Journal of Finance and Accounting
2023; 11(5): 143-154
http://www.sciencepublishinggroup.com/j/jfa
doi: 10.11648/j.jfa.20231105.11
ISSN: 2330-7331 (Print); ISSN: 2330-7323 (Online)

The Effect of Employee's Perception of Internal Control on Output Delivery in the Public Sector: A Case Study of Wiawso College of Education

Opoku Pious[1, *], Amonoo Clement[2], Arthur Benedict[3], Patience Akosua Dzigbordi Korsorku[1], Samuel Frimpong Nti[4]

[1]Department of Accountancy, Jiangxi University of Finance and Economics, Nanchang, China

[2]Department of Accounting and Finance, Kwame Nkrumah University of Science and Technology, Kumasi, Ghana

[3]Department of Finance, Zhongnan University of Economics and Law, Wuhan, China

[4]Department of Statistics and Actuarial Science, Kwame Nkrumah University of Science and Technology, Kumasi, Ghana

Email address:

piousopoku1990@gmail.com (Opoku Pious), clementamonoo34@gmail.com (Amonoo Clement), arthurbenedict77@yahoo.com (Arthur Benedict), patkorsork@gmail.com (Patience Akosua Dzigbordi Korsorku), Lynkin41@gmail.com (Samuel Frimpong Nti)

[*]Corresponding author

To cite this article:

Opoku Pious, Amonoo Clement, Arthur Benedict, Patience Akosua Dzigbordi Korsorku, Samuel Frimpong Nti. The Effect of Employee's Perception of Internal Control on Output Delivery in the Public Sector: A Case Study of Wiawso College of Education. *Journal of Finance and Accounting*. Vol. 11, No. 5, 2023, pp. 143-154. doi: 10.11648/j.jfa.20231105.11

Received: August 5, 2023; **Accepted**: August 28, 2023, 2023; **Published**: September 8, 2023

Abstract: Internal control is required to present some confidence to all stakeholders so their wealth will not be diverted away from basic concerns. The underlying principle is that, stakeholders are responsible for providing structures that preserve resources, stimulate reliable information, boost the observance of proposed regulations and effectively meet the modus operandi of institutions. The study's main objective was to assess the effect of employees' perception of internal control on output delivery in the public sector institution. The research applied a survey of employees at Wiawso College of Education. The study covered a random sample of 40 employees in the College; the response rate was 100%. Multiple regression models were used to test whether Internal control activities (Risk management, Monitoring, Corporate governance) have any relation with output delivery. It was found that employees' perception of the internal control system had a significant relationship with output delivery. The study's findings suggested that internal control systems, especially corporate governance and control activity, are essential areas that the management of Wiawso College of Education should give attention to improve output delivery of public sector institutions in Ghana.

Keywords: Internal Control, Corporate Governance, Risk Assessment, Control Activity, Output Delivery

1. Introduction

The sustainable development and continuous existence of every nation across the globe hinge on the part of government and all institutions to exhibit and represent maximum control of economic and functional forces. This must be executed in more functional procedures, which are essential for budgeting, operating, and safeguarding a nation's assets in the best interest of all citizenry. Intensifying the need for all institutions to adhere to strict and firm regulations should be the utmost concern for all governing bodies [18]. According to Lee, Johnson & Joyce (2004), internal control is required to present some confidence to all stakeholders that limited wealth isn't diverted away from primary concerns. The underlying principle is that stakeholders are responsible for providing structures that preserve resources, stimulate reliable information, boost the observance of proposed regulations and effectively meet the modus operandi of institutions [23].

According to Scheetz *et al.* [28], internal controls involve an institution's procedures to ensure that its goals, vision, and objectives are met. It involves an overall plan of the organization, separation of responsibilities, document controls, preserving assets, staff competency, accounting and arithmetic management, supervision, training, and approvals. According to [4], the well-being of every firm, be it public or private, profit-oriented or not, is swayed by Internal Controls as it strives to make productive utilization of its resources. The importance of internal control systems (ICS) has become so appreciated as a result of an increasing number of collapses of firms (Enron and WorldCom) and extensive frauds reported [24]. ICS can achieve its objectives and purpose by linking with accounting and reporting as well as external and internal communications systems in a firm [19]. However, internal control is seen as an effective tool for ensuring the smooth administration of every organization. Maintaining a constructive system for Staff, minimizing threat and liability relative to their association, and hence controls will typically facilitate trust in the organization. But has received many hindrances and opposition from several parties at play. There is general perception that internal controls in government organizations are weak and failure for such institutions to observe the objectives for which they were established. Most employees in government institutions attest to malfunctioning organizational control systems. Nevertheless, executing the control systems in public sectors is met with strong opposition by employees and affects their trust, whether satisfactory or not, and hasn't been well established.

The specific problem of great concern in this study is employee perceptions which affect effective internal control system and output delivery. Although the introduction of the Ghana Integrated Financial Management Information System (GIFMIS), Accrual System of Accounting, and the newly International Public Sector Accounting Standard (IPSAS) have strengthened the existing controls. Whiles other problems like poor accountability, backward economic development, and effective legal punitive measures still pose more threats to the public sector institutions.

The Control system in an institution comprises functions and processes for creating and accomplishing goals and ensuring that all staff members work together towards achieving the specified goals. An efficient control system (CS) should affirm solid decisions for leadership, set expected performance, and measure output by comparing it with actual expectations. The presence of ample internal controls is anticipated to decrease sham accounting and reporting activities.

But how efficient and effective have these internal controls had on the expected output? Reports from the Auditor General and current happenings tell stories about the eminent occurrence of fraud and its related cases in the public sector. Billions of Ghana cedis are lost and end up in individuals' accounts due to inconsistency in internal controls. Meanwhile, the government keeps on borrowing huge sums of money to finance its developmental projects.

