

**A STUDY ON THE EFFECTIVENESS OF INTERNAL
CONTROL SYSTEM ADOPTED IN THE SRILANKA
TELECOM LIMITED
(TRINCOMALEE DISTRICT)**

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ABSTRACT

The success and survival of an organization depends on effective utilization of resources. Every Organization needs to adopt effective internal control system in order to get optimum utilization from their resources.

The objectives are to evaluate on the prevailing effectiveness of internal control system, to identify which factors are mostly influencing the effectiveness of the internal control system and to recommend a crackdown action and suitable structured changes. Conceptualization model includes segregation of duties, accounting procedures and guidelines, internal auditing, control procedures and information system to evaluate the effectiveness of internal control system in Sri Lanka Telecom Limited.

To analyze the effectiveness of internal control system, 60 employees were taken as sample from the 5 departments/sections. Data were collected from Data entry operators and employees related with accounting works by issuing questionnaires. It was analyzed through SPSS package and spreadsheet. Method of analysis specifically considered univariate analysis only. The results are illustrated by bar chart. Based on the value indicated in the questionnaire, mean value is lying in the range between 1 and 5, which is strongly disagreeing to strongly agreeing statement with 5 scale measures.

According to mean value all variables are averagely effective in Sri Lanka Telecom Limited. To rectify these ineffectiveness, it was recommended, assistance should be provided to strengthen Sri Lanka Telecom Limited Accounting and Auditing, strengthening Sri Lanka Telecom Limited Auditing & Controls and Create Chief Financial Officer Positions in every section.

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