ASSESSING THE ACCOUNTING CONTROL SYSTEMS OF
ELECTRICITY COMPANY OF GHANA, ASHANTI WEST REGION

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DECLARATION

We have read the Christian Service University College’s regulations relating to plagiarism and certify that this Thesis is all our own work and do not contain any unacknowledged work from any other source. We also declare that we have been under Supervision for this Thesis herein submitted.

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ABSTRACT

Effective accounting control systems hammered by the Public Accounts Committee of Parliament, ushered the study into assessing that of the ECG, Ashanti West Region. The main purpose of this study is to assess the accounting control systems in place, and recommend any lapses as to behavioural or others. The population used for the study is made up of Managers, Accounting Staff and Cashiers of the ECG, Ashanti West Region. Since the entire population cannot be used for the study, a determinant is used for ascertaining the sample size. The non-probability sampling methods of convenience and judgmental are adopted for the study. The data collection methods used is questionnaires and interviews for derived analysis. The study’s hypothesis refuted the null with a p<1.0 of 0.05938, indicating that, ECG, Ashanti West Region does have Accounting Control Systems. Conclusions emanates to weak supervision and know-how of policy and procedures enshrined in their Accounting manual. Amongst recommendations made included training on the subject area and an academic study for assessment on consequences of lapses for failures on ensuring accounting control systems in organizations
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OTHER PRELIMINARY LISTING(S)

ELECTRICITY COMPANY OF GHANA, ASHANTI WEST REGION – ECG, ASHANTI WEST REGION
CHAPTER ONE

1.0 Introduction

Accounting control systems can be described as the tools that give shareholders’ the cushion for appreciating that, their wealth’s position is sound at any point in time as the business dynamics ensue. They are the control formats that every organization’s management relies on to reduce fraud and any negative vices for the going-concern to be appreciated. This principle is the postulation that an entity will remain in business for the foreseeable future, and as such Accountants are required for controls possible in their daily activity. Therefore fortifying the controls possible in accounting, reports for the entity’s activities on the usage of its assets are done in the most effective manner required in declaring the worth of the entity, defined as profit.

On this basis that the Electricity Company of Ghana, Ashanti West Region’s accounting control systems is assessed, with the background study on the findings from the report of the Auditor General to the Public Accounts Committee of Parliament on the affairs of the Electricity Company of Ghana’s 2011 Financial Statement.

1.1 Background To The Study

Walther and Skousen (2009) mentioned that, “a properly designed accounting system will have controls to make sure that all transactions are fully captured. It would not do for transactions to skip through the cracks and go unrecorded (p.33). Against the report to the Public Accounts Committee of Parliament on year 2011 Financial Statements, from the Auditor General on some of the activities of the Electricity Company of Ghana, that the study proceed. The Business News (online, 2013) reported that, the organization’s Managing Director could not even give off the number of bank accounts they operate, but to state that they have many accounts scattered across
the country. However from the report, a rural bank kept about GH¢296,263 from September 2010 to year 2011, only for the Director of Finance of the ECG to state that the bank is now paying on installments, and with interest on the amount they are now going to negotiate.

Walther and Skousen (2009) assert that, “good controls are essential to business success” (p.33). This assertion therefore picks on the MP for Nadowli Kaleo constituency in the Upper West Region’s stand that, “It does not show proper management of your money,” of which the Chairman of the committee also reiterated that, “you have several accounts across the country, and if one reconciliation takes six years to sort out, then what happens to other reconciliations?”, and finally draws that ECG’s accounts before them does not portray a healthy organization, as even the World Bank also posits.

This position is further realized from the chairman’s remarks that the management of ECG cannot run the organization from a financial position with a non-current asset of about GH¢1.6million, a current asset of about GH¢946million, giving a summation of total assets of GH¢2.5billion. This picture when juxtapose with their financial statement of profit after tax of GH¢1million, declares the weak health of ECG.

Drawing from the above that the Black’s Law Dictionary (online) is resorted on the Accounting Control System as, “the ways a company controls their accounting practices. The goal is to follow rules and procedures, protect the company, and provide timely reports”.

Also, the Financial Dictionary (online) describes Accounting Control as, “quality control for a company's accounting practices. That is, accounting control is the series of processes a company undertakes to ensure accuracy in its financial reporting”. The accounting control system after further derivations from the Business Dictionary (online) encapsulate the method(s) or
procedure(s) as that, which forms the complete internal control system of an organization. The system is concerned with,

i. ensuring compliance with accounting policies and procedures,

ii. protecting the organization's assets, and

iii. preparing reliable and timely financial reports.

From the captured 2011 Financial Statement report of ECG, their accounting control systems, described as the methods and procedures that an organization adopts, as its accounting policy guidelines for ensuring an internal control system, verifying the input of management and other stakeholders, had loopholes that the Public Accounts Committee of Parliament unearthed. There are various questions to be asked from the duties of the organization’s Internal Audit section. That makes internal control systems an active part of an entity.

The internal control systems;

- Ensures the compliance with standard accounting policies and procedures, where all legal and regulatory requirements are met.
- Also, protects the organization from fraud, abuse of its assets, and
- Ensures, the preparation of accurate, reliable and timely financial reports as and when due.

From this understanding that the accounting control systems of the Electricity Company of Ghana, Ashanti West Region, is being assessed, with the requisite accounting models to substantiate where gaps are found, and suggest recommendations.
1.2 Statement of the Problem

Researchers need to determine the purpose of drawing theories, and this study is not of an exception. An organization’s accounting control system determines the health of the entity, with quite a belief that the required know-how is in-force, causing principles and theories to be put in place for;

i) Reviewing the importance of studies and researches done on assessing the Accounting Control Systems in an organization, the study on assessing with requisite accounting control tools is important.

ii) The problems of apathy on the part of Managers when qualified personnel are not used for the right job.

iii) Inappropriate use of accounting policy and procedures manual.

The assertions given are the outcome from the statements of which research questions and the objectives are taken to the research’s findings.

The statement of the problem is further defined with the hypothesis as;

\[ H_0 = \text{ECG, Ashanti West Region does not have Accounting Control Systems.} \]

\[ H_1 = \text{ECG, Ashanti West Region does have Accounting Control Systems.} \]

The outcome will also be derived from the data analysis and computations
1.3 **Research Questions**

1.4 The study attempts to assess the accounting control systems of the ECG, Ashanti West Region, and gives recommendation where necessary, with data collected from the field through these questions expounded in survey questionnaires and interviews.

