems and recommendation for review. With specific regards to risk assessment, the dynamic environment of the public sector and the ever-increasing demand of public services by citizens, coupled with scarce resources require IA departments in public entities to assess and monitor risks, recommend controls to mitigate these risks and to achieve organisational objectives. With managerial processes, IA provides internal consultancy services such as performance review, the effectiveness of controls, and strategies to improve processes by ensuring transparency in decision and policy-making in public institutions.

The internal audit unit is now a fundamental aspect of government financial management and a tool that improves the performance of the public sector. The call for effective governance, transparency and accountability has forced governments to show some sense of accountability in the usage of public resources and efficacy in service delivery. Managing state economies of recent times is very complicated and requires more proficiency and competence from internal auditors.

The 1992 constitution of Ghana and the Internal Audit Agency Act, 2003 (Act 658) requires the Auditor General to audit and give report on public accounts including state institutions and other organizations including the Education Service established. In spite of this constitutional requirement, Onumah and Krah (2012) indicated that the internal audit in Ghana was keeled by lack of legislative and administrative recognition till the year 2004. Consistent with this argument, Simpson (2012) highlighted that, the establishment of the Ghana Audit Agency was in response to lack of proper accounting and auditing schemes in the civil service sector in the 1990s. Following its establishment, the Ghana Internal Audit Agency forms part of the formation of internal audit units (IAUs) in MDAs and MMDAs as well as the issuing of the internal audit standards for practicing by IA in the MDAs and MMDAs.

The IIA Ghana has significantly contributed to internal audit practice in both private and public enterprises since its inauguration in 2005. The IIA Ghana facilitates the professional development of internal auditing through professional examination organized by the global body.

Institutional Theory

Institutions vary by country and tend to shape the structure and strategy of organisations. Organisations need to comply with certain norms within their context of operations particularly with reference to rules and regulations in order to gain legitimacy and to avoid “escalating cycles of survival heat” (Ahworegba, 2017: 154). Internal audit departments are established within organisations through institutional coercive isomorphism using authority and power to compel organisations to set up internal units and to ensure compliance with certain operational standards (Al-Twaijry et al., 2003). These units are to ensure quality corporate governance by assisting management in improving internal audit controls (Chartered Institute of Internal Auditors, 2013) by examining, evaluating and monitoring the effectiveness of internal control over operations, reporting and compliance (Chang et al., 2018; Institute of Internal Auditors, 2012).

Institutions in developing economies such as Ghana are often termed void due to their undeveloped nature, deficiencies in laws enforcement, information gaps and inefficient

government bureaucracy and policy instability (Costa & Cahen, 2019). Institutional theory suggests that organisations often engage in decoupling which refers to organisations portraying to the external environment that they are operating in line with what is expected of them when in fact they are not (Meyer & Rowan, 1977). Institutional theory as a theoretical foundation for this study provides a context that gives meaning to the factors that affect the effectiveness of internal audit particularly in a country characterized by institutional voids.

METHODOLOGY

The study used a case study methodology. The study relied on both primary and secondary sources of data to achieve its set research objectives and questions. The primary sources of data included information collected from the survey and interviews conducted at the field with the help of semi-structure questionnaires while the secondary sources of data was derived from documents from the municipal education directorate, internal auditing reports, internet, auditing text books, journals and other relevant materials. The application of the case study approach enabled the researcher to triangulate information from multiple sources of data such as interviews, observations and focus group discussions. The target population included the Municipal Director of Education and front-line directors, Accountant unit staff, Budget unit staff, Procurement unit staff, Supply officers, heads of second cycle schools and the Internal Auditor unit staff. The purposive sampling method was used to select directors, heads, and staff of various departments noted for the study. These participants have in-depth knowledge of the phenomena under investigation. The quantitative data enabled the researcher to analyse the level of internal auditing effectiveness while the qualitative data targeted more on the performance of the municipal education directorate. Descriptive statistics using percentages, frequency tables and figures were used to present the data. The study used Statistical Package for Social Sciences (SPSS) version 19.0 for its analysis.