Fraudulent and corruption in the public sector have rendered the state incapable of delivering on its mandate – regardless, Ghanaian standard of living hasn't improved in many years. The majority of Ghanaians are continually living in poverty [2]. Authors [9, 23] observed that inconsistent internal control systems remain one of the principal cankers which impede economic growth in developing countries and disintegrate the current welfare in an emerging nation like Ghana. Notwithstanding all these problems that ineffective CS poses, a smaller amount of attention has been given to the economic concerns of fraudulence in reporting. Primarily, studies on the employees' perception of internal controls in Ghana are of little existence. Few studies conducted in this area.

Study conducted by [35] Focused on perceptions of the internal control system and financial performance in one of the commercial banks in Ethiopia but never touched on employees' perceptions of internal controls surrounding commercial banking activities and their effect on output delivery within the year under research study.

Authors [23] research in examining accountability and auditing mechanism in the public sector delivered a substantial impact concerning the need for robust internal controls. Authors [34] study also postulated a substantial indication of the necessity for performance management in the public sector. Even though their research focus was on internal controls, it is not related to employees' perception of public sector internal controls and output delivery. Previous studies carried out focus on different areas relating to internal controls in different environments. In the context of Ghana there has not been any research in the area of this research. It is for this reason that this study is evaluating the effect of employee's perceptions of internal controls on output delivery in the public sector (Wiawso College of Education).

Our study contributes to the existing literature by providing new evidence about internal control systems. This study is anticipated to draw substantial recommendations on the general perception of employees towards the internal controls and to enhance the performance of the public sector at large. It is going to help uncover the inconsistency in the control system in the public sector and will aid in modifying it to enhance output. The findings from this paper are going to provide a knowledge base technique that will assist managers and policymakers in being familiar with the internal control defects to avoid negative outcomes.

The paper is structured as follows: Section two presents the study area's literature review and hypothesis development. In section three, the research methodology is presented. Section four also presents descriptive statistics of study variables, data analysis, and a detailed description of the empirical estimation model. Findings from the analyzed data are also presented in this chapter. Section five presents the summary of the outcomes and conclusions.

2. Literature Review

2.1. Overview of Public Sector Financial Management

After Ghana's independence in 1957, all state property handed over by the British Colony to the administrators of the various local authorities has encountered various adjustment programs from the 1st republic to the present dispensation (4th republic). Since 1992, the democratic successive government to date has enacted various Acts and Regulations to control public sector financial activities alongside achievable government programs. These include; the 1992 Constitution of Ghana, PFM Act 2016 (Act 921), Public Financial Management Regulation 2019 (LI 2378), Public Procurement Act 2003 (Act 663) amended 2016 (Act 914), Audit Service Act 2000, Internal Audit Agency Act 2003, Local Government Act 2016, Income Tax Act 2015 (Act 896) as amended and Fiscal Accountability Act, Ghana Revenue Administrative Act 2020, (Act 1029), Economic and Organized Crime Act and among others.

The Public Sector financial board in Ghana is administered by the policies and regulations specifically implemented by governmental divisions and organizations the government sponsors. These establishments were all instituted principally as governmental organs for enhancing trading and other commercial accomplishments in the state. Since all corporations established are based on national interest, it is the government's responsibility to achieve its developmental objectives within the budgeted period.

Centre, L. I. [8] discuss several measures that can be adapted to be a legal obligation, which could be of greater efficiency in effecting amends in behavior principally in prerogatives where management wants an effective muscle and control. According to Lee, Johnson, and Joyce (2004), the outgrowth and effective way of improving institutional expenditure patterns is a major concern for holding public spending and chief executive officers accountable as financial laws governing state funds stipulate. The central administration of any state devises a variety of objectives and roles to perform, but the unavailability of resources for government to undertake productive ventures in the various part of the economy place more attention on fund accounting in order to ensure that distinct capitals are made available for executing government agenda based on revenue generated from responsibility sectors of the economy. Lee et al. (2004) emphasized budgeting and accounting activities which require valuable information for a possible course of action and measuring of performance. In order to achieve an efficient administration function, reliable information flow is key. Information technology needs to be enhanced in all public sector institutions through the collection, retrieval, storage, and data analysis in the management of maximum information delivery. In ensuring that government institutions use the resources, the state provides a strong internal control system that is desirable for accountability and fairness [4].

2.2. Theoretical Review

A number of theories employed in internal audit discussions include agency theory, institutional theory, transaction cost theory, resource dependency theory, and Marx's theory of the circuit of industrial capital and resource dependency theory. However, the leading theory relating to accounting and auditing leans on the foundation of the agency theory (Info, 2015).

2.2.1. Institutional Theory

The institutional theory advocates that an institution influences and can be influenced by the community in which they are located [10]. It underlines the rules and regulations external factors impose, particularly the government, norms and values internalized in responsibilities as part of the socialization method, and the other cultural practices that support the system of belief by the professions (Fernandhytia, 2020). The underlying principle of the theory is that " the propensities concerning conformity with prevalent customs, social influences, and culture in their external and internal surroundings can guide to homogeneity amid institutions in their activities and structures [24]. Successful organizations are, therefore, those that attain legitimacy and backing in compliance with social demands. This is underpinned by organizational theoreticians who affirmed that conformance to social anticipation could promote institutional survival and accomplishment [24].

2.2.2. Agency Theory

Agency Theory, which is a principal theory, is very useful when trying to understand the relationship between buyers and suppliers, owners and managers, and employers and employees [6]. One vital concept that this theory is rooted in is the agency association which involves two factions: the agent and the principal. The principal assigns work to the agent whose task is to execute it [12]. The agency relationship is defined by [14] as an agreement whereby the principal employs the agent to execute some task on their behalf. Here the principal designates some decision-making power to the agent (Centre, 2016). As long as the agent's performance is in harmony with the interest of the principal, the agent receives some gratification for their performance. However, there is some form of dishonesty on the agent's part in the relationship as the manager's interest does not align with the shareholders. The agency theory is vital in this current study as it will help understand how stakeholders and employees cooperate for the organization's advantage.