1. Does ECG Ashanti West Region, have accounting control systems in guiding their financial decisions?

2. To ascertain the extent to which the Control Systems function at ECG Ashanti West Region.

3. To find out how ECG Ashanti West Region could improve upon its Accounting Control Systems.

The questions identified would form the basis of the findings and the determinants of the statistical conclusions for the hypothesis.

1.5 **Research Objectives**

The research objectives to achieve are;

1. Identify what accounting control systems are in place at the ECG Ashanti West Region to guide its financial decisions.

2. Identify if the policies and procedures put in place for carrying out monitoring and evaluation of the internal accounting control systems are functioning, in terms of minimal theft or fraud, with checks and balances operating efficiently.
3. Make policy recommendations on how ECG Ashanti West Region could improve on its accounting control systems.

These form the directional guide for the study, and results will not skew from the guide.

1.6 Significance of the Study

The significance of the study shows the uniqueness the study is bringing to academia on the knowledge of Accounting Control Systems for organizations, as the ECG Ashanti West Region is taken as a case study. The study undertakes accounting control systems models as defined by Walther and Skousen (2009) for determining the success of an entity. The research questions of the study shows its uniqueness and importance to the study, with a further understanding of the questions, the required data from ECG, Ashanti West Region’s accounting control systems in place is analyzed with charts, graphs and frequency tables as the results.

Also, statistical computation on conclusive outcome further shows the significance of the study to other researchers in the study area. The research objectives cannot be ignored to its importance for the study to stand out uniquely in the academia world. A review from the accounting control systems of Walther and Skousen (2009), asserting that “good controls are essential to business success’ (p.33), defines the aim of the importance of the study.

1.7 Scope of the Study

The scope of the study is pre-defined by the research objectives gathered. In view of the background study from the 2011 Financial Statement report of ECG, Walther and Skousen (2009), further asserts that “a business must engage in similar activities to make sure that all transactions and events are recorded correctly’ (p.33). The study, from the topic boundary has set the rightful research questions for gathering primary and secondary data for the analysis of the
results. The theory of accounting control systems is quite of a broader spectrum, but the scope is skewed to the research objectives as a guide set, further limiting to ECG, Ashanti West Region and not beyond. However, the scope is set but the recommendation can have a meaning for ECG global. In ascertaining the limits of the study, some limiting factors also developed from the study.

1.8 Limitations of the Study

The study had a lot of limiting factors.

From the onset, the team was thrown-off with the factor of not known and introduced from any recognized institution. The team had to again seek for the redress by obtaining an introduction from the institute.

There are other pertinent issues arising from:

1. Difficulty in assessing the secondary data, in respect of policy and procedure documents for accounting controls and audit.

2. ECG Ashanti West Region has about 8 districts dispersedly located in their geographical area. The team members were not given any letter of introduction from ECG to collect data from the District Offices, of which caused some challenges in respect to time and financial issues.

3. Financial issues as a factor on transportation costs to the various District Office locations including their Regional Headquarters is an issue.

Communication on cellular-telephone for scheduled meetings on several occasions, failing due to various forms of official meetings had financial challenges for the study.
However, amidst the limitations of the study, the data gathered to a larger extent is a reliable data which is processed for an academic purpose.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
The literature reviews various understanding of the concept of accounting control systems for the study of assessing the accounting control systems of the ECG, Ashanti West Region. The underlying principle is from related studies, theories or conceptual frameworks and definitions of terms of accounting control systems for the study’s objectives to be achieved. In a nutshell we consider the subject of accounting control systems literature review.

2.1 Related Studies
There are related studies on this concept in academia, and this study does not deviate from the needed Accounting Tools to direct the Management of the entity in performance of its requirements. Some of the studies discuss are indicated.

The ‘Schematic Evaluation of Internal Accounting Control Systems’ by Chen & Lee (1992), reviews and evaluates the internal accounting control systems that has always been a major task to auditors and management due to the professional, legal, and economic concerns. The paper further discusses the second standard of field work in Generally Accepted Auditing Standards, [SAS No.1 and SAS No. 55], which requires that the auditor is to evaluate the client's internal control systems by specifying that "There is to be a proper study and evaluation of the existing internal control as a basis for reliance thereon and for the determination of the resultant extent of the tests to which auditing procedures are to be restricted".

Therefore, this condition makes it unprofessional for the auditor to conduct an audit without careful assessment of the internal control systems of the entity.
The paper uses various models in internal assessment of internal accounting control systems, and from various conclusions noted that based on previous studies in cognitive science and auditing, the study posit that experienced auditors put in order inclined ‘atypical deviations’ from a schema as a means of ‘memorizing experiences’. 

Also, rules associating control weaknesses with control risks are usually applied during the evaluation process. These rules might be acquired from previous auditing experiences or auditing literature.

Furthermore, the ‘Financial Fraud - Importance of an Internal Control System’ by Saarni (2012), reviews Enron and their accounting firm Arthur Anderson which methodically shaped fraudulent financial reports and engaged in unethical accounting by misrepresenting earnings and hiding liabilities and debts of which Roger (2010) indicates. This dishonesty from them came to the public, causing investors and creditors to move away, which finally forced the company into bankruptcy in December 2001.

Also, Lehman Brothers’ scandal was similar. Lehman Brothers happens to be the fourth largest investment bank in the US, and their bankruptcy was the largest ever made in the history of United States. They were regularly using accounting tricks for presenting quarterly reports that show that their finances materializes as less insecure than they really were. After the fall of Lehman Brothers, other banks followed and this is believed to be the beginning of the 2008 starting global financial crisis as the Bloomberg Business Week (online, 2009) reports.

This drives the paper that, implementing an internal control system is believed to be one of the fraud prevention strategies.
The paper study’s ethical issues related to accounting, which includes the compliance with international accounting standards, local laws and regulations, and the importance of having an internal control system. Fraudulent accounting and internal control falls under the observable fact of risk and management accounting, of which every entity for survival should follow.

The goal of the paper finds out how accountants and managers should be controlled and/or motivated to conduct ethical behaviour in financial accounting, so that organizations would produce truthful and reliable financial reports.

The related studies are enormous. However, these studies have a bearing from the background study, as a matter of some internal accounting control systems seemingly to be weakened. Therefore, the study’s data analysis tends to draw favourable conclusions and recommendations.

2.2 Theories or Conceptual Framework

The theories on accounting control systems stems from the various definitions on the concept that as a matter of fact have the underlying principle of preventing fraudulent practices that would affect the stake of investors and shareholders. The Business Dictionary (online) gives the method(s) or procedure(s) serving as the framework as that, which forms the complete internal control system of an organization. The system is concerned with,

i. Ensuring compliance with accounting policies and procedures, of which (SAS 300.3) for Accounting Systems and Control Environment for Audit purposes derives.

ii. Protecting the organization's assets, and

iii. Preparing reliable and timely financial reports, also have a stake from the guide.
iv. The framework is guided by SAS 300 (Statements of Auditing Standards, online, 1995), designed as the Accounting and internal control systems and audit risk assessment, for ensuring the going-concern entity’s concept.