ANALYSIS AND FINDINGS

Role of Internal Audit Unit in Improving Public Sector Performance in Bolgatanga Municipal Education Office

As indicated in table 1, 56.1% of respondents strongly agreed that, Internal Audit plays a key role in public schools' performances whereas 3.5% disagreed. Internal Auditors ensures efficiency in resource use and management. They safeguard school funds and ensure that quality feeding is ascertained which enable students learn hence performance is improved. On whether Internal Audit Unit partner with the various heads of schools to execute their duties, 49.1% agreed whereas 35.1% strongly agreed to the fact IA partner with heads of schools to implement their duties. Only 3.5% of strongly disagreed. On the issue of IA giving recommendations to various schools, 42.1% agreed that, IA at the end of their work, do give recommendations to various schools to improve on aspects of their work while 3.5% strongly disagreed. The majority (49.1%) opined that, schools abide by the recommendations given by Internal Audit with 1.8% registering strongly disagreed. Finally, 54.4% strongly agreed that; Internal Auditors give their reports to the heads of the various schools after undertaking auditing exercise whereas 1.8% disagreed.

Qualitative data obtained from Education Directors, heads of schools and Internal Auditors on the role of the Internal Audit unit in Bolgatanga Municipal Education revealed that, internal auditors monitor the expenditure of the education office and schools to ensure that resources are rightfully spent. According to the director of Internal Audit, they review, evaluate and report on the extent or compliance with established rules and regulations, policies, plan and procedures. They again report on the soundness, adequacy and application of systems. This is

done through pre-auditing, post auditing verification and certifications. They assist in all levels of management by furnishing them with periodic independent and objective appraisals and auditing of financial, accounting, administrative and other activities within their respective areas. They ensure that, resources deployed to the schools are utilized effectively, efficiently and economically leading to improved education. The Audit unit further undertake independent examination of financial and other related document and verification of store items. They act as checks and balance in auditing financial transactions of schools and conduct payroll audit as well as offer professional advice to the directorate. They again advice management on all financial transactions to ensure value for money and act as watch dogs to financial coffers, by auditing the capitation grants of schools and organizing training for head teachers on how to complete their capitation forms.

Observation of the findings revealed the effectiveness Internal Audit unit. The Internal Audit Unit is central to public school performances and it partners well with schools to exercise its duties, the unit gives recommendations and reports to schools after auditing whereas the schools abide and implement these recommendations and rules as outline in the internal auditors' report.

Table 1 Role of Internal Audit unit in Improving Public Sector Performance in Bolgatanga Municipal Education Office

Scale Variables	Strongly Agree=5	Percent (%)	Agree =4	Percent (%)	Neutral =3	Percent (%)	Disagree =2	Percent (%)	Strongly Disagree=1	Percent (%)	Total
IA plays a key role in public schools' performance	32	56.1	17	29.8	3	5.3	2	3.5	3	5.3	N=57 %=100
IA unit partner with heads of schools to execute their duties	20	35.1	28	49.1	4	7.1	3	5.3	2	3.5	N=57 %=100
IA unit give recommendation to the various schools	19	33.3	24	42.1	6	10.5	6	10.5	2	3.5	N=57 %=100
You abide by recommendations made by the IA unit	19	33.3	28	49.1	6	10.5	3	5.3	1	1.8	N=57 %=100
The internal auditor gives their reports to management after undertaking an audit exercise	31	54.4	21	36.8	3	5.3	1	1.8	1	1.8	N=57 %=100

Source: Field Survey May, 2019.

Rating of Current Performance of Schools and Education Office Based on Internal Control System.

Figure 4.1 revealed that, 59.6% of respondents agreed that, the current performance of their schools and the education office is attributed to their Internal Control Unit whereas 17.5% were neutral, 15.8% strongly agreed while 7.1% disagreed. According to the director of the Internal Audit Unit, they help improve student performance by ensuring that teaching and learning materials are channeled for the right purposes and ensure funds are appropriately used. A clear interpretation of the graph means that, head teachers and other stakeholders of the education directorate as well as the internal audit unit acknowledges the activities and role of the internal audit unit in the educational sector (59.6%).

