

**CHRISTIAN SERVICE UNIVERSITY COLLEGE**

**ASSESSING THE PERCEIVED IMPACT AND THE STRATEGIES ADOPTED BY  
THE INTERNAL AUDIT TO BATTLE CORRUPTION IN THE PUBLIC SECTOR:  
A CASE STUDY IN THE ASOKORE MAMAPONG MUNICIPAL AREA**

**ZIBRIM SADAT**

**2019**

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**ZIBRIM SADAT**

**(14019371)**

**DISSERTATION SUBMITTED TO THE GRADUATE SCHOOL AND RESEARCH,  
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF  
MASTERS OF SCIENCE DEGREE IN MONITORING AND EVALUATION**

**2019**

## DECLARATION

### Candidate's Declarations

I declare that this research work is through my own effort and that no part of it has been submitted anywhere for another degree.

Candidate's Signature .....

Date .....

Name: Zibrim Sadat

### 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 the Christian Service University College.

Supervisor's Signature .....

Date

.....

Name: Dr. Albert Adu Gyamfi

## **ABSTRACT**

Corruption is endemic in Ghana as it is in many African countries. It is as old as the country's modern political history, but in recent times many Ghanaians believe the misappropriation of public funds for private gains has reached an unparalleled level. Corruption has overwhelmed the Ghanaian economy such that the populace chooses to now tolerate corruption rather than fight it. This research is aimed to assess the perceived nature of internal and some of the strategies that can be used through this internal auditing to address the issue of corruption in the Asokore Mampong Municipal Area. This research uses the mixed method using descriptive a case study research design. A purposive sampling method was adopted to select samples which consisted of all the staffs working within the Municipal Assembly making a total of 152 participants. A semi-structured questionnaire to gather essential information for the study. Data was analyzed by using SPSS tools such as standard deviation, mean score, frequencies and percentages. About 73.0% of the respondents believed the department of the internal audit was effective in the Municipality and among them, the internal audit unit aided in putting checks and balances in place in the disbursement of funds, proper installation of control measures, regular auditing and making recommendations and proper measures by the department of the internal audit. Again majority of the respondents said the internal audit structure promote consistency and objectivity in the fight against corruption. 17.8% of the respondents believed there has been biased several times in assessment of financial statement on the part of internal auditing staff in the Municipality. It was noted that the internal audit battle corruption through evaluation, keeping of accounting records, compliance to laws and regulations, protection of assets and prevention wastage of resources and checking budget implementation. Again, the processes the internal audit follows in exercising their duties in the Municipality were; following internal control procedures and free access to committees, documentation of all the internal controls in procedure manuals, proper quality control

procedure and properly identifying risk and planning in relation with management. The challenges affecting the internal audit in discharging their duties were; insufficient resources, lack of well-defined strategy, lack of budget and fiscal autonomy, lack of independence and inappropriate staffing. Furthermore, Non-constructive appointment and removal process of heads of anti-corruption institutions, insufficient internal coordination/inter-agency relations and inadequate leadership and management affected the internal audit department in exercising their duties in the Municipality. The study concluded that the department on internal audit was effective. Even though it was found that there has been biases several times in assessment of financial statement on the part of internal auditing staff where they weren't able to account for funds in the Municipality.

### **ACKNOWLEDGEMENT**

To Allah be the glory for guiding me in the completion of dissertation. My outmost appreciation extends to my supervisor Dr. Albert Adu Gyamfi his supervision, constructive criticisms, useful suggestions and encouragements and not forgetting the entire lecturers of the Department of Planning and Social Development, Christian Service University College.

My sincere thanks goes to the all the Asokore Mampong Municipal Assembly Staff's for their immense contribution towards this research. I am grateful to Mr. Jacob Nyantakyi Antwi for volunteering s assistants in the collection and entry of data.

Finally, my heartfelt thanks goes to my wife, Madam Samira Abubakar and the rest of my family for their support, prayers and sacrifices that enabled me to pursue this programme.

## **DEDICATION**

This dissertation is first of all dedicated to Allah and secondly to my wife and friends for their encouraging words and prayers.

## TABLE OF CONTENTS

DECLARATION.....	i
ABSTRACT.....	ii
ACKNOWLEDGEMENT.....	iv
DEDICATION.....	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES.....	ix
LIST OF FIGURES.....	x

### CHAPTER ONE

#### GENERAL INTRODUCTION

1.1 Background of the Study.....	1
1.2 Problem statement.....	3
1.3 General Objectives.....	4
1.4 Hypothesis/Research Questions.....	4
1.5 Justification/Rationale of the study.....	4
1.6 Organisation of the Study.....	5

### CHAPTER TWO

#### LITERATURE REVIEW



2. 1 Corruption in public institution.....	6
2.2 The Effects of Corruption.....	7
2.4 Empirical Review.....	10
2.4.1 Authority, Independence and Duties of the Internal Audit.....	10
2.4.2 Internal Audit and Corporate Governance.....	13
2.5 Internal Audit and corruption.....	14
2.6 Summary of chapter.....	15

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

3.1 Research Design.....	17
3.2 Study Area.....	17
3.3 Study Population.....	19
3.4 Sampling Procedure and Sample Size.....	19
3.5 Data Collection Instruments.....	20
3.6 Data Collection Procedure.....	21
3.7 Data Processing and Analysis.....	21
3.8 Ethical Consideration.....	22
3.9 Limitations of the study.....	22

## **CHAPTER FOUR**

### **RESULT OF ANALYSIS, INTERPRETATION AND DISCUSSION**

4.1 Personal data of respondents.....	23
4.2 Perceived nature of internal audit at the Municipal Assembly.....	23
4.3 Internal Audit activities performed to battle corruption.....	25
4.4 Processes the internal audit follows in performing their duties.....	29
4.5 Challenges that affect the Internal Audit in discharging their duties.....	31
4.6 Strategies the internal audit can use the address corruption.....	36
4.7 Conclusion of Chapter.....	38

## **CHAPTER FIVE**

### **SUMMARY OF KEY FINDINGS, CONCLUSION AND RECOMMENDATIONS**

5.1 Summary of Key Findings.....	39
5.2 Implications of findings.....	41
5.3 Recommendations.....	41
5.4 Conclusions.....	43
REFERENCES.....	44
APPENDIX.....	55

## **LIST OF TABLE**

Table 1: Census of personnel's working at the Asokore Mampong Municipal .....	20
Table 2: Respondent's Personal Data.....	24
Table 3: Perceived impact of internal audit at the Municipal Assembly.....	28
Table 4: Internal Audit activities performed to battle corruption.....	29
Table 5: Processes the internal audit follows in performing their duties.....	31
Table 6: Challenges affecting the internal audit in discharging their duties.....	34
Table 7: Strategies the internal audit can use the address corruption.....	36

**LIST FIGURES**

District Map Asokore Mampong Municipal.....18

# CHAPTER ONE

## GENERAL INTRODUCTION

### 1.1 Background of the Study

Corruption is as old as human civilization and is worldwide. As a matter of fact, this issue has gotten roots in both politics and academics over the past decade. Now the frame of corruption has become a universally accepted phenomenon (Myint, 2000). Fiaz and Adnan (2013) stated that the corruption has gain root globally and several governments and businesses have been charged with corruption and or their involvement in corruption scandals (Fiaz and Adnan 2013). According to the Transparency International report (2013), globally, almost every government is one way or the other associated with corruption which affects institutional and community development and the lives of humans.

In Ghana, according to Ayee (1994) corruption has been with us since the pre-colonial days and has even become endemic throughout the various governments since independence. Corruption has been cited by some scholars as the main reason for the overthrow of democratically elected governments in Ghana (Ayee 2016). In Ghana, several strategies have been put in place to curb the persistent corruption. However, the country has not been successful in the fight against corruption. The Auditor General's report stated that, over the years, the revelation of the Public Accounts Committee and the findings of other various investigations in the public settings have confirmed that corruption in Ghana is real and not just a perception (Boahen, 1992). However, corruption and misappropriation of funds in all counties are now the order of the day resulting from feeble and ineffective control system. It is necessary that the management of the organisation and that of the audit systems to make distinctions between mismanagement and corruption. In literal terms treating the two as the same can destroy the efforts put in place to minimize risk (Margaryan, 2005).