2.2.1 Essential Concepts in Accounting Control Systems

The accounting control systems have essential concepts that are highly important for the study. The basics of these concepts are designed from the five accounting internal control systems being:

i. Risk assessment described as an organization’s ability to study and investigate financial risks from periodic reports is an important task. This is as a result of determining the way and manner cash injections needed are probed further, those which are payables and receivables assessed in financial terms to ascertain their worth within the accounting period drawn. Risk assessment also assists greatly in management’s decisions to keep track of accounting balances like higher stocks or assets, as can be interpreted from the financial reports.

Also, there is no way that the organization’s money will be in a bank account, dormant for years and not attended to. This assessment puts employees on their toes to work and produce the required reports effectively in agreement of the objectives for mitigating against fraud, theft and others. This brings into light the auditor who assesses the risk of misstatements in financial statements, and evaluates internal controls and their effectiveness as discussed by Elder et al., (2010, p.162).

ii. Communication is a vital control system that functions well in putting up the flow between spending departments, and receiving departments. This assists in resulting in policy checks
and balances that management had put in place. The needed information as control procedures ensures for financial reporting should be timely, accurate, and complete in submission. The communication gap of accounting information should flow between departments timely to strengthen the checks and balances control procedures that ensure each department will provide the necessary information for financial reporting as and when needed.

iii. Monitoring is the feature of ensuring that the rightful systems are in place to authenticate that the internal controls are functioning as expected. Auditors of an organization are given the mandate to monitor and ensure that the control systems are working as expected from the policy guidelines. With the proper monitoring, monetary issues that can be described as problems are controlled before they become events which cannot be curtailed. From monitoring, the systems give the way of replacement, and/or elimination of unwanted circumstances that does not follow the internal control system in operations for the business to be at risk.

This brings into focus Elder et al., (2010, p.163) asserting that in the phase III of the audit process, analytical procedures and tests of details are performed. The auditor assesses whether account balances or other data appear reasonable and performs procedures to test for monetary misstatements in account balances, and as a result encapsulate the monitoring.

iv. Controlling of procedures for accounting daily transactions should be managed. These are done by policies and procedures guidelines that are put forward for carrying out the daily monitoring, communication and risk assessment in keeping the internal accounting control systems. The systems should be made in functioning effectively and efficiently, as proposed by the objectives of the internal accounting control as minimizing of theft or
fraud, a result being the checks and balances effect. For control procedures to function well, it has to be ensured that it is effectively monitored to reduce the potential of procedural errors and decrease theft or fraud.

As indicated by Elder et al., (2010, p.163), during the phase II of audit processes, tests of controls and substantive tests of transactions are conducted.

v. Environmental control should not be ignored as this is the attitude and behavior that management and employees exhibit as their commitment to the organization’s accounting policies and procedures. It therefore, behooves as the responsibility of management to endorse the policies and procedures that will compel the employee to adhere to the culture, behavior and attitude of the organization. In setting the environmental controls, management is noted to set the required example, for others to follow. It is asserts that, when the superior managers are careless about holding fast to internal accounting policies, then the junior employees will also toe to their senior-men’s path. It is of note that, an important segment of environmental control is the independent oversight from senior directors.

The audit focus as discussed by Elder et al., (2010, p.163) in the phase IV is that, evidence is combined and an overall conclusion concerning the financial statements is formulated. Therefore, when responsibility accounting is drawn every office will take shape.

From the discussions above, the value from internal accounting control systems have to work effectively for a great financial benefit, than the opposite. This is where workers attitude can affect the survival of the organization, and as a result if the audit trail is weak there will not be any effect.
Furthermore, in delving into the essential concepts that the importance and reasons for the study on accounting controls is defined by various theorists.

As the Black’s Law Dictionary (online) on the Accounting Control System defines, “the ways a company controls their accounting practices. The goal is to follow rules and procedures, protect the company, and provide timely reports”.

The compliance for internal accounting controls which stems from the ‘ways an organization controls their accounting practices’ in following ‘rules and procedures’ is detailed from SAS 300 (1995). The five accounting internal control systems discussed indicates that, ‘with the explanations noted in paragraph 58, compliance with this SAS ensures compliance in all material respects with Internal Standard on Auditing 400 “Risk Assessment and Internal Control” SAS 300 (1995, p.59)’.

Furthermore, the Financial Dictionary (online) also describes Accounting Control as, “quality control for a company's accounting practices. That is, accounting control is the series of processes a company undertakes to ensure accuracy in its financial reporting”.

The series of processes in ensuring the accuracy of financial reports are what the five accounting internal control systems as discussed above draws a conclusion for, and with compliance of SAS 300 (1995) the auditors conniving with the Directors of the organization for producing a falsified financial statement, with a reference to Lehman Brothers and Enron’s financial saga shows that audit weakling for the accounting controls.
2.2.2 Other Features on Internal Accounting Controls

In deriving an appreciation for internal accounting controls, the Small Business (online) describes that it ‘governs your financial system’, and derives the U.S. Whitehouse Office of Management and Budget (OMB) premise that, “Management is responsible for developing and maintaining effective internal control”, and this is realized as the environmental control of the five accounting internal controls.

It is therefore, the duty of an organization’s Management to install the internal controls that provides quality assurance and the system has to carefully monitor weaknesses in their operational business.

The reason for this focus is to ensure that problems are stopped before they start, and as such keep the smooth running of the business. For accounting controls to be in the rightful steps, we need to even understand its meaning as previously discussed.

Therefore, in ascertaining for a further discussion that the Business Dictionary’s description of the theory as, ‘methods or procedures that form the complete internal control system of an organization’. It is further noted that, the internal controls protect the organization from abuses and frauds, and as such promotes the ensuring of all information to be received in an accurate and timely manner, based on these criteria,

i. Controls,

ii. Risks,

iii. Information Systems,

iv. Monitoring, and

v. Internal Procedures.
These are the five governing internal accounting controls providing a checklist on accounting methods in the organization, and therefore, the internal accounting control system is concerned with,

(1) ensuring compliance with accounting policies and procedures,
(2) protecting the organization's assets, and
(3) preparing reliable and timely financial reports.’

In furtherance, internal accounting control can be emphasized as series of procedures that are crafted to promote and protect good management practices, ensuring in aspects of financial and non-financial goals.