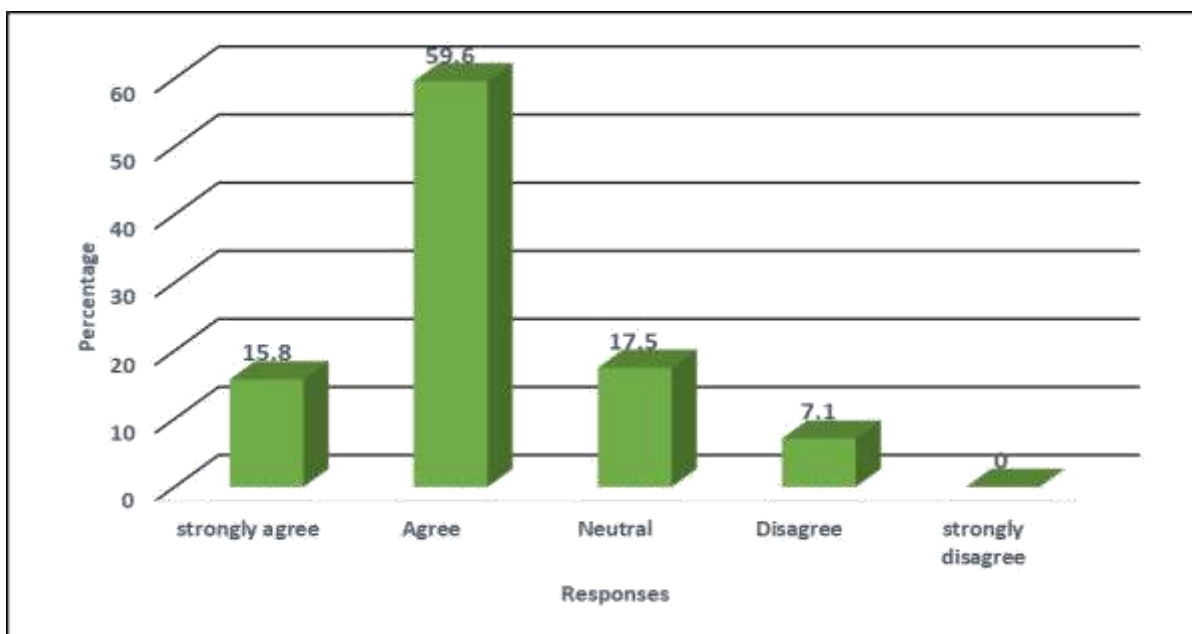


Figure 1 Rating of Current Performance of Schools and Education Office Based on Internal Control System

Source: Field Survey May, 2019.

Involvement of School Heads and Staff in Auditing Process

The study revealed that, Internal Auditors involved school heads and other key staff in their activities. Figure 2 shows that, 45.6% and 31.6% of the respondents agreed and strongly agreed respectively that, Internal Auditors involved them in the auditing process while 12.2% did not know whether Internal Auditors involved staff in its auditing process (neutral), only 3.5% strongly disagreed. Involvement of the staff and other stakeholders in auditing process is pervasive and thus will have the potential to contribute to effective performance in the various schools as collective ideas would be put together as recommendation at the end of the IA operations or activities.

Qualitative data gathered revealed that, Internal Auditors involved heads of schools when there is misappropriation of funds and resources to properly account for its use. They again involve head teachers during pre-auditing of payment vouchers, verification of store items and

communicating their scope of work and how they will execute their duties. Internal Auditors in the Municipality collaborate with head teachers during, vetting and approval of budgets of capitation grants for schools.