The effort to reform the financial system require the inclusion proper auditing and internal control system because of the duties they play in accountableness and being transparent. The Internal Audit activities are very important mechanism in the public financial control and a tool for effective evaluation of the activities of management (Baltaci and Yilmaz, 2006). In view of this, it is imperative for an interior evaluation of performance by expects with comprehensive frameworks and procedures offer control systems to ease the mind of dangers and ensure that administrative processes are met set goals and objectives (IIA, 1999). This pronunciation require the duty of the Internal Audit that lead to a unique organisation experience and enhance future results help management exercise their duties in a sweetable manner (Nagy and Cenker, 2002) to minimize corruption. But the internal audit should be checked consistently to identify how they demonstrate their service deliveries as it moves their duties and responsibilities to promote the efforts of the auditing systems (Van Gansberghe, 2005). The role of the Internal Audit is well defined if it achieves the goal it is meant to fulfil. The Internal Audits duty is not performed unless the malfunction are duly appreciated (Sawyer, 1995).

In Ghana, is issue of corruption is no different from other countries. The countries political history shows that corruption has existed in the early days before independences and still now it has become systematically consolidated in the politics of the country. As it stands now, the situation has not changed regardless of the use of several means both civil and radical to address it (NACAP, 2011).

## **1.2 Problem statement**

Corruption is as old as the country's modern political history, but in recent times many Ghanaians believe the abuse of public sector force for private gain has reached an unparalleled level. Corruption has overwhelmed the Ghanaian economy such that the populace chooses to now tolerate corruption rather than fight it. It is a habit that has become a

culture (Africawatch, 2014). In recent times, corruption has gained root and is caused by ineffective auditing and system control mechanisms. For a long time, internal audit was considered as an administrative unit aimed at checking documents, frauds and corrupt acts, counting assets and reporting on past events for management purpose in private and public entities for development (Arena and Azzone, 2009) but the question is why have they failed?

In recent years the Government of Ghana has made progress in strengthening and improving the financial system but misunderstanding of the Internal Audit role by putting proper control system in place to ensure accountability of expenditure and effectiveness in performing responsibilities (World Bank, 2006). However, regardless of the effort of the Internal Audit in Ghana's Public Sector to check scandals of corruption, fraud and embezzlement, the general opinion is that the Internal Audit operations have deviated in pursuing its mandate and as a result, several accusations been made against management of public sectors with the tag of corruption. It is in these perspective was this study conducted to address the perceived impact of Internal Audit and the strategies used to battle corruption in the Asokore Mampong Municipality.

### **1.3 General Objectives**

The aim of this dissertation is to determine the perceived impact of the internal audit and some of the strategies that can be used through this internal auditing to address the issue of corruption in the Asokore Mampong Municipality.

#### Specific Objectives of the Study

1. To assess the perceived nature of the internal audit in the Asokore Mampong Municipal Area.
2. To ascertain the process the internal audit follows in performing their duties.
3. To determine the challenges encountered by the internal audit in discharging their duties

4. To determine the strategies the internal audit uses to address corruption

#### **1.4 Hypothesis/Research Questions**

1. What is the perceived nature of internal audit in the Asokore Mampong Municipal Area?
2. What are the processes the internal audit follows in performing their duties?
3. What are the challenges encountered by the internal audit in discharging their duties?
4. What are the strategies that can be used by the internal audit to address corruption?

#### **1.5 Justification/Rationale of the study**

The outcome of this study would contribute significantly to the knowledge of the subject matter, literature and reference material to researchers, stakeholders and policy makers who have interest in the strategies adapted by the Internal Audit to fight corruption.

Corruption is a canker that affects all government ministries but the internal audit performance to identify measures, laws and regulation to minimize the incidence of corruption. This study would help government ministries and other stakeholders to critically strengthening the arms of the Internal Audit for effectiveness and efficiency in exercising their duties by controlling all the factors associated with corruption.

Findings of this study would be useful in providing requisite measures to address the independence of the Internal Audit reporting structure and authority affecting its performance.



## **1.6 Organisation of the Study**

This study is separated into five solid sections. The first section talked about the study background, the statement of problem, the general and specific objectives, the research questions/hypothesis and justification and the study organization.

The second chapter provided details on the review of other literature in relation to the performance of the Internal Audit and its effect on the fight against corruption. The third chapter talks about the research design, the study area and population, the sampling procedure and study instruments and data processing and analysis.

The fourth chapter dealt with the results of the analysis, the interpretation of the results and the discussion of the study. The last chapter provided information of the summary and implication of key finding, recommendation and conclusion for stakeholders and for policy making.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter foresees the performance of the reporting structure of the internal audit by different authors its oversight on the corruption battle. It presents information on other theories (empirical and conceptual) associated with fraudulence and how the Internal Audit helps as an anticorruption tool for economic growth. The section also includes a chapter summary.

#### **2.1 Corruption in public institution**

Corruption is considered as one of the important indicators of a poor government performance. It can be defined as the “misuse of public office for private gains”. This is the

widely used definition by the World Bank regardless of others (World Bank, 2007). According to Drury and Colleagues (2006), this gain may be in the form of changing the status of the individual. This gain may be accommodated in a function, or a close relative. They also asserted that the activities of corruption may include theft, nepotism, bribery and mismanagement of public funds and other resources.

Corruption can be conceptualized. Friedrich (1996) also defined it as the behavioural model that diverts from the natural order and perceived to be superior in a certain phenomenon. The reason for this corruption modeling as a system is that what one considered as corruption in one system may necessarily not be considered as corruption in another system. Again the processes and strategies used to battle corruption in one system may not be applicable to another system and calls for the need to develop proper anti – corruption strategies that would fit a particular environment (Friedrich, 1996).

Corruption is regarded as an object to oppose the purpose of public administration. It is generally referred to as the act of failure of the public service institutions and as a perfdy of the potential professional ethics of the public administration to serve the public (Whitton 1994). According to Theobald (1997), public administration culture has been established to provide protection against corruption in the public. These potential preventive measures within the public administration are oftentimes directed to support the integrity of the public officials (UNODC, 2009).

According to Gioacchino and Franzini (2008), corruption is an act where state official who holds power and trustworthy in the public engages in an act which the end result accumulates in His or Her pocket. Myint (2000) on the other hand stated that corruption is an odor that affects societies where there is a high tendency of weakness in institutions, legislative and judicial system.

## **2.2 The Effects of Corruption**

The effects of corruption on the public administration can cause more harm in a subtle way. When corruption is perceived to be handled anyhow the dangers associated with it goes beyond the form of misappropriation of resource and the public administration becomes at risk of losing both the trust of the citizens and its capacity to be effective (Thompson 1992). According to Morris and Klesner (2010) low trust level breeds corruption. In the system of distrust there is always a trigger for corruption and therefore bring about the expectation of corrupt behaviour among others. In a study by Quah (2007) on Combating Corruption Singapore Style, state that the consequences of corruption lead to damage in the competence and honesty of employees and contribute to loss of hope and deter worker reducing integrity and effectiveness at work. Porta (2000) on the other hand asserted that, lack of confidence associated with government always breeds corruption as it changes greatly the appearance of citizens into bribers who seek for security to get access to decision – making.

## **2.3 Conceptual Nature of the Internal Audit**

The concept of auditing defined by different authors in various ways. According to the Association of Accounting Technicians (A.A.T) (2000), “an audit is a process which results in expression of an opinion as to whether the financial statements give a true and fair view of entity’s affairs at the period end and as to whether they have been properly prepared in accordance with the applicable accounting standards”. Again, the Association of Certified Chartered Accountants (A.C.C.A) (1992) also defined an audit as “the independent examination and expression of an opinion of the financial statements of an enterprise”.