Therefore, the internal accounting control procedures exhibits the features of increasing the subject that;

i. financial information ascertained will be reliable, for the management of an organization to depend on as accurate information to make strategic decisions,

ii. assets and other financial records of the organization are not misused, accidentally destroyed, or fraudulently captured in the records,

iii. the organization’s policies will be followed, and

iv. government standard policies and regulations are adhered to as practices.

Therefore, cash receipts and payments with their reconciling to bank statements and other financial accounting reporting needs to be assessed from the survey questionnaires to ascertain its ensuring. Also, monitoring and control systems of risks to cash holding in terms of daily lodgment have to be assessed same.
In a nutshell, the importance of the concept if auditors do relax can cause a serious problem on the reporting lines.

2.3 Definitions of Terms

The accounting control systems have the underlying definitions and descriptions to the concept for the study. The Black’s Law Dictionary (online) defines the Accounting Control System as, “the ways a company controls their accounting practices. The goal is to follow rules and procedures, protect the company, and provide timely reports”.

Also, the Financial Dictionary (online) describes Accounting Control as, “quality control for a company's accounting practices. That is, accounting control is the series of processes a company undertakes to ensure accuracy in its financial reporting”. Therefore, some of the reports ascertaining from the definition on accounting control systems are the Bank Reconciliation, and other Accounting Reports.

The Bank Reconciliation report is defined from my Accounting Course (online) as “a report used to check and explain the differences between the cash balance in a company's accounting ledger and the bank statement balance. Bank reconciliation is also one of the main ways to prevent fraud and embezzlement of company funds”. The Accounting Simplified (online) discusses that, “the principle of preparing a Bank Reconciliation Statement is to detect any discrepancies between the accounting records of the entity and the bank besides those due to normal timing differences. Such discrepancies might exist due to an error on the part of the company or the bank”.
It derives the importance of Bank Reconciliation as;

i. Preparation of bank reconciliation helps in the identification of errors in the accounting records of the company or the bank.

ii. Cash is the most vulnerable asset of an entity. Bank reconciliations provide the necessary control mechanism to help protect the valuable resource through uncovering irregularities such as unauthorized bank withdrawals. However, in order for the control process to work effectively, it is necessary to segregate the duties of persons responsible for accounting and authorizing of bank transactions and those responsible for preparing and monitoring bank reconciliation statements.

iii. If the bank balance appearing in the accounting records can be confirmed to be correct by comparing it with the bank statement balance, it provides added comfort that the bank transactions have been recorded correctly in the company records.


The Business Dictionary (online) defines Accounting Reports as “periodic statements which show financial position of a firm at a given time, or over a stated period, resulting from its business transactions and operations”. Therefore, the reports should present the real health of the entity and not a tricked position as was been done by Enron and Lehman Brothers leading to the 2011 financial crisis.

These are some of the pertinent accounting presentations and reports that facilitate in giving the Management of the entity, the Going-Concern concept in deriving the health of the entity, as the Chairman of the Public Accounts Committee of Parliament was worried about.
CHAPTER THREE
METHODOLOGY

3.0. Introduction

This is the section that introduces the research study, and in this chapter the considerations are the study setting, population, sample size and sampling procedure, data collection techniques and data analysis techniques. The research theoretical position, with accepted trends and models for the study are addressed from researchers’ ideals. There is the need to understand and appreciate the philosophical concept of research from scientific positions; therefore these considerations are used in addressing the problem statement of the study, assessing accounting control systems of ECG, Ashanti West Region.

This understanding will relate to the literature review with an in-depth theoretical consideration of the techniques and procedures that would result in crafting the requisite questions that needs answers for the study.

Therefore the methodology’s discussion ensues.

3.1 Study Setting

The study area is the Electricity Company of Ghana, Ashanti West Region comprising of 8 district offices of Suame, Danyame, Abuakwa, Offinso, Bekwai, New Edubiase, Obuasi and Dunkwa, and the Regional Headquarters at Adum in Kumasi. The survey questionnaires and interviews will be administered to gather the data for the study. The secondary data comprising of documents and reports presented will be gathered for the study’s analysis.

The larger the study area captured the lesser the error margin in computation of the population and sample size.
The setting comprises of Managers, Accounting Officers and Cashiers, of which will inform the population of the study.

3.1.1 Ethical Considerations

In gathering data from both primary and secondary sources, the researcher has to give due diligence to the sources of data through the required acknowledgement, referencing, and collating from the rightful source for the intended purpose only.

In view of this, corporate organizations are not prepared to divulge their property in terms of reports even if disclosed publicly, however they have to be properly assessed through the rightful ethical way.

From this understanding, that Smith’s (2003) five principles for research ethics is used for the study being,

i) Discuss the intellectual property frankly,
ii) Be conscious of multiple roles,
iii) Follow informed-consent rules,
iv) Respect confidentiality and privacy, and
v) Tap into ethics resources, (pp.56-62).

In following the informed-consent rules, the study has taken a letter from the University to ECG, Ashanti West Region for a consideration to use their data for academic purposes, and collect same through survey questionnaires and interviews instituted.
The study’s questionnaires designed has confidentiality and privacy as a notice to respondents. In this consideration, the respondents’ confidentiality is sourced in the answering of the survey questionnaire, and or interview, as valuable data is collected. The personal data collected to a higher level is managed, in that names of respondents are not taken.

Having collated data from respondents’ with the consideration for academic purposes only, the study will do exactly that as this will conform to Smith (2003) attesting that research will have to discuss the intellectual property frankly.

In this regard, the population for the study can now be considered.

3.2 Population

The number of people the study intends to represent as respondents could be determined as the population size.

Most researchers use probability techniques in determining the population, as a larger size to come by is difficult and time consuming.

The population will cover the Managers, Accounting Officers and Cashiers with a representation of about 100 population.

The derivation is ascertained from Mason and Jury (1997) that, studies population are the collection from all possible individuals, the objects or measurements which are of interest to the study’s outcome.
3.3 Sample Size And Sampling Procedure

3.3.1 Sample Size

The study has a larger population size of 100, and Proctor (2003) indicates that, ‘a sample is some portion of a population. Because many populations of interest are too large to work with directly, techniques of statistical sampling have been devised to obtain samples taken from larger populations,’ (p.100).

In view of the concept, Sage (2013, online) states that, “sample size is the most potent method of achieving estimates that are sufficiently precise and reliable for policy decisions or scientific inquiry” (p.2), with the determinant emerging from Hair et al. (2007) tabular format for ‘concept for population and Sample Size Indication’ (p.171), a computation required for generating the sample size for the study.