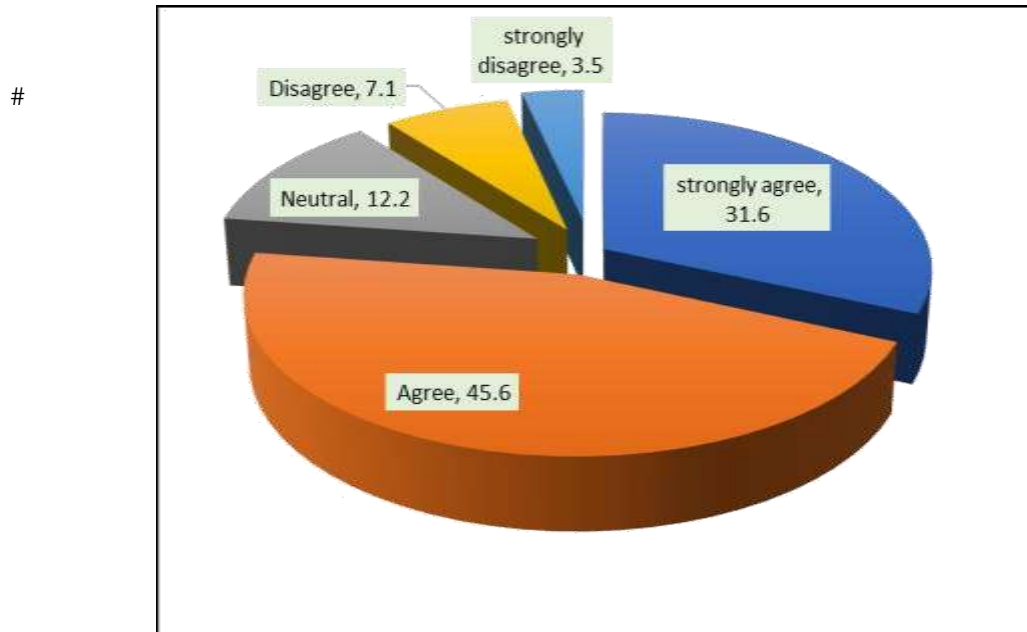


Figure 4.2 Involvement of School Heads and Staff in Auditing Process

Source: Field Survey May, 2019.

Effect of Internal Audit Unit on School Performance

From Figure 3, the findings show a high percentage of respondents (54.4%) who agreed that, the performance of their schools both academic and management is attributed to the Internal audit unit as it persistently monitors their operations and financial spending. The graph shows a gradual rise from strongly disagreed with 1.7% of respondents to 5.3% who disagreed. However, from 15.8% of neutral respondents, the graph peaks with 54.4% respondents who agreed that the internal audit unit contributes immensely to the performance of the schools while 22.8% strongly agreed too. The trend analysis shows that, the internal audit role is central to the performance of the various schools including management performance. According to some heads of schools, the practice of Internal Audit encourages them to do constant supervision to ensure that recommendations by Auditors are implemented. They are able to hold meetings with circuit supervisors to go through financial records of head teachers while correcting financial irregularities and providing evidence for spending.

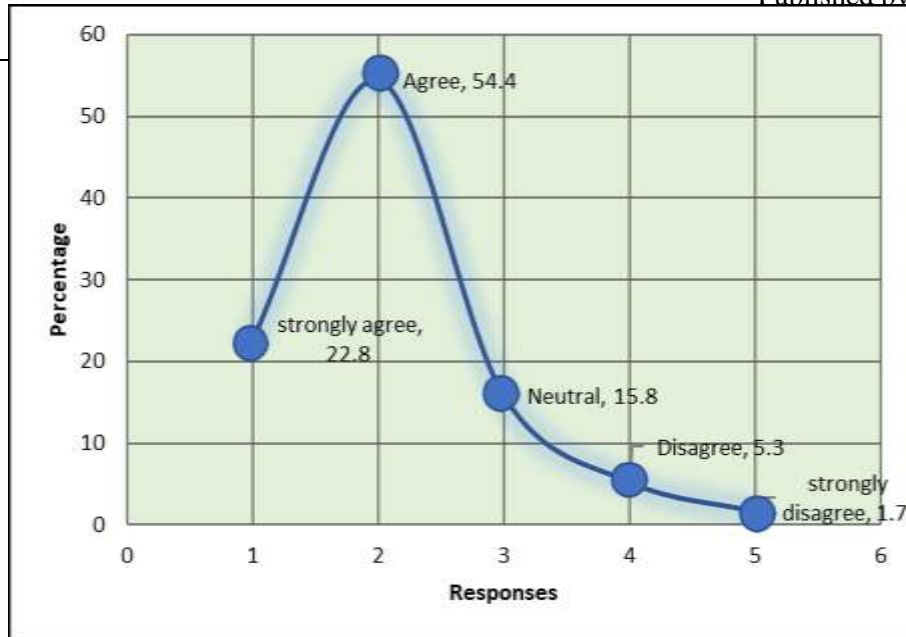


Figure 3 Effect of Internal Audit Unit on School Performance

Source: Field Survey May, 2019.

Involvement of Internal Audit Unit in the Daily Activities of Schools

Figure 4 shows that, 31.6% of the respondent strongly agreed and 28.1% agreed to the idea that the Internal Audit Unit should be involved in the day to day activities of the various schools to help improve on their effectiveness. Only 8.8% strongly oppose and 12.2% who disagreed to this idea of involving the internal audit in the day to day activities of the various schools, while 19.3% were indifferent. The majority (31.6% +28.1%=59.7%) of the various school head teachers need the internal audit unit to regulate their daily activities which will lead to improving educational performance in the municipality.