According the IIA (2012) the internal audit duties falls on the locus of providing good governance. The Internal Auditor exercise critical responsibility for an organization’s development through the promotion of financial accountability, minimize internal control

risks and fraudulence. The IIA (2012) further explained that the role of internal auditing can be grouped into the internal control system, management of risks and corporate governance. The Internal Auditor occupies a special position to reassess and review all conduct of management which to some extent create tension since the Internal Audit is independent of the objectivity of management but meanwhile the Internal Auditor's depend on management for employment (IIA, 2005). Mihret and Yismaw (2007) also argued that the inherent nature on the contributions made by the Internal Audit remains the supply of quality information and the improvement of the internal control system for decision making by organisation management. According to the study by the Internal Organisation of Supreme Audit Institute (2001) the internal audit is a bridge for good governance in the public sector and it is an important system for enhancing proper controls. The internal audit assesses the financial system compliance, ensures proper procedures, ascertain the effectiveness of the internal control, assesses the proper use of available resources, ensures records keeping and reporting, verify inventories and conducts investigations on irregularities.

The internal audit's role should be independent and the internal auditor's decision should not dependent when dealing the auditing process on management but they should coordinate with them and comply with board of director's judgment towards management. The Internal Audit role should be objective but sometimes it can be compromised during the reporting time line (Ahmed and Taylor, 2009). Within the scope of literature, there are several challenges the Internal Audit face regardless of the important functions in exercising their duties. A study done by Ghareeb and Alktani (2014) on the effectiveness of the quality of the internal audit position in Saudi Arabia points out some challenges the Internal Audit face which include; complexity of Internal Audit operations, lack of training programmes, lack of cooperation with the Internal Audit and other departments, financial budget constraints and regular change in laws and regulations. They further stated that lack of independence is one outmost

challenge of the Internal Audit. According to a study conducted by Kamere (2013), the Internal Auditors functions are been affected by failure to cope with limited resources, failure to conduct proper risk assessment and failure to reassess skills to address new requirements. He further stated that in an organisation where the functions of the Internal Audit is not recognizes by management lead to incompetency and poor performance. Staciokas and Rupsys (2005) further stated that it is the responsibility of the Internal Audit to make appropriate recommendations to management on how to improve the processes of an organisation. They also stated that the functions of the Internal Audit may experience some conflicts of interest in performing their duties. Furthermore according to Morgan (2009), in several occasions, the Internal Audit perform their duties in a poor working conditions and at times management fail to provide support for their role, describe them as unworthy in the organisation and fail to section sufficient resources to aid their functions. Mihret and Yismaw (2011) also asserted that insufficient attention of management has an impact on the Internal Audit functions and significantly affect the performance of the Internal Auditor. Again, on the other hand inadequate knowledge of the Internal Auditors also affect their performance negatively. Another study by Cattrysse (2014) on the Reflections on Corporate Governance and the role of the Internal Auditor found out that the main function of the Internal Audit is to maintain the internal structural operations of an organisation but the main problem the Internal Audit face is poor working conditions and an unfavorable environment.

## **2.4 Empirical Review**

This portion talks about the empirical studies of the Internal Audit activities, processes and practices to aid in organisation performance. The role of Internal Audit helps an organisation to achieve its objectives through the use of a comprehensive approach and strategies for organizational success.

#### **2.4.1 Authority, Independence and Duties of the Internal Audit**

According to the IIA (2008) the Internal Auditor's involvement is objective and provides evidence for independence in opinions regarding an entity, operation, a process, a function and other related matters. To add to this, the Internal Auditor determines the scope and nature of assurance engagement which includes three parties involvement. These are the process owner, the Internal Auditor and the user. Again, in terms of consulting engagement, the nature and scope are based on two parties which include the Internal Auditor and the Engagement Client. Even though the two perspectives may affect the performance of the Internal Auditing in each working environment but adherence to the Institute of Internal Audit International Standards for the professional Internal Auditing practices would ensure smooth performance of the Internal Audit (IIA, 2008).

The Independent function of Internal Audit determine the fate of records and procedure of an organisation in which it examine. Thus the internal audit owe primary allegiance to the organization. Every organisation concentrates on how management can use the available resources effectively. The Institute of Internal Audit (2012) stated that the Internal Audit in the public sector aims at achieving the goals of governance by promoting accountability and transparency in financial management, minimize corruption and reduce risk. The IIA (2012) further stated that audit practices differ across countries but basically auditing in the public sector entails; organizational independence, professional auditing standards, sufficient funding, restricted access, support from stakeholders, competent and objective staffs and leadership.

In recent times, according to a study conducted by Ramsay (2002), a variety of activities confiscated together contributed to the transformation of government by adopting

strategies to pull the operations up thus heightening of the roles and responsibilities of the internal audit in the accountability and transparency in the use of available resources. He also stated that the functions of the Internal Audit is to manage risk, evaluate internal controls and governance processes. According to the study by Macrae and Gils (2014) the internal audit activities and practices are made up of the Internal Auditor's objectivity, authority and independence and competence in exercising duties and reporting effectively. The internal audit functions in the public sector is to learn all environment and business operations by reassessing all organisation systems, operational strategies and risk assessments (Alktani and Ghareeb, 2014). According to a study by Diamond (2002) on the internal audit's role on government financial management, the duties of the Internal Audit in an organisation is to ensure the compliance of rules and regulations, processes and instruction, monitor the internal controls and certify the resource and financial records in the organisation. Price Waterhouse Coopers (2010) study on Audit and Assurance Service concluded that the internal audit functions in a sector is to assess the management on the following;

- I. Regulate competence and review of the effectiveness of the compliance with policies
- II. Assess current and future regulatory risk profiles
- III. Implement risk control framework and evaluate programmes
- IV. Evaluate the impact of new regulation on the business models and ensure that regulation standards and expectations are met.

The public sector Internal Auditing includes all administration processes and procedures thus counting assets, checking documents and reporting on present and past events to organisation management (Van Gansberghe, 2005). According to a study conducted by Coffin and Patilis (2001) on the Internal Audit's role in privacy, the Internal Auditing can be helpful to determine, monitor and evaluate the various control systems surrounding the collection, processing and assessing client information as well as working

with rules and regulations. In relation to a study by Pickett (2003) and another study by Staciokas and Rupsys (2005), the following functions are performed by the internal audit:

- I. Evaluating and protection of organizational assets and effective use of resources
- II. Monitoring and evaluation of government processes and internal controls
- III. Performing quality reviews of accounting and financial information
- IV. Facilitation of self – assessment
- V. Investigation of fraudulence and misappropriation of funds
- VI. Assessing business risks

According to Dalila (2013), the role of the Internal Audit is to improve corporate governance of an institution or an organisation. To achieve this, it demand an immense inspection of the financial records of an organization's to protect the stakeholder's interest. The assessment of the effectiveness in the role of the Internal Audit cannot be ruled out especially where the functions is a key component of organisation success.

#### **2.4.2 Internal Audit and Corporate Governance**

The decentralization of the powers of government and the ability to proceed with judgments on all the government structures make the process of governance very operative and creates agency relationship and at times problems (Smoke, 2006). The common and renounced problem faced by the public sector is corruption (CDD, 2000). According to the CDD (200), corruption is a serious problem in both the private and public sector. In relation to this, Zeleka (2007) stated that corruption can be reduced to its barest minimum with corporate governance as an effective tool. For good performance in every organisation, investors of these organisation would not want to see their monies channeled undertake an activity which is unproductive. To achieve this, most organisations inherit the reforms of



corporate governance. According to Mensah et al. (2003), unproductive governance system creates room of corruption.

Corporate governance have different definitions depending on the contest. Mensah and Colleagues (2003) defined it as a series of systems used to control the actions of an organisation. Santosh (2005) of the other hand defined corporate governance as a framework within an organisation which directs and controls the affairs of such an organisation. He further stated that corporate governance ensures the credibility of financial report, efficacy in work operations and subjection to rules and regulations. The Commonwealth Secretariat (2005) stated the internal audit as a body that controls the various systems and represent favorable indicators to the management of a sector to improve internal controls. The functions of the Internal Audit falls within the domains of any sector's income and expenditure system and enforces that all finances falls under the provisional budget of the financial assets.

## **2.5 Internal Audit and corruption**

The studies which provides the connection between accounting/auditing at one space and corruption the other space is uncommon. According to Pacini and Colleges (2002) corruption destroys the transparency established in financial reports. Again Malaguerio and Colleagues (2010) tried to establish the connection between the corruption and accounting/auditing. They found out that the quality auditing and accounting is significantly related to the estimated level of corruption. They also asserted that countries can reduce the incidence of corruption by increasing transparency in the financial report made by the improvements of accounting and auditing standards.