Table 1 Concept for Population and Sample Size Indication

<table>
<thead>
<tr>
<th>Concept</th>
<th>Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defining the target population</td>
<td>Targeted Population Size of 100</td>
</tr>
<tr>
<td>Choosing the sampling frame</td>
<td>Managers, Accounting Officers, Cashiers</td>
</tr>
<tr>
<td>Determining the sampling size</td>
<td>Usage of a sampling fraction (½) in deriving a size of 50</td>
</tr>
</tbody>
</table>
Selecting the sampling method | Usage of methods and techniques of qualitative and quantitative for the analyses from survey questionnaires and interviews.

From the observations identified by Hair et al. (2007), some needed considerations in determining the sample size are:

- “The magnitude of sampling error can be diminished by increasing the sample size.
- There are greater sample size requirements in survey-based studies than in experimental studies, and
- The most important factors in determining the sample size include subject availability and cost factors.” (p.171)

3.3.2 Sampling Procedure

The sampling procedure for the study is important since there are two methods comprising of probability and non-probability. Sampling is the foundation of all research. Reliable sampling procedures help entities make good strategic decisions with confidence. With the probability sampling methods, there is a known factor of which a member in the population has a chance of being chosen. The sampling methods considered as stratified, random, and systematic.

The non-probability sampling methods are based on the specific non-random techniques of snowball, convenience, quota and judgmental sampling methods. From the available sampling methods identified the non-probability of convenience sampling method and judgmental are adopted for the study. The convenience sampling method is the type of sampling where
respondents can meet at any place for data to be gathered. This is as a result of the disperse location of the 8 district offices of ECG Ashanti West Region.

All the respondents are invited to participate in the study at any point in time, and no inclusion is done as the planned requirement is a guide for the study.

It has some advantages of,

a. Being simple and eases research tensions,

b. Assists studies that pilots and require hypothesis gathering,

c. It has the potency of gathering data in the shortest possible time, and

d. It is cost effective

With some disadvantages not a requisite to the study’s direction.

The judgment sampling is where the researcher through their own reasoning chooses any member of a population, an indication from the sample frame comprising of Managers, Accounting Officers and Cashiers. An importance is that it is an effective consideration when gathering primary data from only a limited number of people. This serves as a fact of an area technical to the Accounting Profession.

It also has similar advantages from the convenience sampling method.

These are the two concepts of sampling procedure for the study.
3.4 Data Collection Techniques

3.5 Walonick (2010), discusses that, “grouping questions that are similar will make the questionnaire easier to complete, and the respondent will feel more comfortable” (p.245), and this directive has the backbone of the survey questionnaires done.

Also, Walonick (2010) further deliberates that, “the order of the questions can affect the way people respond”, (p.245), which will facilitate in achieving a high response rate.

Therefore from this understanding, that the survey questionnaire consisting of 16 questions has been categorized into four Sections of A, B, C and D.

The Section A comprises of 4 questionnaires on ‘Demographic Data of Respondent’, which highlights on the respondents’ background to education, length of service, age analysis, and other indicators that will assist when determining the understanding of an employee to their presentation of accounting reports and procedures. The section B of 5 questionnaires examines the ‘Existence of Accounting Control Systems, Section C, 3 questions on the ‘Importance of Accounting Control Systems’, for ascertaining the importance of the controls for analysis.

Finally is the Section D, also comprising of 4 questions, on ‘Existence of Standard Accounting Reports’, for determining the reports done, as determined by the Bank Reconciliation report from the Public Accounts Committee of Parliament having issues for analysis. The survey questionnaires and interviews, found at Appendices 1 and 2 employs the use of both qualitative and quantitative techniques for collection of data.

These collection techniques are analyzed with the required tools for the results.
### 3.5 Data Analysis Techniques

The data gathered from the survey questionnaires and interviews will be analyzed with requisite frequency tables, bar and cone charts. These analyses will be done with the use of Microsoft Excel tools. The data gathered will be used with the Microsoft Excel Statistical tools for determining the results of the hypothesis. The standard deviation is used for analyzing the hypothesis results. In deriving the computation for the hypothesis, some web-page statistical tools will be resorted to confirm the values for the derived results.

It is worth noting that qualitative responses will be coded and computed into quantitative mode for their analysis to be done. Likert scale questions already have numbered highest to lowest indicators therefore; their analyses will ensue from the point scales. The gathered questionnaires will be manually counted, and where percentages are gathered will be rounded to two decimal places for easy analysis and the avoidance of errors. These techniques are the results envisaged in the findings.
CHAPTER FOUR

4.0 FINDINGS AND DISCUSSION

4.1 Results And Analysis

From the sample size derived for the survey, 50population as the sample size, but 42population responses is determined representing a 84% for the Managers, Accounting Officers and Cashiers, constituting 100% total responses for the interview.

The result had was not the anticipated target but to a larger extent, quite an encouraged representation for statistical presentation for a survey, as Ashley et al (2000) made a reference to the study of Schmidgall and Damitio (1990), of which had 46 usable responses as the response rate of 31% for mailing their questionnaires to 150 largest lodging chains.

Therefore, the tables and charts give a presentation of the results from the response pattern of the Managers, Accounting Officers and Cashiers achieved.

4.2 Data Analysis

The data is analyzed empirically with the tables and charts on assessing the accounting control systems that ECG, Ashanti West Region undergo, drawing from studies others have done on internal control systems for various organizations.

4.2.1 Demographic Data of Respondent

The data ensuing from this segment of the study is solely determined with frequency tables as derived from responses had. The relationship from the demography to the accounting control systems in place can easily be determined statistically, where the length of service can be
attributed to the understanding, appreciation and control over what to present in terms of accounting controls and reporting systems.

Also, the relationship of educational level of respondents to the accounting control systems in place can be determined same.

In determining such a study the results have been determined as indicated in tables.

**Table 2  Educational Level**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelors Degree</td>
<td>14</td>
<td>33.33</td>
</tr>
<tr>
<td>Masters Degree</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Doctorate Degree</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional/Chartered</td>
<td>4</td>
<td>9.53</td>
</tr>
<tr>
<td>Other Certificate(s)</td>
<td>24</td>
<td>57.14</td>
</tr>
<tr>
<td>n=</td>
<td>42</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Author’s Field Survey, May 2015*

The educational level had the highest from various certificates as Other Certificate(s) with conversation deriving the appreciation from the 57.14% of Higher National Diplomas (HND), Senior High School (SHS) and Ordinary Level (O’ Levels).