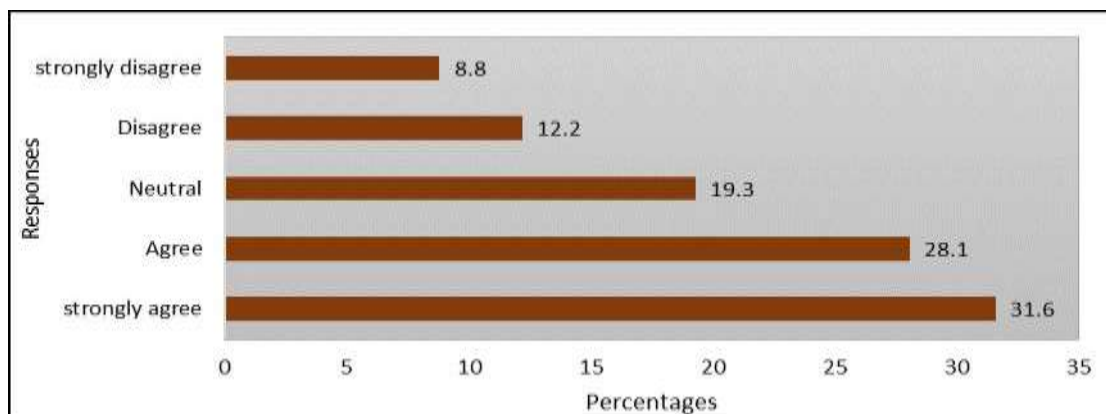


Figure 4 Involvement of Internal Audit Unit in the Daily Activities of Schools Source: Field Survey May, 2019.

Factors Hindering Effectiveness of Internal Audit Unit to Improving Educational**Performance in the Bolgatanga Municipality**

As indicated in Table 2, responses obtained from participants was analyzed using the mean score and the standard deviation approach. Under this objective, five variables or questions were set with the aim of soliciting answers to collectively answer the set objective. The mean scores for the five variables show that, more efforts should be put in place to enable the internal audit unit work more effectively. The mean score (2.7193) for whether internal audit unit is well resourced in the various basic and second cycle schools revealed that, the internal audit unit lacks the required resources to exercise their duties effectively. This again reflected on whether the internal audit unit is well motivated which had a mean score of 2.8772. It was revealed that staff of the internal audit unit are not motivated to perform their duties as compare to other departments. This greatly affects the activities and operations of the department.

Though majority of the respondents indicated that, the internal audit unit department is independent which had a mean score of 3.2807, the department is challenged by both internal and external challenges which limits their ability to perform effectively. This was evident in the responses given as challenges confronted by the internal audit unit in their line of duty which obtained a mean score of 2.6667. However, majority of the respondents indicated that, these challenges can be managed or solve to make the internal audit unit effective and efficient. This obtained a mean score of 3.2105 and a standard deviation of 1.12974. Results shown in Table 2 is a clear indication that, the internal audit unit is confronted with both deficiency in resources and staffing issues as staffs are not given incentives and motivation to give out their best work output.

According to accountants and Internal Auditors interviewed, the Internal Audit unit is challenged by logistics and finance to purchase fuel for motors and vehicle. There exists non-cooperation from some head teachers while IA is not given enough room to operate properly. There is also difficulty in disseminating information to all teachers. The respondents believe

that, irrespective of the challenges, these challenges can be solved to make the unit more effective in its operation which will positively translate into the educational performance in the municipality.

Table 2 Factors Hindering the Effectiveness of the Internal Audit Unit to Improving Educational Performance in the Bolgatanga Municipality

Scale Variables	Strongly Agree=5	Agree=4	Neutral=3	Disagree 2=	Strongly Disagree=1	Mean	Std. Dev
The internal audit unit in your school is well resourced	4	10	16	20	7	2.7193	1.11410
The internal audit unit is well motivated enough	3	13	20	16	5	2.8772	1.03631
The internal audit unit is independent	9	17	17	9	5	3.2807	1.17647
The internal audit unit to an extent do confront challenges in their cause of duty	5	10	14	17	11	2.6667	1.22960
You will rate the extent to which these challenges are managed or solved to be very effective	7	18	16	12	4	3.2105	1.12974

Source: Field Survey May, 2019.