The Institute of Internal Audit (2011) defined fraud as any act of illegality characterised by violation of trust and it does not depend on physical forces. Fraud is caused

by persons and organizations to obtain money, property and services or to void payment. The duty of the internal Audit is to ensure the smooth running of an organisation. In addition to that, the Association of Certified fraud Examiners (1995) stated that, the Internal Audit can perform other activities that can prevent fraud. Some of these activities are;

- I. Review companies contracts
- II. Conduct a constant analytical review
- III. Ensure the creation of power rotation programmes in the company
- IV. Conduct unexpected audit on regular basis
- V. Assess all electronic data protection systems etc.

## **2.6 Summary of chapter**

Corruption has been an important aspect of a poor governance and a major hindrance to the development to development and economic growth. Corruption exist in different forms depending on where and how we tackle it but in recent times there has been several ways to fight corruption and the introduction of the internal audit as a structure has helped reduced its intensity. The major role of the internal audit is to examine and express its opinion on the financial statement of an organisation in order to check for fraudulence and misappropriation of funds. The internal audit evaluate all activities such as risk management, quality control process and serve as a primary allegiance to the organisation.

The use of internal audit was the key solvent to dilute the issue of corruption to its barest minimum. The internal audit analyses, evaluate and put measures in place to control the management of an organisation in order to ensure smooth administration, control cost and ensure adequate utilisation of available resources. The internal audit methods limits misappropriation of funds and leakages of money and properties.

However, as the internal audit is performing their activities to monitor and control fraudulence and smooth running of an organization, government and political interference render the internal audit work to be ineffective and inefficient.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

The chapter talks about the type and source of information used, the targeted population and study area, the research design, sampling method and sampling procedure used in this study. It additionally portrayed how information was gathered and analysed.

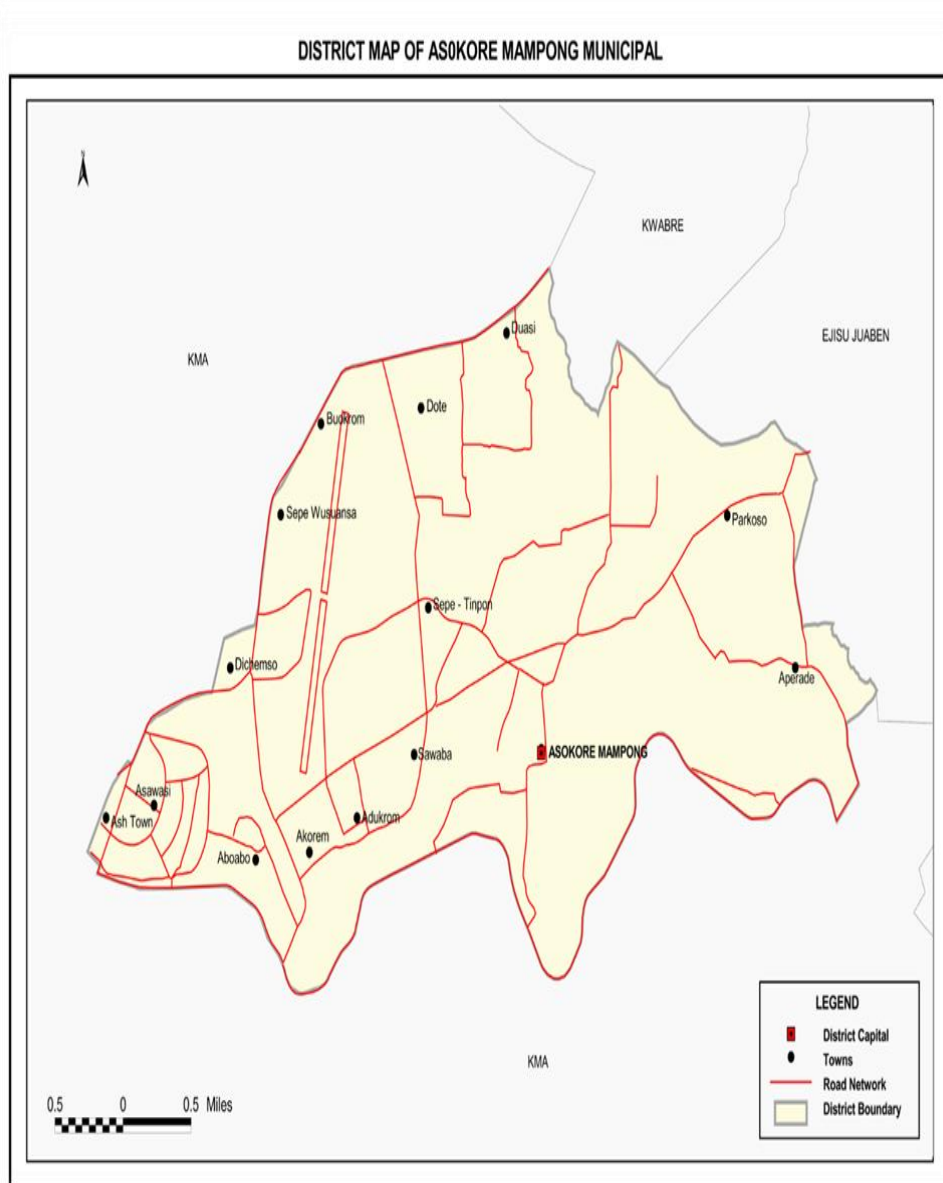
#### **3.1 Research Design**

The study adopted the mixed method approach (both quantitative and qualitative) using descriptive case study design. A qualitative study approach was used to have an insight and better understanding on participant's views on the nature of the internal audit reporting structure in the Municipal Area. The quantitative approach propelled the researcher to find out the association among quantifiable variables and components (Streubert & Carpenter, 1999). A descriptive study is a study that aims to address accurately and systematically describes a phenomenon in a population (Brink & Wood, 1998). In this study, a descriptive case study was used to address the perceived impact and the strategies the internal audit adopts to address the issue of corruption.

#### **3.2 Study Area**

Asokore Mampong Municipal Assembly is one to the Municipal and District Assembly in the Ashanti Region of Ghana. Its capital is called Asokore Mampong. The Municipal Assembly was coined from the Kumasi Metropolitan Assembly on 29<sup>th</sup> June, 2012 as part of the Decentralization Programme by the Legislative Instrument 2112. The Municipal Assembly can be located at the North – Eastern part of the Kumasi Metropolitan Assemble and covers a land area of 23.93km<sup>2</sup>. The Asokore Mampong Municipal Area shares boundaries Ejisu – Juabeng Municipal Assembly to the south - east, Kumasi

Metropolitan to the east, south and west and to Kwabre East Municipal Assembly to the north – west. The population of the Municipal Area is about 304,815 according to the Ghana’s Population and Housing Census 2010.



Source: [www.Ashantidistrict.png](http://www.Ashantidistrict.png)

### 3.3 Study Population

The study population comprised of the Staff’s whose duties fall within the Municipal Assembly’s Internal Audit and control, Risk Management and the administration at Asokore

Mampong. The Municipal Assembly has almost all the departments represented in the Assembly.

These decentralized departments take care of activities within the municipality that fall within their scope of operations. These departments are Finance, Works, Administration, Procurement, Internal Audit, Planning and Budget Unit, Information Service Department, Agriculture, Town and Country Planning, Social Welfare and Environmental Health. These departments contribute to the running of the Municipality as a whole.

### 3.4 Sampling Procedure and Sample Size

In this study, a purposive sampling technique was adopted to select samples because every element which forms part of the population was deliberately selected all staffs in Municipality to constitute the sample. To do this, the researcher went to each department in the Municipal Assembly, explained the purpose of the study to them and gave out the questionnaires to each and every person at each department to form part of the study. For this research, the samples consisted of the census of workers within the Municipal Assembly making a total of 152 participants.

**Table 1: Census of personnel’s working at the Asokore Mampong Municipal Area**

<b>Departments</b>	<b>Number of persons</b>
Central Administration	71
Finance	38
Planning	8
Procurement	13

Internal audit	22
----------------	----

### **3.5 Data Collection Instruments**

A semi – structured questionnaire to gather essential information was used in this study. The questionnaire involved both open and close-finished inquiries. Questionnaires helped the respondents to consider their responses carefully without interference.