**Table 3  Age Group**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 20 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>21 - 30 years</td>
<td>6</td>
<td>14.29</td>
</tr>
<tr>
<td>31 - 40 years</td>
<td>23</td>
<td>54.76</td>
</tr>
<tr>
<td>41 - 50 years</td>
<td>9</td>
<td>21.43</td>
</tr>
<tr>
<td>51 – and above years</td>
<td>4</td>
<td>9.52</td>
</tr>
<tr>
<td>n=</td>
<td>42</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Author’s Field Survey, May 2015*
The age group of 31-40 years had 54.76% and 41-50 year of 21.43% comprising of Supervisors and Direct Reports with appreciation of the accounting control systems. The team’s observation done facilitated in determining this conclusion.

<table>
<thead>
<tr>
<th>Table 4</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Responses</td>
</tr>
<tr>
<td>1 to 5 years</td>
<td>6</td>
</tr>
<tr>
<td>6 - 15 years</td>
<td>12</td>
</tr>
<tr>
<td>16 - 25 years</td>
<td>15</td>
</tr>
<tr>
<td>26 - 35 years</td>
<td>9</td>
</tr>
<tr>
<td>36 – and above years</td>
<td>-</td>
</tr>
<tr>
<td>n=</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: Author’s Field Survey, May 2015

From the responses 35.71% had the highest from the 16-25 years group, followed by 6-15 years of 28.57%. The result shows that the working ability and understanding of reports guided by the accounting control systems, has a factor from the length of service of the employee.

The results obtained can easily be used as a relationship to the accounting control systems results for determining a Correlation Coefficient statistics.

<table>
<thead>
<tr>
<th>Table 5</th>
<th>Assigned Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Responses</td>
</tr>
<tr>
<td>Assigned Duty only</td>
<td>28</td>
</tr>
<tr>
<td>Supervises with Assigned Duty</td>
<td>14</td>
</tr>
<tr>
<td>Supervises only</td>
<td>-</td>
</tr>
<tr>
<td>n=</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: Author’s Field Survey, May 2015
In determining the assigned function of respondents, the results determined from various interviews aligned to the responses from 66.67% as Assigned duty only and Supervisors with Assigned duty of 33.33%.

The understanding had shows that, Supervision had roles and duties to attend.

### 4.2.2 Existence of Accounting Control Systems

The responses from this segment had requisite tables and charts for determining the prime of the study pictorially from the computed percentages as shown.

#### Table 6 Accounting Policy and Procedure Manual

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>42</td>
<td>100.00</td>
</tr>
<tr>
<td>No</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

\[ n=42 \] 100

*Source: Author’s Field Survey, May 2015*

![Graph showing the frequency of responses: Yes (100%), No, None (0%)](image-url)

**Figure 1** Analyses of Having Accounting Policy and Procedure Manual
The Accounting Policy and Procedure Manual in the presentation had all skewing to an appreciation of having a document with 100% responses.

**Table 7 Office Ensuring Adherence and Use**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Auditors</td>
<td>6</td>
<td>13.04</td>
</tr>
<tr>
<td>Internal Auditors</td>
<td>14</td>
<td>30.44</td>
</tr>
<tr>
<td>Accounts Manager</td>
<td>26</td>
<td>56.52</td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

n= 46 100

*Source: Author’s Field Survey, May 2015*

**Figure 2 Analyses for Office Ensuring Adherence and Use**
From the office that ensures the adherence and use of the Accounting Policy Manual the Accounts Manager had 56.52%, followed by Internal Auditors of 30.44% whilst 13.04% shows their understanding to External Auditors. The results of responses show an unclear stand of who ensures the adherence and use of the policy manual.

Table 8  Action for Collection of Cash Payment

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Deposited at Bank</td>
<td>42</td>
<td>100.00</td>
</tr>
<tr>
<td>Portion Deposited at Bank and Portion Used for Payments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

n= 42  100

Source: Author’s Field Survey, May 2015

Figure 3  Analyses on Action for Collection of Cash Payment
On the question for when payments are done in respect to cash collection the action to undertake gives a 100% for All deposited at Bank, with a chart showing same.

Table 9 Internal Audit checks role guided by Accounting Policy and Procedure Manual

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>42</td>
<td>100.00</td>
</tr>
<tr>
<td>No</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

n= 42 100

Source: Author’s Field Survey, May 2015

Figure 4 Analyses on Internal Audit checks role guided by Accounting Policy and Procedure Manual
In determining Internal Audit checks for transactions intermittently, guided by the accounting policy and procedure manual the responses had a 100% with the analyses pictorially also presented.

Table 10 Internal Policy Control System on Approval Authority for Financial Transactions

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>42</td>
<td>100.00</td>
</tr>
<tr>
<td>No</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

n=42 100

Source: Author’s Field Survey, May 2015

Figure 5 Analyses on Internal Policy Control System on Approval Authority for Financial Transactions
Furthermore, in determining whether there is an Internal Policy Control System covering the Approval Authority for financial transactions, the responses had a 100% Yes. The responses are also analyzed pictorially as presented.

4.2.3 Importance of Accounting Control Systems

The Likert scale rating from one (1) lowest to five (5) the highest for rating the Importance of Accounting Control Systems for collection and payment of cash is determined from the responses achieved. Also, that for the Accounting Transactions is determined same. The responses are shown with tables for the analyses.

### Table 11 Rating the Control System for Cash collection from Customers

<table>
<thead>
<tr>
<th>Cash Receipts Activity</th>
<th>Rating Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Daily Banking for cash collection</td>
<td>16.67</td>
</tr>
<tr>
<td>Intermittently Banking for cash collection</td>
<td>33.33</td>
</tr>
<tr>
<td>Daily reconciliation of cash collection</td>
<td>-</td>
</tr>
<tr>
<td>Intermittently reconciliation of cash collection</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Author’s Field Survey, May 2015

In analyzing the results from Daily Banking for cash collection, the outcome is quite encouraging from ratings 3 to 5 with a total of 83.33%, supporting the table 7 of 100% for all cash collection deposited at bank upon receipt daily.
The second rating for Intermittently Banking for cash collection of a low outcome of 66.66% from ratings 1 to 2 is quite encouraging.

The result from ratings 3 to 5 of 83.33% for Daily reconciliation of cash collection is encouraging. However, intermittently reconciliation of cash collection with an expected results of a higher rating from 1 to 2 rather gives the wrong picture. This picture painted calls for higher accounting control systems and supervision in this area.