Promoting the Effectiveness of the Internal Audit Unit in Bolgatanga Municipal

Education Office

The respondents were asked various questions which were aimed at achieving the objective of how internal audit effectiveness can be promoted in the municipal education office. The study found that, majority of the respondents which consisted of 21.1% strongly agreed and 45.6% agreed that, the Internal Audit is effective in their schools whereas 10.5% of the respondents disagreed. On the issue of whether headteachers have a role in ensuring that, internal audit is effective in their schools, about 22.8% strongly agreed and 59.6% agreed that, headteachers have diverse roles to play which will result in a more effective internal audit unit. About 8.8% were neutral but only 3.5% strongly opposed to the assertion.

Again, the majority of the respondents (35.1% disagreed and 15.8% strongly disagreed) indicated that, the internal audit department is not well resourced. Despite the limited resources, the unit is assessed as effective as analyzed in the preceding paragraph. This would imply that the audit units are making judicious use of the limited resources. Therefore, giving them adequate resources would greatly enhance their effectiveness and output.

Similarly, the study found that, that the internal auditor forms part of the management teams in the various school management. This was represented with 38.6% for agreed and 28.0% for strongly disagreed (Refer to Table 3). The involvement of the internal auditor in school's affairs such as decision-making regarding finance and other resource usage could positively affect the school's performance. Also, about 33.3% and 49.1% of the respondents respectively agreed and strongly agreed that, the various schools implement the advice and recommendations given by the Internal Audit unit. While 1.8% of the respondents strongly disagreed to this claim, 12.3% of the respondents were neutral or indifferent as to whether recommendations given by the internal audit unit is implemented by schools or not. Generally, the findings depict that, the internal audit unit is effective in the various schools and that headteachers participated effectively during auditing. However, the unit has limited resources for to enhance its operations. On how to improve Internal Audit effectiveness, it was revealed that, means of transports and adequate logistics should be provided. Staffs should be motivated, and condition of service improved. Also, reports of audited accounts should be discussed openly after every auditing process. Enough funds should be provided to Internal Auditors to enable them travel to the various schools for auditing. Regular in-service and capacity building training for head teachers and staffs should be organized. Auditors should undertake periodic auditing of books and accounts and they should exercise transparency in reporting audited accounts.

For school performance to be improved, there should be regular supervision and effective monitoring by circuit supervisors. Also, there should be intensive verification of funds utilized and teachers should be made to teach only courses that they are trained in. Auditors should also make follow ups to ensure that, recommendations on audit reports are implemented.

Table 3 Promoting the Effectiveness of the Internal Audit Unit in Bolgatanga Municipal Education Office

Scale Variable	Strongly Agree=5	Percent (%)	Agree=4	Percent (%)	Neutral =3	Percent (%)	Disagree =2	Percent (%)	Strongly Disagree=1	Percent (%)	Total
The internal audit unit is effective in your school	12	21.1	26	45.6	11	19.3	6	10.5	2	3.5	N=57 %=100
Head teachers have a role in the effectiveness of the internal audit unit	13	22.8	34	59.6	5	8.8	3	5.3	2	3.5	N=57 %=100
The internal audit unit is well-resourced to undertake its activities	5	8.8	11	19.2	12	21.1	20	35.1	9	15.8	N=57 %=100
The internal auditor is part of the school management	16	28.0	22	38.6	7	12.3	4	7.1	8	14.0	N=57 %=100
Management carry out the advice and recommendations of the internal auditor	19	33.3	28	49.1	7	12.3	2	3.5	1	1.8	N=57 %=100

Source: Field Survey May, 2019.

Perception of internal auditors and education directors on internal audit management

The study revealed that, auditors receive full cooperation to undertake their activities as well as having access to needed information that can aid in effectively exercising their duties as auditors. Auditors do not get necessary resources to execute their auditing activities creditably and auditors are not provided with adequate training that can equipped them and improve their skills in their sector of work. In terms of technology, auditors are not given the opportunity to learn new technologies and approaches that can help improve on the effectiveness and efficacy of their activities. Also, institutions and departments where internal auditors work do not budget for staff who wish to further their studies in relevant areas that can help enable them audit well.