2.2.3. Transaction Cost Theory

The transaction cost theory strives to deal with why businesses are structured in the way that they are in this dispensation [25]. It seeks to address why some financial businesses are done internally within organizations and others are procured externally. Stating it simply: why do institutions act? Why do they act? Or, as Madhok (2002) revealed, why do institutions not do what they don't? TCT maintains that conducting a transaction in the market is costly, and the cost of a transaction can be minimized through procedures other than the market. The author [17] asserts that the cost of transaction guiding financial institutions are as high as the cost of production.

2.3. Empirical Review

2.3.1. Organizational Control

It is a control that depicts an employee's actions in organizational activities towards the attainment of desired objectives. Such control adjusts or regulates the behavior of employees in the direction of organizational objectives. Organizational control basically describes how and how the actual work is done and how employees follow control systems. It is the responsibility of the management of resources to monitor the procedures and measure their effectiveness before placing reliance on controls implemented.

Snell [30] emphasized the three most important formal organizational controls that affect an organization's fundamental day-to-day activities. Such variables include inputs, process, and output control. Because the researcher's interest was based on the employee's perception of the control system, attention was placed on process and output control which targeted the employee's behavior, and predetermined target and information, which motivated the employee's interest-oriented techniques on attaining public sector set objectives.

Although the two most important variables that significantly influence employees' perception of internal control and output delivery in the organizational environment are belief and altitude, trust is the most effective tool that can be implemented between employers and employees. When trust is handled with the utmost care, public sector objectives can be easily achieved.

2.3.2. Empirical Framework of Accountability

The overall result of accountability in the public sector management is to give accounts on the limited resources entrusted in the hands of a manager in an entity. Such a manager is given the needed authority to use the resources at his disposal to achieve the targeted objectives in fulfillment of the national agenda set for the financial year. Before the Head of the Entity can render accurate and effective accountability, five clear principles should be met according to Salawu and Agbeja [26], these includes; clear roles, clear responsibilities, clear performance expectations of the objectives being pursued, balance expectations, and balanced capacities. All stakeholders involved in the chain of command must perform their part of the duties assigned. The performer of the actual work to be done and the reviewer must have a clear conscience of the activities and always link the actual performance of every stage of work done to institutional objectives and provide credible financial and operational reports as such. When effective and efficient internal controls are not properly understood by the players in a particular public sector industry, these five effective accountability principles can never be achieved, and managers can never report on achieving public sector success.

Managers in the public sector institutions must particularly pay much attention to the rational choice perspective channel of accountability. This perspective of accountability on behavioral and psychological aspects is seen as self-interest by most social actors in many public administrations.

The researcher's view in the literature review is to buttress the other perspective, which also plays a vital role in entities governance, which includes the managerial list perspective, governance perspective, and regulatory perspective. According to [10], managers in the public administration are to pay much attention to other perspectives because accountability is not the only mechanism used to measure whether the management of resources in the national budgetary agenda yields more benefits than others. The researcher is of the view that the decision at the top management should be brought to the downstairs of all major stakeholders so individual thinking of self-interest does not impair the core mandate of public sector management of resources so that assessment of stewardship would be much desired.

2.3.3. Empirical Framework of Perception

Perception, in reality, is how an employee understands how a particular task should be performed and understands the whole concept surrounding what should be done. This means that employees in the public sector organizations believe that there are underlying procedures or control that provides the paths on how public activities should be performed. According to the researcher, perception is the true picture or real situation an employee creates meaning for and perceives to be truth in its real nature of life. An employee may have a positive or negative impression about particular organizational controls, but the major belief is how the controls instituted will achieve the targeted objective. Straker (2008: 33) argues that since employee perception is key to managing public financial resources, meeting of mind by both management and employees is vital.

Straker (2008) further explained that perceived opinion on resource utilization on public accountability is a major concern and undermines the integrity of citizens entrusted to manage the resources and give an account. Routledge (2008) also believes that perceived employees can be managed through productive thinking, which will help problem-solving and remedy quick responses to situations and environmental interactions. The researcher thinks that employees' perception of organizational control would be managed properly through good interpersonal relationships and organizational trust. When the employees actually understand the controls and interpersonal trust grows to unlock all conflicting issues with employers, the level of perceptions among employees in the public sector management will be at the barest minimum.

2.3.4. Effectiveness of Internal Audit

How effective is the internal audit in the public sector organization in the management of limited resources allocated to them (Head of Entities)?

What makes the difference when employees in the public organization hold on to their various perceptions of the control system in place?

The Institute of Internal Auditors (IIA, 1999a) defined internal auditing as ''an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives through risk management, control, and governance processes''. Even though the definition serves the mandatory purpose of private and public sector internal audit units, the researcher is typically focusing on the public sector management of resources. Activities in the public organization are so complex that top officials at the highest hierarchy can never enact laws, implement policies, regulate, monitor, measure, and control public resources concurrently. These long chains of activities pave the way for the establishment of internal audit units in all government institutions to streamline the control system to work effectively. The success of an organizational performance depends largely on the control system instituted. An internal audit unit can perform its functions effectively when it is very resourceful in terms of human resource capacity and all the required facilities. Van Gansberghe [32] explains that the non-performance of internal audit units in the public sector institution can lead to so many factors. Either the office is not resourced, professional and competent personnel are unavailable, or there are underlying problems with regard to the effective implementation of a reliable control system. Internal and external influencing control system implementation and employee's perceived behavior are affecting the underpinning control system.