<table>
<thead>
<tr>
<th>Cash Payments Activity</th>
<th>Rating Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Signs a voucher before cash collection</td>
<td>-</td>
</tr>
<tr>
<td>One can easily collect another’s money</td>
<td>66.67</td>
</tr>
<tr>
<td>Cash Payments are done daily</td>
<td>16.67</td>
</tr>
<tr>
<td>Each payment is duly authorized by Managers before payments</td>
<td>-</td>
</tr>
</tbody>
</table>

**Source: Author’s Field Survey, May 2015.**

The rating analyses from this segment of responses give good accounting control systems when cash payments are done.
Table 13  Rating the Control System for Accounting Transactions

<table>
<thead>
<tr>
<th>Accounting Transactions Activity</th>
<th>Rating Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Cash Receipts are banked before accounting</td>
<td>33.33</td>
</tr>
<tr>
<td>Cash Payments are authorized before accounting</td>
<td>33.33</td>
</tr>
<tr>
<td>Stores Accounting are duly authorized before accounting</td>
<td>-</td>
</tr>
<tr>
<td>Job Costing is approved before accounting</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Author’s Field Survey, May 2015

The ratings analyses show that the accounting control systems for cash receipts need much attention and indicate for recommendation.

4.2.4 Existence of Standard Accounting Reports

In determining whether there is the existence of standard accounting reports and the required controls that checks for presenting these reports for Management, that responses collated are analyzed as shown with the tables
**Table 14**  
**Considering Standard Accounting Reporting**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>42</td>
<td>100.00</td>
</tr>
<tr>
<td>Agree</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No idea</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disagree</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>n=</strong></td>
<td><strong>42</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Author’s Field Survey, May 2015*

In determining of Standard Accounting Reports, the responses had a strongly agreed outcome of 100%. The understanding shows that standard accounting reports are presented monthly.

**Table 15**  
**Producing Authorized and Checked Bank Reconciliation Reports for Management**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>24</td>
<td>57.14</td>
</tr>
<tr>
<td>Agree</td>
<td>18</td>
<td>42.86</td>
</tr>
<tr>
<td>No idea</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disagree</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>n=</strong></td>
<td><strong>42</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Author’s Field Survey, May 2015*

In further clearance on determining of authorized and checked Bank Reconciliation Reports, the responses had a strongly agreed outcome of 57.14%, and 42.86 agreeing. The understanding shows that 100% agreement on the Bank Reconciliation Reports are authorized and checked before submission to Management.
Table 16  Office Authorizing and Checking of Bank Reconciliation Reports for Management

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td>8</td>
<td>17.02</td>
</tr>
<tr>
<td>Accounts Manager</td>
<td>23</td>
<td>48.94</td>
</tr>
<tr>
<td>District Manager</td>
<td>6</td>
<td>12.76</td>
</tr>
<tr>
<td>Revenue Accounts Supervisor</td>
<td>10</td>
<td>21.28</td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>n=</strong></td>
<td><strong>47</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author’s Field Survey, May 2015

Figure 6  Analyses on Office Authorizing and Checking of Bank Reconciliation Reports for Management

In clarifying the office that gives the checking and authorization to Bank Reconciliation Reports, that this segment throws more highlight with the pictorial presentation from the pie-chart for the Accounts Manager with 48.94%, Revenue Accounts Supervisor with 21.28%, General Manager
with 17.02% and the various District Managers with 12.76%. However, the responses had 47 meaning that the office with the onus is a challenge from the response.

The analyses show that the accounting control systems prevail with the Bank Reconciliation Reports.

Table 17 Producing Authorized and Checked Quarterly Financial Statement Reports for Management

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responses</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>20</td>
<td>47.62</td>
</tr>
<tr>
<td>Agree</td>
<td>22</td>
<td>52.38</td>
</tr>
<tr>
<td>No idea</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disagree</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>n=</td>
<td>42</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author’s Field Survey, May 2015

The final determining issue on reports had the Financial Statements responses with strongly agreed outcome of 47.62%, and 52.38% agreeing. The understanding shows that 100% agreement on the Financial Statements Reports being authorized and checked before submission to Management.

4.2.5 Hypothesis Tests Conclusion

In determining the hypothesis of the study from the responses to the questionnaires collated, the results computed with the standard deviation are derived.

The hypothesis derived from the statement of the problem is;

\[ H_0 = \text{ECG, Ashanti West Region does not have Accounting Control Systems.} \]

\[ H_1 = \text{ECG, Ashanti West Region does have Accounting Control Systems.} \]
In interpreting the result, the computation in Appendix 4 results that the null hypothesis is rejected, that ‘ECG, Ashanti West Region does have Accounting Control Systems’. The decision computed had significance level of 1.0.
CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.1 Summary
The study on assessing the Accounting Control Systems for ECG, Ashanti West Region had the background study from the Public Accounts Committee on Parliament’s meeting with the Electricity Company of Ghana.

There were issues on accounting lapses, raised by the committee that this study’s objectives define with concluding outcomes from questionnaires and interviews applied.

The outcome indicated that accounting control systems are in place with various forms of supervision roles.

The study’s hypothesis shows the alternative rule that ‘ECG, Ashanti West Region does have Accounting Control Systems’, with a p-value < 1.

5.2 Conclusion
It is from the analyses drawn on the study undertaken that we conclude as follows;

i. ECG, Ashanti West Region does have Accounting Control Systems,

ii. Some of the officers that supervises the accounting control systems do not have Accounting Background,

iii. There can easily be a rule on knotting an office to a particular report having shortfalls,

iv. The Accounting Staff’s understanding to the guiding Accounting Policy and Procedure Manual in place, is quite limited showing that their appreciation to the document is limited, and
v. The understanding for the accounting control systems for receipting of cash is not clear.

From these conclusions that, the study gives the recommendations made to forestall the required discipline for the accounting controls to work efficiently and effectively.

5.3 Recommendations

From the conclusions drawn and interview observations, the recommendations are,

i. The Accounting Staff needs periodic in-house training on Accounting Control Systems as ascertain in the guiding Accounting Policy and Procedure Manual,

ii. Also, these same training is required for Supervisors that checks and authorizes reports such as Bank Reconciliation,

iii. The apathy in employing staff with no Accounting Background for the accounts office needs a redress,

iv. The Internal Audit Office’s job has to be defined with sanctions to forestall accounting disciplines, and

v. The Supervisors and Managers that checks and authorizes accounting reports for Management have to be sanctioned where accounting control implications suffer.

vi. The study for an assessment on consequences of lapses for failures on ensuring accounting control systems in organizations.