The questionnaire contained, among other questions, a Likert scale to elicit ideas and opinions towards the internal audit strategies to address the issue of corruption. The items on the questionnaire were divided into four (4) categories (sections). The first category (section A) provides information on personal data of participants, the second category (section B) sought to assess the perceived nature of the internal audit in the Municipal Assembly, Section C sought to determine the processes of the internal audit reporting structure in performing their duties and the last section provided information on the challenges the internal audit encounters in discharging their duties and the strategies used to battle corruption. To prevent the issue of bias by researcher, questionnaires were given to respondents to answer themselves.

### **3.6 Data Collection Procedure**

An introductory letter from the Head of Department of Christian Service University College, Kumasi was sent to the Municipal Chief Executive at Asokore Mampong Municipal Assembly. A date was then fixed for data collection. Data collection took place at each department to ensure anonymity and confidentiality. The questionnaire answering lasted for about 10 – 25 minutes. Before the questionnaires were administered, the participants were made to understand that their participation in the study was purely voluntarily and that they could choose to withdraw from the study if they so desired at any point in the data collection

process. Written consent was obtained to avoid the possible negative influence from the researcher.

### **3.7 Data Processing and Analysis**

The data collected from the respondents were analysed using measures of central tendency tool of the SPSS (version 21) software programme. The data verification was carried out by the principal investigator by randomly selecting a questionnaire which has been entered into the database and comparing the information on it with the one in the database to ensure that data were entered accurately. Qualitative data (qualitative variables include the effectiveness of internal audit and history of fraud and mismanagement of funds in the Municipal Assembly) were analysed using thematic approach. In this process, the data collected was read to familiarize with the text and to identify the common themes which emerged. Using the principle of constant comparison, the emerging themes were compared against each other to describe the depth and coverage of themes across transcripts. A coding frame was generated to explore perceived nature of the internal audit and the processes they follow in performing their duties, the challenges they encounter in discharging their duties and strategies used to address corruption (Attride-Stirling, 2003). For quantitative data (quantitative variables include the personnel information, structure of internal audit, internal audit activities, processes, challenges and strategies to fight corruption). The researcher analyzed the data by these central tendencies such as frequencies, percentages, standard deviation and mean score.

### **3.8 Ethical Consideration**

The Municipal Chief Executive at Asokore Mampong Municipal Assembly was given an introductory letter sought from the Head of Department of Christian Service University



College, Kumasi to formally introduce the principal investigator to undertake this study. An oral consent were sought from respondents before the commencement of the data collection. This approach was used to avoid any possible negative influence between researchers and respondents. Respondents were treated with utmost confidentiality; they were interviewed on their willingness and allowed to withdraw from participating if they so wished.

### **3.9 Limitations of the study**

This research encountered a lot of limitations and among them was time. There was limited time to combine academics and the research work especially during the collection of data from the Staff's at the Asokore Mampong Municipal Assembly. Again, some of the Staffs were not attentive as to how to answer the questionnaires due to the disturbance in relation to work and the fear of been questioned.

Furthermore, more of the respondents in the Assembly were not willing to release information for the research purpose for the fear of victimization.

## **CHAPTER FOUR**

### **RESULT OF ANALYSIS, INTERPRETATION AND DISCUSSION**

This chapter presents the analysis of the data collected, interpretation of the results and discussion at the end of each section aimed at answering the research questions.

#### **4.1 Personal data of respondents**

As detailed in Table 2, the total number of respondent who partook in the study were 152. According to the study findings majority (65.8%) of the participants were males and 34.2% were females. This entails that, most of the staff in regulatory bodies are male while their counterpart occupies only small portion. The Asokore Mampong Municipal Assembly

has almost all the departments represented in the Assembly. These decentralized departments take care of activities within the municipality that fall within their scope of operations. These departments are Finance, Works, Administration, Procurement, Internal Audit, Planning and Budget Unit, Information Service Department, Town and Country Planning, Social Welfare and Environmental Health (Central Administration Asokore Mampong Municipal Assembly, 2017). From this study results, the majority (42.8%) of the respondents were staffs (works), 13.2% were Internal Auditors, 14.5% were Human Resource officers, 10.5% were Accounting officer's whiles the rest belonged to the other departments.

**Table 2: Respondent's Personal Data**

<b>Variable</b>	<b>Frequency (n=152)</b>	<b>Percentage (%)</b>
<b>Position in the Municipality</b>		
Accountant	16	10.5
Administrative officer	3	2.0
Human Resource officer	22	14.5
Internal Auditors	20	13.2
Procurement officers	4	2.6
Revenue officers	6	3.9
Budget officers	5	3.3
Information officers	4	2.6
Secretary	7	4.6

Other staffs	65	42.8
<b>Working Experience</b>		
0-5 years	84	55.3
6 – 10 years	38	25.0
11 – 15 years	14	9.2
16 years and above	16	10.5
<b>Highest Qualification</b>		
Certificate	25	16.4
Diploma	28	18.4
Degree	90	59.2
Masters	9	5.9

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*Source: Field data 2018*

From the results, 55.3% of the total responses have been with the Municipal Assembly for five years or less, 25.0% of the respondents have been practicing actively in the Municipality for 6 – 10 years, 9.2% have also been practicing for 11 – 15 years, and 10.5% of the respondents have been with the Municipality for more than fifteen years. This indicates that the staffs working at the Municipal Assembly are in better positions to access the performance of the Assembly. The IIA proficiency standards requires every auditor to follow standard procedures to acquire knowledge and skills needed to perform duties and responsibilities (IIA, 1999). The study results revealed that the maximum level of education of the respondents was masters (MSc) (5.9%), whilst the majority of the respondents constituting 59.2% indicated they held Degree (BSc). However, the remaining 18.4% and 16.4% of the respondents had completed Diploma and Certificate respectively as shown in

Table 2. The respondents level of education helped to identify in terms of competence and skills of the internal audit structure, processes, challenges and strategies to fight corruption.

#### **4.2 Perceived nature of internal audit at the Municipal Assembly**

From Table 3, among the respondents who believed the internal audit department was effective in exercising their duties in the municipality, the following responses were made as;

*“The internal audit unit aided in putting checks and balances in place in the disbursement of funds through proper book keeping and management of the control systems of the internal audit unit” (Human Resource officer).*

*“The internal audit unit in this Municipality has properly installed control measures through regular auditing and making recommendations with respect to efficient handling of funds” (Procurement officer).*

Again others were of the view that: *“because there is no accountability of the internal audit department to the people and audit report are kept in close doors without keeping we the workers in the known as to whether there has been mismanagement of funds or embezzlement of funds in the Assembly” (Secretary, Staff).*

The findings from this study gives a clear indication that the responsibility of the Internal Audit in the management of the Municipal Assembly are adequate and effective of the Assembly’s system of quality performance and internal control. Again the Internal Audit foresees that all financial information and other records are adequate and reliable in the management of an organization and highlights control measure where appropriate. This is similar to a study conducted by Adel (2011) who stated that the core duty of the internal audit was to safeguard the resources of an organisation. The Internal Audit provide a continuous account statement of resources based on the organizations’ objectives and expectations and minimize risks that would emerge.

Again from the findings, the internal audit was ineffective in performing its duties in the Assembly. This affirms the study by Flesher (1996), who stated that the internal audit role should be monitored and evaluated always to keep the systems on track for an effective and efficient risk management and to check fraudulence.

Findings from the study showed that, 62.5% of the respondents said the structure of the Internal Audit in the Municipal Assembly encourage understanding, consistency and objectivity in fighting corruption and 37.5% were with different opinion. From the qualitative analysis the following responses were made;

*“the internal audit assess whether the public sector agencies are doing what is expected by serving as a check and reviewing organizational processes, supervising and coordinate all the reporting structures without bias and putting in place internal control measures that streamline the activities of all staff” (Human Resource officer).*

*“Through reporting the true and fairness nature of the financial position of the Assembly and put managers on their toes to minimize corruption; The internal audit has proper quality control procedure which checks management operations and make sure all transactions are monitored” (Administrative officer, Accountant).*

*“Through thoroughly auditing and making sure all monies collected are accounted for to avoid mismanagement, misappropriation and misplacement of funds” (Internal Auditor).*

From the study analysis, 17.8% of the respondents believed there has been biased several times in assessment of financial statement on the part of internal auditing staff in the Assembly while the majority (82.2%) of them did not know as to whether there has been biased in the financial statement on the part of internal auditing staffs. From the study results, 59.9% of the study respondents had no idea of any history of corruption in the Municipal Assembly but 7.9% of them believed there has been issues of fraudulence and mismanagement of funds in the Municipal Assembly.