The researcher is of the view that the propounded gap will never exist if the internal audit unit has gotten a serene environment to plan, organize, review, execute and report on the overall activities (operational and financial) to the management and the audit committee. As Xiangdong [36] claimed internal audit unit plays a significant role in the administration of an economy in the sense that if they (directors of the internal audit unit) are able to work throughout the preliminary stage of operational and financial activities undertaken by all officials untrusted with limited state resource, the external auditors have little work to do in audit findings and reporting to Parliament by the Auditor General and Public Account Committee.

This research paper is stressing on the need for both management and employees to support the sustainable improvement of the internal audit department. Management should see the internal audit unit as evaluating the institutional performance and complementing the improved performance of activities as a service to the government. This can be achieved when the internal audit department has trust in management to implement its findings and recommendation successfully. The organizational setting also exerts major influence, which hinders internal audit quality. Management and employees' attitudes and behavior towards to existing control system implemented. Audit quality and management support automatically affect the control system's effectiveness either negatively or positively. The researcher is of the view that management commitment to implement internal audit findings and recommendations and realizing that the unit has a role to play towards the attainment of the organizational goal will help to improve the level of perceived mistrust and negative altitude in the implementation of an organizational control system.

2.4. Conceptual Framework

In reviewing the theoretical and empirical studies on employees' perception of internal control and output delivery, a conceptual framework was developed as a guide for the research study.

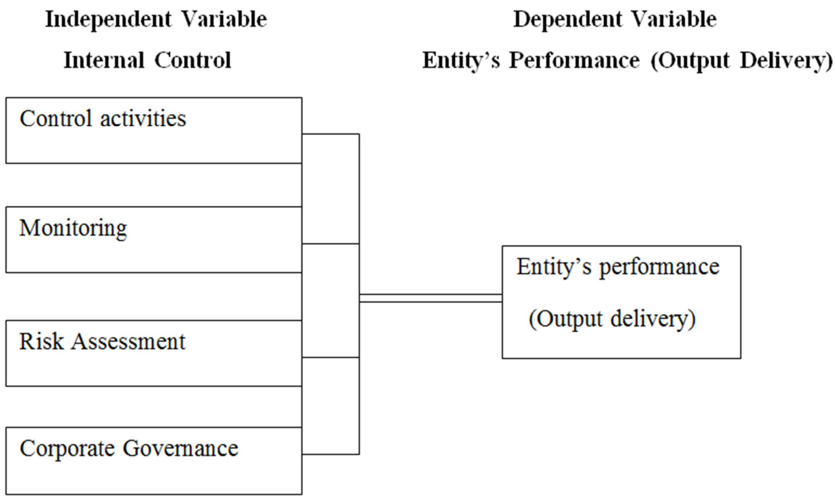

Figure 1. *Conceptual Framework.*

3. Methodology

3.1. Research Design

The study principally applied primary data. This primary data was attained through the distribution of questionnaires to targeted respondents. The use of questionnaires provided the researchers with first-hand and detailed information on matters underpinning the research objectives. Therefore, this research chose the quantitative method to collect data that could be summarized with figures and helps to achieve precise outcomes [18]. The researcher used non-probability sampling techniques, specifically the purposive sampling techniques, to select respondents from management in the institution. The main motive for selecting purposive sampling techniques was to select respondents with the requisite knowledge and experience in the researched area. A sample size of 40 respondents was drawn from the population. Out of this, six (6) questionnaires were given to management, nine (9) questionnaires were distributed to various heads of departments, and the remaining questionnaire was distributed to key staff directly involved in the public sector internal control system. The tool used for the analysis was the Statistical Package for Social Sciences (SPSS), which helped obtain both descriptive and inferential statistics for the data gathered.

3.2. Demographic Characteristics of Respondents

The summary of our respondents in this regard consists of their gender, age, level of Education, working field, and work experience in the College. The respondent's gender was categorized into male and female, with 31 (77%) males and 9 (23%) females. This is summarized in table 1 below.

Table 1. *Shows the gender of the respondents.*

Gender	Frequency	Percentage (%)
Male	31	77%
Female	9	23%
Total	40	100%

Respondent's age was also categorized, the majority of the respondents (40.0%) were between the ages of 40 – 49 years old, 12.5% between 20 and 31 years, 30% between 30 and 41 years, and 17.5% over 50 years, as shown in table 2 below.

Table 2. *Shows the age of the respondents.*

Age	Frequency	Percentage (%)
21-30	5	12.50
31-40	12	30.00
41-50	16	40.00
51-60	7	17.5
Total	40	100

3.3. Dependent Variable

Performance (output delivery): The delivery of the output of an institution is a measure of an organization's policies and procedures, normally in monetary terms. Since the organization understudy is not a profit-making organization, the output delivery spans diverse facets relating to public finance objectives. This was measured by responses of study participants ranging from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

3.4. Independent Variables

Monitoring: here, the condition of the internal control system is studied over time. This was measured by responses of study participants ranging from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

Risk assessment: the risk assessment comprises risk detection, risk evaluation, risk estimation, and risk response. This was measured by responses of study participants ranging from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

Controls: these are the procedures, systems, laid down instructions, methods, or approaches followed by an organization to perform a well-defined activity or project. This was measured by responses of study participants ranging from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

Corporate governance: these include supervision effected by managers besides the routine accomplishments of the organizational system. These include the general regulatory mechanism by management. This was measured by responses of study participants ranging from 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree.