The recommendations made to a larger extent would clear the path for a weak and unhealthy financial statement to be drawn, for reports and financial statements that have credible accounting controls.
REFERENCES


- Jenna Saarni (2012), *Financial Fraud - Importance of an Internal Control System, for Supervisor(s):* Jari Luomakoski, Jaana Melamies, Elizabeth SanMiguel, Teppo Varttala, Bachelor’s Thesis Degree Programme in International Business, 5 Nov 2012, Haaga-Helia University of Applied Sciences


APPENDICES:

Appendix 1: Questionnaires

SURVEY QUESTIONNAIRE

INTRODUCTION

This question is on the topic ‘Assessing the Accounting Control System of Electricity Company of Ghana – Ashanti West Region,’ intended to collate data in respect of the pursuance of the Bachelor of Business Administration in Accounting and Finance with the Christian Service University College.

The data gathered is strictly meant for academic use only, and will be treated with utmost due care and confidentiality. No personal commitment data will be taken.

Taking part in this academic research is voluntary, and your decision not to take part is gratefully accepted. However, in participating will only take at least 5 minutes of your time to complete.

Thank you for making much effort in participating in this academic research exercise.
Section A: Demographic Data of Respondent

1. What is your educational level? (Indicate by ticking).

- Bachelors Degree
- Masters Degree
- Doctorate Degree
- Professional/Chartered
- Other Certificate(s)

2. What is your age group?

- Up to 20 years
- 21 - 30 years
- 31 - 40 years
- 41 - 50 years
- 51 – and above years

3. What is your length of service?

- 1 to 5 years
- 6 - 15 years
- 16 - 25 years
- 26 - 35 years
- 36 – and above years

4. What is your function?

- Assigned Duty only
- Supervises with Assigned Duty
- Supervises only
**Section B: Existence of Accounting Control Systems**

5. Does ECG, Ashanti West Region have an accounting policy and procedure manual?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

6. If yes, who ensures its adherence and use?

<table>
<thead>
<tr>
<th>Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Auditors</td>
</tr>
<tr>
<td>Internal Auditors</td>
</tr>
<tr>
<td>Accounts Manager</td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>

7. When ECG, Ashanti West Region collects payments, what happens to the money?

<table>
<thead>
<tr>
<th>Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Deposited at Bank</td>
</tr>
<tr>
<td>Portion Deposited at Bank and Portion Used for Payments</td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>

8. Does Internal Audit check all transactions intermittently guided by the accounting policy and procedure manual?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>
9. Does ECG, Ashanti West Region maintain a policy control system covering the approval authority for financial transactions?

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Section C: Importance of Accounting Control Systems**

10. How would you rate the control system for collection of cash from customer on the basis of 1 to 5? (One (1) is the lowest through to Five (5) being the highest on the scale).

<table>
<thead>
<tr>
<th>Cash Receipts</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Banking for cash collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intermittently Banking for cash collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily reconciliation of cash collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intermittently reconciliation of cash collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. How would you rate the control system for payment of cash for third parties and staff on the basis of 1 to 5? (One (1) is the lowest through to Five (5) being the highest on the scale).

<table>
<thead>
<tr>
<th>Cash Payments</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signs a voucher before cash collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One can easily collect another’s money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Payments are done daily</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Each payment is duly authorized by Managers before payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
12. How would you rate the control system for Accounting Transactions on the basis of 1 to 5? (One (1) is the lowest through to Five (5) being the highest on the scale).

<table>
<thead>
<tr>
<th>Accounting Transactions</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Receipts are banked before accounting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Payments are authorized before accounting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores Accounting are duly authorized before accounting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Costing is approved before accounting</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Section D: Existence of Standard Accounting Reports

13. Does ECG, Ashanti West Region consider Standard Accounting Reporting?

- Strongly agree
- Agree
- No idea
- Disagree

14. Does ECG, Ashanti West Region produce authorized and checked Bank Reconciliation Reports for Management?

- Strongly agree
- Agree
- No idea
- Disagree
15. Who authorizes and checks the Bank Reconciliation Reports for Management?

<table>
<thead>
<tr>
<th>Role</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td></td>
</tr>
<tr>
<td>Accounts Manager</td>
<td></td>
</tr>
<tr>
<td>District Manager</td>
<td></td>
</tr>
<tr>
<td>Revenue Accounts Supervisor</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

16. Does ECG, Ashanti West Region produce authorized and checked quarterly Financial Statement Reports for Management?

<table>
<thead>
<tr>
<th>Opinion</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td></td>
</tr>
<tr>
<td>No idea</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2: Interviews

Existence of an Accounting System

1. Does ECG, Ashanti West use a manual or computerized accounting system?

2. What is the name of the system (if any)?

3. Does the system have operational rights for end-users?

4. Who controls the system?

5. Who are the officers that checks and authorizes accounting reports?

6. Do you have accounting controls when receipting cash?

7. Do you have accounting controls when paying cash?

8. Do you have accounting controls when drawing your financial statements?

9. Do you have an Internal Audit Unit that audits your reports?

10. Does the Internal Audit have manuals for their operations?
Appendix 3: Ethical Approval

Letter of Introduction from the University

Christian Service University College is accredited by the National Accreditation Board of Ministry of Education (Ghana), Affiliated to University of Ghana, Legon and Kwame Nkrumah University of Science and Technology, KNUST.
Appendix 4 Additional References

Statistical Computation – Hypothesis Tests

P Value from Z Score Calculator from the Social Science Statistics (online) we calculate as indicated.

Using statistics format;
(1) Stating the hypotheses we have -

Null hypothesis: $P = 0.42$
Alternative hypothesis: $P \neq 0.42$

(2) Formulate an analysis plan – for this analysis the Significance level = 1.0. The test method is the one-sample $z$-test.

(3) Analyzing the sample data using values from table 15 responses of 57.14% strongly agree and 42.86% agree with 42 population total for the sample size of 50 population.

Using the sample data, we calculate the standard deviation ($\sigma$) and compute the $z$-score test statistic ($z$).

\[
\sigma = \sqrt{P \times (1 - P) / n} = \sqrt{(0.57 \times (1 - 0.57 = 0.43) / 50} = \sqrt{0.0086} = 0.09
\]

\[
z = (p - P) / \sigma = (0.43 - 0.57)/ 0.09 = -1.56
\]

where $P$ is the hypothesized value of population proportion in the null hypothesis, $p$ is the sample proportion, and $n$ is the value for the sample size.

Since we have a one-tailed test, the $P$-value is the probability that the $z$-score is less than -1.56
Therefore, we use the Normal Distribution Calculator to find $P(z < -1.56) = 0.05938$.

Therefore, the P-Value is 0.05938, and the result is significant at $p < 0.10$.

(4) In interpreting the results, since the P-value (0.05938) is less than the significance level (1.0), we cannot accept the null hypothesis.