Findings from this study showed that, the reporting structure of the internal audit promote objectivity and consistency in fighting corruption was ensured in the Assembly through reporting the true and fairness nature of the financial position and put managers on their toes to minimize corruption. The internal audit unit have also ensued proper quality control procedure which checks management operations and make sure all transactions are monitored. In addition, the Internal Audit assess whether the Public Sector Agencies are doing what is expected by serving as a check and reviewing organizational processes, supervising and coordinate all the reporting structures without bias and putting in place internal control measures that streamline the activities of all staff. This concurs with a study by Spector (2005), who concludes that the best way the Internal Audit could fight corruption was through a multi-sectorial approach thus the justice system, educational system, healthcare system, political parties etc. and internal control structure analysis.

**Table 3: Perceived impact of internal audit at the Municipal Assembly**

Variables	Frequency (n=152)	Percentage (%)
Believe about internal audit department effectiveness in this municipality		
Yes	111	73.0
No	2	1.3
Don't know	39	25.7
The Internal Audit reporting structure promote understanding, consistency and objectivity in the fight of corruption		
Yes	95	62.5
No	6	3.9
Don't know	51	33.6
History of fraudulence and mismanagement of funds in this Municipality		

Yes	12	7.9
No	49	32.2
Don't know	91	59.9
Have there been a biased assessment of financial statement on the part of any internal auditing staff		
Several times	27	17.8
None	125	82.2

*Source: field work 2018*

### 4.3 Internal Audit activities performed to battle corruption

The role of the Internal Audit system is to be able to sort out the difference level corruption and mismanagement. Given the difficulty of detecting corruption through auditing, it may be easier to detect it through observation of service delivery performance. The responses of Internal Audit performance to battle corruption (Table 4).

**Table 4: Internal Audit activities performed to battle corruption**

Variables	Yes (n, %)	No (n, %)	Don't know (n, %)
Compliance with law and regulations	128 (84.2%)	7 (4.6%)	17 (11.2%)
Checking Budget implementation	111 (73.0%)	24 (15.8%)	17 (11.2%)
Evaluating, Keeping of accounting records	134 (88.2%)	5 (3.3%)	13 (8.6%)
Evaluation of managements recoveries and collectables	121 (79.6%)	9 (5.9%)	22 (24.5%)
Assessment of reliabilities and soundness financial information	116 (76.3%)	16 (10.5%)	20 (13.2%)
Protection of assets and prevention wastage of resources (human, financial	126 (82.9%)	10 (6.6%)	16 (10.5%)

and physical)

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*Source: field work 2018*

As detailed in Table 4, the Internal Audit battle corruption through the evaluation, keeping of accounting records (mistakes, delays, etc.) (88.2%) but 3.3% of the participants answered no to that statement while 8.6% of them did not answer it. About 84.2% and 82.9% of the participants respectively said the Internal Audit activities such as the compliance to laws and regulations, prevention of wastage of resources and the protection of assets were the activities performed to battle corruption. Again, 79.6% of the participants said fraudulence could be checked through the evaluation of management collectables and receivables but 5.9% of the said that alone cannot check fraudulence while 24.5% did not answer to that statement. Moreover, the assessment of financial information (76.6%) and the confirmation of budget implementations (73.0%) are other ways to check for corruption. The following responses were made as;

*“Through evaluation, keeping of accounting records of management and staff in effective discharge of their duties by providing them with appraisals can minimize misappropriation of funds” (Human Resource officer)*

*“The internal audit duty is to guarantee that the laws and principles of audit are enforced in the Assembly to serve as a check on allocated funds (Accountant)*

*“Receipts and invoices for purchasing of goods are to be checked by the Internal Audit department to ensure due diligence in the protection of the Municipal Assembly asset (Staff).*

The study findings revealed the activities the Internal Audit have put in place to battle corruption. Majority of the participants said evaluating and keeping of accounting records to avoid mistakes, delays, use of appraisals etc., protection of assets and prevention wastage of resources and strictly ensuring the compliance of laws can minimize misappropriation of funds. This is consistent with literature as Bostan and Grosu (2010) concluded that, the



internal audit's obligation to ensure the compliance with legislation and make suggestions in matters of corporate governance and also transparency, efficiency and friability in internal communication.

From the above analysis, the effectiveness of the internal audit in the Municipal Assembly concentrates on the internal controls mechanisms but to some extent only the internal control cannot be a guarantee for achieving the Assembly's objectives. This implies that the Municipal Assembly's corporate affairs are in danger. Again there could be a higher chance of fraudulence resulting from the use of the traditional control measures in the Municipality.

#### **4.4 Processes the internal audit follows in performing their duties**

**Table 5: Processes the internal audit follows in performing their duties**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
Involvement of senior management and line management in the internal audit planning process	1.58	0.636
Identification of risk and its involvement in the control process	1.74	0.723
Authority and independence of the internal audit structure	1.64	0.849
Implementation of proper internal control in the auditing functions	1.74	0.732
Follow the professional standards in planning and procedures of auditing	1.62	0.608
Maintenance of effectiveness of cost	1.78	0.807
Design and implement internal financial controls	1.59	0.645
Design and implement non – financial controls	2.23	0.872
Documentation of all internal controls	1.77	0.776
Follow all internal control procedures and processes	1.78	0.797
All procedures are properly documented	1.64	0.826

*Source: field work 2018*

The study also determined the extent to which respondents agreed to the statement on indicators of the processes the internal audit follows in performing their duties. A four point Likert scale was provided ranging from: a scale of 1 to 4 where 1=Strongly Agree, 2=Agree, 3=Strongly Disagree, 4=Disagree and from the responses mean and standard deviation was calculated as shown in Table 5.

As shown on Table 5, the processes the internal audit follow in performing their duties were; design and implement non – financial internal controls which had a mean of 2.23 with standard deviation of 0.872, follow all internal control processes and procedures had a mean of 1.78 with a standard deviation of 0.797, maintaining the effectiveness of cost had a mean of 1.77 with standard deviation 0.807, documentation of all internal controls had a mean of 1.76 with standard deviation of 0.776, implementation of proper internal control in the auditing process and identification of risk and its involvement in the control process had a mean of 1.74 with standard deviation of 0.732 and 0.723 respectively. Again, documentation of all procedures, authority and independence of the internal audit structure, design and implement internal financial controls, involvement of senior management and line management in the internal audit planning process had mean scores 1.64, 1.64, 1.59 and 1.58 with standard deviation 0.826, 0.849, 0.645 and 0.636 respectively. The following were some views of the participants;

*“The internal audit should perform their duties independently by ensuring proper quality control of inventories” (revenue officer).*

*“Through identifying risk and properly managing it together with both management and board of the Assembly” (Administrative officer).*

*“The internal audit should ensure professional standards in their functions and document all internal activities in the Assembly” (Secretary).*

Findings revealed that, there are many processes the internal audit follows in performing their duties. Among them are; the design and implementation of non – financial internal controls, follow all internal control procedures and processes and the identification of risk in the internal control. The study findings are in line with the study by Glover and Colleagues (2008) who found out that the responsibilities exercise by the Internal Audit is unique by monitoring risk and controlling organizational processes effectively and efficiently. It also affirms to a study by Spira and Page (2003) who found out that the Internal Audit structure help to manage risk exposure, regulate operational systems and check for reliability and integrity of records and financial information.

#### **4.5 Challenges that affect the Internal Audit in discharging their duties**

This study determined the extent as to whether the respondents support the statement on the indicators of the challenges which affect the internal audit in discharging their duties. A four point Likert scale was provided ranging from: a scale of 1 to 4 where 1= very unimportant, 2= unimportant, 3= important, 4 = very important and from the responses mean and standard deviation was calculated as shown in Table 6.