CONCLUSIONS AND RECOMMENDATIONS

The study revealed that, Internal Auditors plays a central role in public school performances and partners with heads of schools during auditing process. Internal Auditors monitors the expenditure of the education office and schools to ensure that resources are rightfully spent. Auditors assist in all levels of management by furnishing them with periodic independent and objective appraisals and auditing of financial, accounting, administrative and other activities within their respective areas. Internal Audit is highly rated in the various schools and that, the current performance of the schools is attributed to internal control systems. Internal Audit Unit is confronted with both deficiency in resources and staffing issues. The Unit is challenged by logistics and finance and there exists non-cooperation from some head teachers coupled with difficulty in disseminating information to all teachers.

The Internal Audit Unit should form part of the management team in the various schools. It should form part of the school's decision-making process. Schools should effectively implement recommendations given by auditors to ensure effectiveness. Means of transports and adequate logistics should be provided. Staffs should be motivated, and condition of service improved. Also, reports of audited accounts should be discussed openly after every auditing process. There should be enough funds for Internal Auditor to travel to the various schools for auditing and that, there should organized regular in-service and capacity building training for teachers and staffs while training both new and old head teachers on basic financial practices. Heads of schools co-operate with auditors and the education office has positive perception the internal audit unit. They consider internal auditing as a value adding activity and IA are recognized by management of schools. The challenges confronted by the Internal Audit Unit include insufficient funds from the central government, lack logistics, insufficient human resource and unmotivated IAU staff.

The study concluded that the Internal Audit Unit plays a significant role in improving the performances at both the second cycle and basic schools by safeguarding schools' assets and ensuring good financial management system. They are however not able to play this role effectively and efficiently because of challenges they encountered. Internal Auditors are unable to perform their specific responsibilities of preventing, and detecting fraud, errors, irregularities, misappropriation and misuse of public resources due to inadequate logistics. The audit staff are also not motivated enough to carry out their duties creditably. The factors identified as ensuring IA effectiveness are existence of audit committee, expertise and experience of internal auditors, management support, staff competency, professional auditing standard, competent leadership, independent, unrestricted access to records and implementation of audit recommendations.

The study recommends among other things that the interest of policy makers to promote public service organizations by ensuring that these institutions are efficient, stable and more productive in order to boost public confidence in them. The internal audit unit should be adequately funded to embark on its core mandate especially in the Education sector. The service should liaise with the national service scheme so that some personnel can be posted to augment their staff strength. Graduates with accounting and auditing background can be employed by the service and trained to help reduce their work load. The reduction in the work load will enable them to get more time to plan and carry out audit work effectively. The government of Ghana should improve staff conditions of service. Necessary arrangements should be made by the Fair Wages Commission and the Public Service Workers 'Union to increase and motivate staff. Allowances, incentives, and fringe benefits should be provided by the government to retain and motivate the staff.

Regular training programs in the form of workshops and seminars should be organized by management for employees and management staff as well to sharpen their skills and

Knowledge with regards to implementation of internal controls instituted by management. Similarly, the Internal Audit Unit should liaise with some accounting firms such as price Waterhouse and Coopers amongst other local firms to train both old and new staff of the service. This will provide new staff of the service with requisite knowledge and skills to enable all staff of the service to be abreast with current trends in the auditing profession. Equally internal audit service should engage the services of a computer training institution to train staff so that they will be well equipped in ICT to enable them carry out auditing activities in a computerized system.

The government through the Public Accounts Committee of Parliament (PAC) and other development partners and implementation agencies should develop a comprehensive internal control policy for public service institutions with specific focus on the control implementation. This will enhance their operations regarding revenue collection and promote departmental goals of the Audit Unit.

This research shows key characteristics of performance audits in a developing country context such as corruption and lack of compliance issues. The study recommends that a future research should be extended to other regions within Ghana to assess the cost-benefit analysis of performance audits. This research further suggest that there are formal institutional voids (Doh et al, 2017) within the Ghanaian context. These institutional voids refer to the underdevelopment of regulatory institutions or lack of enforcement mechanisms of internal audit controls. The research therefore calls for future research to examine how policy makers can enact enforce strong regulatory mechanism for audit control. The study also recommends that a further study be done on challenges that affect the effectiveness of internal audit on the performance of decentralized entities in Ghana

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