3.5. Model Specification

Following the approach of (Pack, 2020, and Magu and Kibati, 2016), this research applied multiple regression analysis, which is a statistical method used to describe the relationships between more than two variables under study. Two or more independent variables are used to predict one dependent variable and explore the effect the independent variables (predictors) have on the dependent (response) variable (Montgomery and Runger, 2016).

$$P = \beta_0 + \beta_1 Ic + \beta_2 \mathrm{M} + \beta_3 \mathrm{Ra} + \beta_4 Cg +$$

where

P = performance (output delivery)

IC = Internal Controls

M = monitoring

RA = Risk assessment

CG = Corporate governance

β_0 = Constant

ε = error term

3.6. Reliability and Validity

The study undertaken by Authors [27] noted that, for the purpose of accuracy, it is essential for the researcher to place reliance on ensuring consistency of the data collected and the series of procedures involved. O'Gorman and Maclntosh [22] presumed that if this particular research is carried out in the future with the same procedures and processes will prudently yield the same results. Ideally, validity is categorically divided into two main forms. Namely, face validity and construct validity. Construct validity consist of the device used by the researcher to undertake particular research. It is the researcher's responsibility to ensure that all variables relating to the study are part of the research instrument. Secondly, face validity considers the respondent's level of thought, and the purpose of the study is to avoid all forms of ambiguity that form part of the questionnaire.

This study comprises meaningful questions that underlying respondents can cogitate on and easily provide accurate answers to the research instrument. Kumar (2011) noted that, in the circumstance where the outcome of the study is able to solve questions the researcher presumed, validity is achieved. Validity also ensures that an accurate approach and method are followed in conducting research to achieve the targeted objectives.

Cronbach alpha measures the intensity of the number of items in the test is consistent and multiple questions in the Likert. The study test result was 0.894, representing a high internal reliability level for our use scale. Table 3, explains the reliability statistics of the study.

Table 3. *Reliability Statistics.*

Cronbach's alpha	
.894	Number of items N =40

4. Results and Discussions

4.1. Descriptive Statistics

This section presents the descriptive statistics for all the variables under consideration in our regression estimation. Perception of performance (P) is considered the dependent variable, whereas perception of internal control activities (IC), Monitoring (M), Risk assessment (RA), and corporate governance (CG) is maintained as the independent variables. Both the dependent and independent variables are measured by taking the mean response of the pertinent statement for each.

Table 4. *Descriptive Statistics.*

	Mean	Std. Deviation	N
Performance (P)	3.0213	.99969	12
Control (C)	3.3938	.71390	12
Risk assessment (RA)	1.9888	.66619	12
Monitoring (M)	3.4475	.90493	12
Corporate governance (CG)	3.4800	.80932	12

From table 4, the independent variable has a mean of 3.0213, which is greater than 3. This implies that most of the respondents agree with the statements on the delivery output. The sample mean for internal control is observed to be 3.393, which suggests that respondents tend to agree with the statements. Risk assessment, on the other, has a mean (π) of 1.988, which is below 2, meaning respondents are more likely to disagree with the statements. Monitoring and corporate governance had an average response of 3.447 and 3.480, respectively.

4.2. Regression Output

In order to test for the general adequacy of the model, an analysis of variance (ANOVA) test was conducted, and the test's significance level was observed to be 0.028, which is less than our significance level of 5%. We can say that a relationship exists between the dependent variable and one or more of the independent variables.

Table 5. *Anova.*

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	3.955	4	.989	2.344	.028
	Residual	2.953	7	.422		
	Total	6.907	11			
a. Dependent Variable: PERFORMANCE						
b. Predictors: (Constant), GOVERNANCE, RISK, MONITORING, CONTROL						

4.3. Test of Coefficients

A standardized test of coefficients is shown below to further check for the impact of individual predictors on the response variable.

Table 6. *Coefficients.*

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.187	2.825		.420	
CONTROL	1.472	.673	.918	2.187	.000
RISK	.324	.264	.374	1.228	.249
MONITORING	-1.024	.501	-.739	-2.043	.012
GOVERNANCE	.028	.326	.030	.088	.026
Dependent Variable: PERFORMANCE					

From the above table 6, it can be observed that Internal control (IC) has a β of 1.472, a t of 2.187, and a significance level (ρ-value) of 0.00. Since the ρ-value is less than 0.05, we can establish that IC has a relation with the response variable (output delivery).

Risk assessment (RA) was observed to have a β of 0.324, a t of 1.228, and a level of significance of 0.249. Since the ρ-value is greater than the 5% level of significance, we establish that the Risk assessment as perceived by the respondents does not contribute to the perceived performance.

Monitoring (M) was observed to have a β of -1.024, a t of -2.043, and a level of significance of 0.012. Since the ρ-value is less than the 5% level of significance, we establish that the Monitoring as perceived by the respondents has significantly contributed to the perceived output delivery.

Corporate governance (CG) was observed to have a β of 0.028, a t of 0.088, and a level of significance of 0.026. Since the ρ-value is less than a 5% significance level, we establish that the respondents' corporate governance (CG) significantly affects the perceived performance (output delivery).

From the above table, the investigation sought to establish a model for the research: the effect of employees' perception on internal control and output delivery in the public sector: a case study of Wiawso College of Education. The model below is a regression equation obtained.

$$P = 1.187 + 1.472Ic - 1.024\mathrm{M} + 0.324\mathrm{Ra} + 0.028Cg$$

Table 7. *Model Summary.*

Model	R	R Square	Adjusted R Square	Std. An error of the Estimate
1	.893[a]	.797	.584	.64947
a. Predictors: (Constant), GOVERNANCE, RISK, MONITORING, CONTROL				
Dependent Variable: PERFORMANCE (Delivery output)				

Coefficient of multiple determination, R^2 which is the amount of variation explained by the regression model is observed to be 0.797. Meaning 79% 0f the variation can be explained by the regression model.

4.4. Discussion of Results

This section amalgamate the results of both the qualitative and quantitative methods to address specified research hypotheses and questions to achieve this research's objectives. Regression analysis was performed, and an adjusted R-square of 0.584 was obtained, meaning 58.4% of the regression model is explained by the regression model. A model of best fit was formulated. The relationship between the dependent variable and the independent variable was explored.