**Table 6: Challenges affecting the internal audit in discharging their duties**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
Lack of independence (from political or any other influence)	2.64	1.136

Poor institutional placement	2.55	1.097
Non-constructive appointment and removal process of heads of anti-corruption institutions (internal audit)	2.63	1.137
Lack of budget and fiscal autonomy	2.66	1.055
Lack of permanence	2.51	1.116
Lack of country-specific objectives	2.58	1.039
Insufficient resources	2.96	1.095
Inappropriate staffing	2.64	1.182
Lack of well-defined strategy	2.83	1.155
Insufficient internal coordination/inter-agency relations	2.55	1.053
Inadequate leadership and management	2.45	1.109

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*Source: field work 2018*

As shown on Table 6, the most challenges the internal audit faced in exercising their duties were ranged according to their mean scores. Insufficient resources had a mean of 2.96 with standard deviation of 1.095, Lack of well-defined strategy had a mean of 2.83 with standard deviation of 1.155, Lack of budget and fiscal autonomy had a mean of 2.66 with standard deviation of 1.055, Lack of independence and Inappropriate staffing had a mean of 2.64 with 1.136 and 1.182 standard deviations respectively. Furthermore, improper recruitment process of anti – corruption heads, Lack of country-specific objectives, insufficient internal coordination/inter-agency relations and inadequate leadership and management had mean scores 2.63, 2.58, 2.55 and 2.45 with standard deviations 1.137, 1.039, 1.053 and 1.109 respectively. Moreover the following statements were made by participants with reference to the challenges faced by the internal audit;

*“The internal audit reporting structure is been influenced by politics and other factors. At time the vacuum in which the internal audit operate is compromised” influence” (Procurement Officer).*

*“At certain times the internal audit department experience insufficient coordination from leadership and management board of the Assembly” (Staff).*

*“Some challenges the internal audit face in exercising their duties are insufficient resources and proper budget and untimed removal process of audit heads” (Human Resource Officer).*

The study findings revealed that, insufficient resources, lack of well-defined strategy had a lack of budget and lack of independence and inappropriate staffing among others were the main challenges the Internal Audit faces. This findings agrees with the view of Getie Mihret & Wondim Yismaw (2007) who identified that lack of stakeholder support and audit Staffs has a detrimental effect on the internal audit work efficacy in an organisation. They further stated that lack of internal audit independency on budget and cash flows reduces its control and utilization of resources. This study also conform to the study by Kamere (2013) who identified the factor that affect the internal audit performance to be; poor use of ICT to efficiently execute duties, failure to conduct proper risk management and failure to realign skills to address new activities.

#### **4.6 Strategies the internal audit can use the address corruption**

**Table 7: Strategies the internal audit can use the address corruption**

<b>Variables</b>	<b>Frequency (n=152)</b>	<b>Percentage %</b>
Accessibility to records of the organisation and adopting substantive auditing process	67	44.1
Proper documentation checking and budget implementation using control mechanisms	71	46.7
Investigation into accounting procedure, monitoring and effective checks/policing	53	34.9

Informing managers on risk management and its control	47	30.9
Putting in place good structure and being transparent in the internal audit control system by clearly persecuting people responsible for embezzlement	93	61.2
Educating the auditing agencies to conform to regulations towards auditing and effective reporting, protection of assets and prevention of wastage of resources	82	53.9
Facilitating audit inspections on corruption and appropriate strategies to battle it	75	49.3
Effective monitoring and evaluation of various organizations through effective maintenance of rules and regulation given to the organisations independent from local government	89	58.6

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*Source: field work 2018*

As shown in Table 7; the respondents stated a lot of strategies the internal audit can use to address corruption. The study findings revealed that, 61.2% of the respondents said putting in place good structure and being transparent in the internal audit control system by clearly persecuting people responsible for embezzlement, Effective monitoring and evaluation of various organizations through effective maintenance of rules and regulation given to the organisations independent from local government (58.6%), Educating all auditing agencies to conform to regulations towards auditing and effective reporting, protection of assets and prevention of wastage of resources (53.9%) and facilitating audit inspections on corruption and appropriate strategies to fight it (49.3%) were the main strategies the internal audit should enforce to battle fraudulence and embezzlement of fund in the country at large. The following comments were made by some of the respondents as;

*“The internal audit should put in place good structures in the control systems and punish people responsible for fraudulence to serve as deterrents” (Revenue Officer).*

*“There should be proper and effective monitoring and evaluation of all processes in the Assembly and also ensure maintenance of rules and regulations” (Internal Auditor).*

*“The internal audit unit should assess all records and ensure proper documentation and budget implementation using control mechanisms” (Budget Officer).*

Findings from this study revealed that, putting in place good structure and being transparent in the internal audit control system by clearly persecuting people responsible for embezzlement, accessibility to records of the organisation and adopting substantive auditing process, educating the auditing agencies to conform to regulations towards auditing and effective reporting, protection of assets and prevention of wastage of resources and effective monitoring and evaluation of various organizations through effective maintenance of rules and regulation given to the organisations independent from local government are the strategies the internal audit department can use the address corruption. This study conforms to the study by Osei – Tutu, Badu and Owusu – Manu (2010) who suggested that the application of institutional methods could be used to battle corruption. In relation to this, Mawenya (2007) and Goredema (2002) proposed that there should be laid down rules to guide and shape activities and distract powers use should be monitored and reduced to its lowest minimum. Ayee (2000), on the other hand suggested that the institutionalization of all public administration help to control corruption.

#### **4.7 Conclusion of Chapter**

The Internal Audit has its own mandate in exercising their duties effectively. From the findings of this study, the workers in the Asokore Mampong Municipal Area believed the Internal Audit was effective in putting checks and balances in place in the disbursement of

funds, properly installation of control measures and making proper recommendation to efficient handling of funds.

Furthermore, the participants stated that the reporting structure of the internal audit promote understanding to business, consistency and objectivity in fighting corruption through reporting the true and fairness nature of the financial position in the Municipal Assembly and making sure all transactions are well monitored. From the study results the Internal Audit battle corruption through proper evaluation of account records, the compliance to laws and regulations and prevention of wastage of resources.

Again, from the findings, there were some challenges that hindered the Internal Audit in exercising its duties. Among them were; insufficient resources, lack of well-defined structure, lack of independence, inappropriate staffing and lack of country-specific objectives.

## **CHAPTER FIVE**

### **SUMMARY OF KEY FINDINGS, CONCLUSION AND RECOMMENDATIONS**

This chapter presents the summary of the key findings, the implication of the study, recommendation and conclusion of the study. The aim of this dissertation was to assess the perceive nature of the internal audit and the strategies adopted to battle corruption in the Asokore Mampong Municipal Assembly.

#### **5.1 Summary of Key Findings**

From the study findings, more than half of the Staff's in the Municipal Assembly believed the Internal Audit was working effectively. Again, the Internal Audit unit aided in putting checks and balances in place in the disbursement of funds, proper installation of control measures, regular auditing and making recommendations and proper measures. Again majority Staffs said the Internal Audit reporting structure promote understanding, consistency and objectivity in fighting corruption whiles 37.5% were with different opinion.



To others, the internal audit assess whether the public sector agencies are doing what is expected by serving as a check and also reviewing organizational processes, supervising and coordinate all the reporting structures of the internal audit without bias and putting in place internal control measures that streamline their activities and through thoroughly auditing and making sure all monies collected are accounted for to avoid mismanagement, misappropriation and misplacement of funds. From the findings, 17.8% of the respondents believed there has been biased several times in assessment of financial statement on the part of internal auditing staff in the Municipality. Again majority of the Staffs had no idea as to whether there has been any history of corruption in the municipality but to some the department is unable to account for funds.

The findings of this study revealed that the internal audit battle corruption through evaluation, keeping of accounting records, internal controls, protection of assets and prevention wastage of resources, proper monitoring of all inventories, taxes & other collectables and checking budget implementation.

Again, the internal audit's processes they follow in performing their duties in the Municipality were; documenting all internal control procedures according to standards, ensure in authority and independence of the internal audit structure, proper quality control procedure and properly identifying risk and design and implement internal financial controls.