A strong positive relation was established between perceived Internal Control and performance, as confirmed by [16, 17]. The findings on the relationship between employees' perception of internal control and output delivery (Performance) results signified that control procedures were good inadequate segregation of duties, verification, assets scrutiny, and authorization and approval. The finding also indicated that control activities had a positive and significant relationship with performance (output delivery). Aside from its positive impact on performance, there was also weakness in adequate control activities on effective supervision of discharged duties.

Risk identification and assessment hinder the management of possible changes which may affect the proper functioning policies of the case study center. As earlier emphasized by J Dubilea and Lisa (2017) in their previous research, their findings indicated that risk assessment had a clear variation with the responses given by the respondents. Risk management activities protect an entity's people, assets, and efficient resource utilization. The study cost center should institute an effective mechanism to mitigate critical risks which result from irregularities. There are also weaknesses in mitigating procedural risks that may result in procurement and other financial control activities.

Monitoring had a positive association with perceived performance, as affirmed by Rhabel (2017). Various statistics were computed to underpin our findings. The strong and intense monitoring system employed at Wiawso College of Education has a perceived significant influence (positively) on output delivery (performance). The relationship between effective monitoring policies and employee perception shows that the internal audit unit actively recommends the entity's operations and non-compliance with controls for management to address and implement. In accordance with appropriate policies and procedures, bank financial statements, payment vouchers, and annual financial accounts of the Wiawso College of Education are regularly audited by external auditors for approval and certification.

Corporate governance is positively associated with perceived performance, as admitted by (Rhabel 2017). The study's findings indicate that the College Council, Management members, and various functional committees instituted had a positive and significant relationship with output delivery. The result is also consistent with previous internal control research. Johnkan [16] emphasized that well-functioning corporate governance institutions must pay much attention to controlling long the environment, accurate accounting information, and effective communication skills to manage risk the entity may encounter in their operations. Although the result depicts that the entity exhibits good internal control on output delivery if there exists weakness, effective corporate governance policies and procedures may direct the affairs of the company.

5. Conclusion

This paper aims to examine the employees' perception of internal controls on output delivery in the public sector institutions in Ghana, Wiawso College of Education to be precise. Generally, the findings from the survey point out that the perception of participants on our variables of control, that is, risk assessment, internal control, corporate governance, and monitoring, affected output delivery, as observed by Authors [18, 19, 24]. It can be seen from this study that the perception of public officers on internal controls affects performance significantly. The study also showed that public sector failure was partly due to ineffective internal controls, leading to inefficiency in output delivery. The lack of public sector management adherence to the independent variable (Corporate governance, Risk assessment, internal control and Monitoring) have led to uneconomical public service delivery. The study recommends that; Mechanisms such as risk awareness, fraud awareness, multifactor authentication, risk management should be designed and implemented to underpin the work of employees and remove fear from them to get their maximum output. A deliberate attempt should be made to conduct a research which determines a relation of managements obligation based on external factors to the institution such as ethical subjects, financial stress of employees and present information technology. This research is limited to Wiawso College of Education. Further research could be undertaken in future studies to investigate management perception on internal control in the public sector vis-à-vis private sector and highlighting the differences in financial management and make meaningful comparison.

Appendix

Appendix 1. Questionnaire

1. Personal information of the respondent

Table 8. *Personal information of respondents.*

1. Gender:	
	Male
	Female
2. Respondents Age:	
	20 -29 years
	30 – 39 years
	40 – 49 years
	50 or more years of age
3. Educational Background:	
	JHS/SHS or equivalent completed
	Vocational /technical school completed
	College Diploma Holder
	Bachelor's Degree holder
	Master's Degree holder
	Other: specify
4. What is your current working position?	
	Management
	Head of Department/Unit
	Other keys staff
5. How long have you been working in your current position	
	Below five years
	6 – 10 years
	10 – 15 years
	16 – 25 years

2. Control Activity

Please tick the appropriate box to the extent to which the College practices the following reporting activities.

Please rank the following statement on Likert scales ranging from strongly disagree to strongly agree

Table 9. *Control Activity questionnaire for respondents.*

	Strongly disagree (1)	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly agree (5)**
1. The College has well-developed Chart of Accounts.					
2. Unit has budget reviews where actual expenditure is compared with budgeted expenditure, and explanations for variance are given.					
3. Unit submits reports on a timely basis.					
7. Bank reconciliation is prepared by someone independent of the cash receiving, processing, and recording activities.					
The College accounting system adequately identifies the receipt and expenditure errors with ease.					
Staff is trained to implement the accounting and financial management system.					
The College has strong control over to collect of outstanding levies.					
There is adequate segregation of duties in the accounts department					
There are adequate control activities on purchases, cash receipt, cash payment, and electronic data processing activities.					
The authorization will be made to know whether employees confirm the effective and adequate operation.					
There is an up-to-date assets register.					
The College does not have enough funds to implement an internal control system.					

3. Risk Assessment

Please rank the following statement on Likert scales ranging from strongly disagree to strongly agree

To examine the functionality of the internal control system of Wiawso College of Education.

Table 10. *Risk Assessment questionnaire for respondents.*

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Management identifies risks that affect the achievement of the objectives.					
Management has put in place mechanisms for mitigating critical risks that may result from fraud.					
Management ensures that risk identification considers both internal and external factors and their impact on the achievement of objectives.					
There is adequate capacity to perform a risk assessment.					
The College has a risk management register in place.					
Does the College implement the Internal Audit report on time?					
Does the College strictly adheres to value for money procurement?					
Management adheres strictly to procurement requirements and procedures.					
The College manages its funds efficiently without borrowing.					
The College has efficient security facilities to petrol the College environment.					
The College has a well-established ultra-modern archives system in place.					
The College has a well-resourced Internal Audit Unit.					

4. Monitoring

Please rank the following statement on Likert scales ranging from strongly disagree to strongly agree

Please tick in the appropriate box to the extent to which the following statement relates to your College's monitoring process

Table 11. *Monitoring questionnaire for respondents.*

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Internal reviews of the implementation of internal controls in Units are conducted periodically					
Monitoring has helped in assessing the quality of performance of the College over time.					
Management has assigned responsibilities for the timely review of audit reports and resolution of non-compliance items noted in those audit reports.					
College financial statements are audited regularly by external auditors.					
Internal control deficiencies, or ineffectively controlled risk, should be reported to the appropriate persons (s) as soon they are identified.					
Monitoring is built into the normal operating activities.					
Internal reviews implementation of purchase, cash management, fixed assets, and electronic data processing system, etc., are in accordance with policies and procedures.					
There are independent process checks and evaluations of controls activities on an ongoing basis,					
The internal Audit Unit has access to monitor all activities within the College.					
College evaluates employee's performance on a semester basis.					
Management does follow-up on quality assurance reports.					
The College monitors the movement of intruders on campus promptly.					

5. Corporate Governance

Please rank the following statement on Likert scales ranging from strongly disagree to strongly agree

Please tick in the appropriate box to the extent to which the following statement relates to your College's monitoring process

Table 12. *Corporate Governance questionnaire for respondents.*

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
The College has a well-establish Management Board.					
The College has well-established corporate governance policies and procedures and practices that guide the affairs of the College.					
Increasing the frequency of the management meeting has an impact on the College's performance.					
The number of internal boards and committees affects the output delivery of the College.					
The College has well established Internal Audit Unit.					
The internal Audit Unit performs its duties with a degree of autonomy and independence from management.					
The College has a well-established Audit committee to implement any recommendation					

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
contained in the Internal Audit report.					
The College has a well-established control system.					
Does the college fellow due procurement policies and procedures.					
The College administration is well resourced to perform its functions effectively.					
The College has well-established accommodation/ rent policy in place					
The College has adequate safety and health standards policy.					

6. Performance (Output Delivery)

Please rank the following statement on Likert scales ranging from strongly disagree to strongly agree

Please tick in the appropriate box to the extent to which the following statement relates to your College's monitoring process

Table 13. *Performance (Output Delivery) questionnaire for respondents.*

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
The College adheres strictly to the budgetary requirement and expenditure pattern.					
The College receives the approved budget on time before expenditure is incurred.					
The institution seeks virement approval before expenditure is incurred.					
The institution is fully operated on the GIFMIS platform.					
The College makes a payment using the GIFMIS platform regularly.					
Our institution has an effective payment plan to meet all payment obligations.					
Does the College borrow to meet its financial obligation within the year?					
The College has adequate fee collection system in place.					
The College collects 60 – 80% of student fees within the financial year.					
Our institution takes prudent measures to invest extra funds in financial assets.					
The College responds to internal audit unit observations promptly.					
College's internal control system helps College staff to discharge duties effectively.					

Appendix 2. Normal P-P Plot

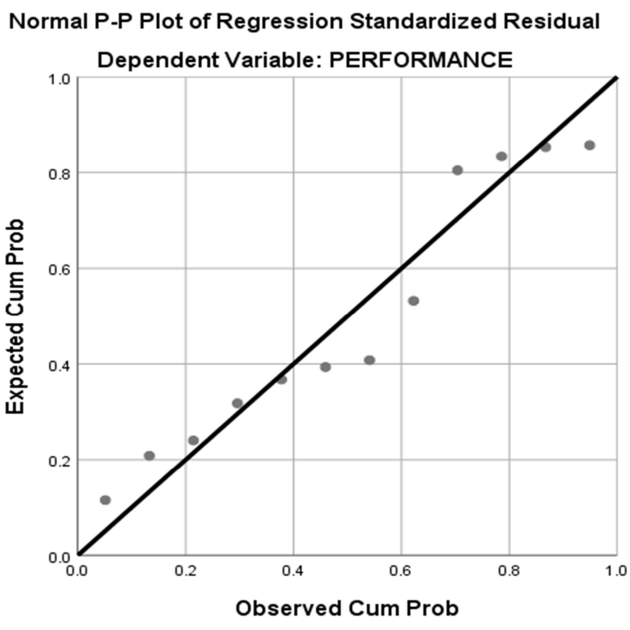

Figure 2. *The input variable behavior on performance (Output).*

References

[1] Azimah Abdul Aziz, N. (2012) 'Managing corporate risk and achieving internal control through statutory compliance.' doi: 10.1108/13590791311287328.

[2] Afiah, N. N. and Azwari, P. C. (2015). 'The Effect of the Implementation of Government Internal Control System (GICS) on the Quality of Financial Reporting of the Local Government and its Impact on the Principles of Good Governance: A Research in District, City, and Provincial Government in South Sumatera,' *Procedia - Social and Behavioral Sciences*, 211, pp. 811–818. doi: 10.1016/j.sbspro.2015.11.172.

[3] Authors, F. (2017) 'International Journal of Law and Management.

[4] Babalola, J. (2017) 'Governance And Internal Control in Public Institutions,' 1 (December).

[5] Babatunde, S. (2020) 'Stakeholders perception on the effectiveness of internal control system on financial accountability in the Niger... Related papers'.

[6] Barrett, P. (2002) 'International Quality & Productivity Centre Seminar Achieving Better Practice Corporate Governance in the Public Sector, (June).

[7] Bubilek, O. (2017) 'Importance of Internal Audit and Internal Control in an organization – Case Study.

[8] Centre, L. I. (2016) 'www.econstor.eu'. doi: 10.14636/1734-039X.