It was revealed in the study that, the challenges affecting the internal audit in discharging their duties were; insufficient resources, lack of well-defined strategy, improper budget and authoritativeness, inappropriate staffing and intrusion of independence. Furthermore, inappropriate recruitment process of anti – corruption heads, insufficient internal coordination/inter-agency relations and inadequate leadership and management affected the internal audit in performing their core duties in the Municipality.

Furthermore, this study revealed that, putting in place good structure and being transparent in the internal audit control system by clearly persecuting people responsible for embezzlement, effective monitoring and evaluation of various organizations through effective maintenance of rules and regulation given to the organisations independent from local government, educating all auditing agencies to conform to regulations towards auditing and effective reporting, protection of assets and prevention of wastage of resources and facilitating and mitigating of risk assessment for audit inspections were the main strategies the internal audit should enforce to battle against fraudulence and embezzlement of fund in the country at large.

## **5.2 Implications of findings**

The study highlighted a substantial effort of the internal audit strategies to battle corruption in the public sector. The outcome from these study would serve as a blueprint for policy makers in making decision and enable them put measures in place that guide the operations in the public sectors from all levels of fraudulence and misappropriation of funds. The study would serve as an additional reference material that throw more light on the ways to tackle corruption in the Public Sector.

The report would provide enormous benefit to the internal audit in all public and private sectors by enlightening management/board in the implementation of effective methods of controls to minimize risk and protection of assets and prevention of wastage of resources.

Every public sector has a relevant trajectory. It is the internal audit's duty to play its role in protecting this trajectory. This report provides concrete information of the processes the internal audit follow in performing such duties.

Furthermore, this report would help identify the factors which potentially affect the independence and authority of the internal audit and their responsibility to fight corruption in both the public and private sectors.

### **5.3 Recommendations**

Based on the major findings, the following recommendations were made.

- The entire management of the Municipality Assembly should take a critical look at the internal audits role and ensure the maintenance of the independence and authority of the audit department. The government and parliament should endeavour to adequately resource the Auditor General as an anti-corruption institutions, particularly those whose budgets are a charge on the Consolidated Fund nationwide. This is to ensure that they function effectively and efficiently in the discharge of their duties as mandated.
- As a transitional provision in any amendment to the existing law, training workshops should be organised for public officials to give them the understanding of the effectiveness, independence obligations of the internal audit unit and the need to comply with auditing laws. Again, the civil societies and non-governmental organisations and the media should be encouraged and even assisted, to sustain their anti-corruption programmes and strategies which would serve as a bench mark for auditing operations and declaration.
- It is believed that the provision of the accoutrements for tasks of the internal auditor will in the long run improve the work efficacy of the audit reporting structure. It is necessary to adhere to the several independence guidelines of the Internal Audit department and respect the independence of the Internal Audit in preforming of their duties.
- The study suggests that further research can consider replicating this study in the private sector to highlight modern technological strategies the internal audit can use to battle

corruption in Ghana. This will present an opportunity for the comparison of traditional paradigm of auditing and modern strategies of auditing effect on the public organisations in Ghana.

#### **5.4 Conclusions**

The study sought to find out the perceived nature of the Internal Audit and some of the strategies that could be used to address corruption in the Asokore Mampong Municipality. This was achieved by investigating the perceived Internal Audit nature, reporting structure and processes follows the professional standard, challenges the internal audit encounter and strategies used to address corruption.

Again, the study concludes that the department of the Internal Audit was effective in performing their duties. Even though it was found that there has been biases several times in assessment of financial statement on the part of internal auditing staff where they weren't able to account for funds in the Municipality. The Internal Audit reporting structure was effective in the sense that it used processes such as assessing the reliability of financial information, protecting asset, checking budget implementation and prevention wastage of resources to battle corruption. Moreover, the challenges that affected the internal audit in discharging their duties were; insufficient resources, lack of well-defined strategy, improper budget, inappropriate staffing and intrusion of independence. Furthermore the main strategies the internal audit should enforce to battle against fraudulence and embezzlement of fund were; putting in place good structure and being transparent in the internal audit control system by clearly persecuting people responsible for embezzlement and effective monitoring and evaluation of various organizations through effective maintenance of rules.

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**APPENDIX**  
**QUESTIONNAIRES**  
**ASSESSING THE PERCEIVED IMPACT AND THE STRATEGIES ADOPTED BY**  
**THE INTERNAL AUDIT TO ADDRESS THE ISSUE OF CORRUPTION: A CASE**  
**STUDY IN ASOKORE MAMPONG MUNICIPAL ASSEMBLY**

I am a graduate student from Christian Service University College undertaking a research on the above topic. This is designed for academic purposes and all information furnished will be treated with utmost confidentiality. Responses will be beneficial to other people and so you are implored to answer these questions in a candid manner.

**SECTION A: Personal Data of Respondents**

1. What is your gender? (a) Male (b) Female
2. Your position in the organization\_\_\_\_\_
3. How long have you worked?
  - a) 0 – 5 years (b) 6 – 10 years (c) 11 – 15 years (d) 16 years and above
4. What is your highest qualification achieved?

- a) Certificate b) Diploma c) Degree d) Masters e) Others (please specify) \_\_\_\_\_

**Section B: Perceived impact of internal audit in the public sector**

5. Do you believe that the internal audit department is effective in this municipality?

- a) Yes                      b) No                      c) Don't know

6. If yes (to Q 5) how is internal audit department is effective

.....  
.....  
.....

7. If NO (to Q 5) why?

.....  
.....

8. Does the current structure of internal audit promote objectivity, consistency and business understanding in fighting corruption?

- a) Yes                      b) No                      c) Don't know

9. If yes (to Q 8) how is internal audit promote objectivity, consistency and business understanding in fighting corruption?

.....  
.....

If NO (to Q 8) why?

.....  
.....

.....Has there been any history of fraud and mismanagement of funds in this municipality?

- a) Yes                      b) No                      c) Don't know

10. If yes (to Q 11) how did it happen?



.....  
 .....  
 .....Have there been a  
 biased assessment of financial statement on the part of any internal auditing staff?

- a) Once            b) Twice            c) Several times            d) None

**Please tick in the boxes where appropriate**

<b>Which of the following internal Audit activities are performed to battle corruption?</b>	<b>Yes</b>	<b>No</b>	<b>Don't know</b>
11. Compliance with law and regulations			
12. Checking Budget implementation			
13. Evaluating, Keeping of accounting records (mistakes, delays, etc.)			
14. Evaluating management's efforts to the recovery of receivables, taxes & other collectables			
15. Assessing reliability and soundness of financial information			
16. Protection of assets and prevention wastage of resources (human, financial and physical)			

**Section C: Processes the internal audit follows in performing their duties**

<b>Please tick the box per the processes the internal audit follows in performing activity applicable to you</b>	<b>Strongly Agree =1, Agree =2, Strongly disagree =3 Disagree = 4</b>
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	1	2	3	4
Involvement of senior management and line management in the internal audit planning process				
Identification of risk and its involvement in the control process				
Authority and independence of the internal audit structure				
Implementation of proper internal control in the auditing functions				
Follow the professional standards in planning and procedures of auditing				
Maintenance of effectiveness of cost				
Design and implement internal financial controls				
Design and implement non – financial controls				
Documentation of all internal controls				
Follow all internal control procedures and processes				
All procedures are properly documented				

Below are a number of challenges which affect the internal audit in discharging their duties as an anti-corruption institutions. From your experience, please express your opinion on how important each challenge affect internal audit in discharging their duties effectiveness as an anti-corruption institutions.

<b>Please mark the corresponding box for the challenges affecting the Internal Audit reporting structure in discharging their duties</b>	<b>1 = very unimportant;</b> <b>2 = unimportant;</b> <b>3 = important,</b> <b>4 = very important</b>			
	1	2	3	4

17. Lack of independence (from political or any other influence)				
18. Poor institutional placement				
19. Non-constructive employment process of heads of anti-corruption institutions (internal audit)				
20. Lack of budget and fiscal autonomy				
21. Lack of permanence				
22. Lack of country-specific objectives				
23. Insufficient resources				
24. Inappropriate staffing				
25. Lack of well-defined strategy				
26. Insufficient internal coordination/inter-agency relations				
27. Inadequate leadership and management				

28. What strategies do you think the internal audit can use the address corruption?

a) .....

.....

.....

b) .....