[9] Decramer, A., Smolders, C. and Vanderstraeten, A. (2019) 'The International Journal of Human Employee performance management culture and system features in higher education : relationship with employee performance management satisfaction,' (January 2013), pp. 37–41.

[10] Dowding, K. (2000). 'Institutionalist research on the European Union: A critical review'. *European Union Politics*, 1 (1), 125-144. Doi: 10.1177/1465116500001001004

[11] Doyle, E. M., Hughes, J. F. and Glaister, K. W. (2009) 'Linking ethics and risk management in taxation: Evidence from an exploratory study in Ireland and the UK', *Journal of Business Ethics*, 86 (2), pp. 177–198. doi: 10.1007/s10551-008-9842-9.

[12] Fadzil, F. H., Haron, H. and Jantan, M. (2010) 'Internal auditing practices and internal control system.' doi: 10.1108/02686900510619683.

[13] Fernandhytia, F. (2020) 'The effect of internal control, individual morality and ethical value on accounting fraud tendency,' 35 (1), pp. 112–127.

[14] Info, A. (2015) 'Australian Journal of Basic and Applied Sciences Internal Audit (IA) Effectiveness : Resource-Based and Institutional Perspectives, 9 (9), pp. 95–104.

[15] Jensen, M. C. and Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics*, 3 (4), 305-360. doi.org/10.1016/0304-405X(76)90026-X

[16] Johnkan G'aruKinyua (2016), 'The effect of internal control system on financial performance of companies quoted in the Nairobi securities exchange'. (Unpublished thesis paper)

[17] Kamau, C. N. (2014). 'Effect of Internal Controls on the Financial Performance of Manufacturing Firms in Kenya'. Unpublished MSc Project, University of Nairobi.

[18] Magu, J. K., and Kibati, P. (2016) 'Influence of Internal Control Systems on Financial Performance of Kenya Farmers' Association Limited', *International Journal of* Economics, Commerce and Management United Kingdom, IV (4), pp. 783–800. Available at: http://ijecm.co.uk/.

[19] Mahmood, M. A. et al.. (2020) 'Perceived Effect of Internal Control on The Financial Performance of Manufacturing Firms In Kurdistan Regional Government of Iraq,' 7 (15), Pp. 4599–4614.

[20] Martins, R. *et al.* (2010) 'Transactions Cost Theory Influence in Strategy Research: A Review Through a Bibliometric Study in Leading Journals,' *Journal of Strategic Management Education*, 6 (3), pp. 177–197. Available at: https://iconline.ipleiria.pt/handle/10400.8/384%5Cnhttp://search.proquest.com/docview/855806296?accountid=26357%5Cn http://iconline.ipleiria.pt/bitstream/10400.8/384/1/working_paper-61_globadvantage.pdf.

[21] Montgomery, D. C., and Runger, G. C. (2016) *Applied Statistics and Probability for Engineers Third Edition*.

[22] O'Gorman, K. D., and MacIntosh, R. (2015). Research methods for business and management: A guide to writing your dissertation. *Goodfellow Publishers Ltd*.

[23] Otieno, G. and Abbey, K. (2019) 'Internal control and quality service delivery in a public health sector : A case study of a Local Government in Uganda,' 13 (16), pp. 557–563. doi: 10.5897/AJBM2019.8819.

[24] Pack, P. D. F. (2018) 'Addis Ababa University Faculty of Business And Economics Department Of (Graduate Program)'

[25] Rindfleisch, A. (2020) 'Transaction cost theory: past, present, and future, *AMS Review*, 10 (1–2), pp. 85–97. doi: 10.1007/s13162-019-00151-x.

[26] Salawu, R. O. and Agbeja, O. (2007) 'Auditing and accountability mechanism in the public sector,' *The international journal of applied economics and finance*, 1 (1), pp. 45-54.

[27] Saunders, M., Lewis, P., and Thornhill, A. (2009). Research methods for business students. *Pearson education*.

[28] Scheetz, A. M. *et al.* (2021) 'Perception of Internal Controls Helps Explain Whistleblowing.' doi: 10.1177/08997640211017665.

[29] Sikka, P. and Hampton, M. P. (2005) 'The role of accountancy firms in tax avoidance: Some evidence and issues,' *Accounting Forum*. doi: 10.1016/j.accfor.2005.03.008.

[30] Snell, S. A. (1992). 'Control theory in strategic human resource management: The mediating effect of administrative information,' *Academy of management Journal*, 35 (2), pp. 292-327. doi.org/10.5465/256375

[31] Vadasi, C., Bekiaris, M. and Andrikopoulos, A. (2020) 'Corporate governance and internal audit : an institutional theory perspective,' 20 (1), pp. 175–190. doi: 10.1108/CG-07-2019-0215.

[32] Van Gansberghe, C. N. (2005). 'Internal auditing in the public sector: a consultative forum in Nairobi, Kenya, shores up best practices for government audit professionals in developing nations', *Internal Auditor*, 62 (4), pp. 69-74.

[33] Weibel, A. *Et Al.* (2016) 'How Do Controls Impact,' 55 (3), Pp. 437–462. Doi: 10.1002/Hrm.

[34] Wardayati, S., Miqdad, M., Efendi, H., & Arisandy, F. (2019). Performance improvement through internal control, experience and individual rank. Journal of Contemporary Accounting, 1, 107–119. https://doi.org/10.20885/jca.vol1.iss2.art4

[35] Worku, S. (n. d.). *Perceptions on Internal control system and financial performance; Evidence from commercial banks in Ethiopia*.

[36] Xiangdong, W. (1997). 'Development trends and future prospects of internal audit,' *Managerial Auditing Journal*, 12 (4/5), 200-204. doi.org/10.1108/02686909710173885.