

# THE EFFECTIVENESS OF INTERNAL CONTROL SYSTEM IN THE EASTERN UNIVERSITY, SRILANKA

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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.

Internal control is at the core of every organizations fulfilling its mission and achieving its goals while providing safeguards to protect organizational resources. Management of each organization is responsible for implementing appropriate internal control activities that are appropriate to their organization's processes; while keeping in mind that effective internal controls benefit, rather than encumber management. It is vital that everyone understand the concept and importance of internal controls. The researcher derived the research problem question that, whether the effective Internal Control System is adopted in Eastern University Sri Lanka.

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 Eastern University Sri Lanka.

To analyze the effectiveness of internal control system, hundred employees were taken as sample from the all 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 acknowledgement of information system are ineffective in Eastern University Sri Lanka and other variables are averagely effective in Eastern University Sri Lanka. To rectify these ineffectiveness, it was recommended, assistance should be provided to strengthen Eastern University Sri Lanka Accounting and Auditing, strengthening Eastern University Sri Lanka Auditing & Controls and Create Chief Financial Officer Positions in every section.

# CONTENTS

# PAGES

Acknowledgement	I
Abstract	III
Contents	VI
List of Tables	X

## CHAPTER – 01 INTRODUCTION

1.1 Introduction	01
1.2 Research Problem	02
1.3 Research Questions	03
1.4 Objectives of study	03
1.5 Significance of the Study	03
1.7 Scope of the study	04
1.8 Summary	04

## CHAPTER – 02 LITERATURE REVIEW

2.1 Introduction	05
2.2 Internal Control System	05
2.2.1 Internal controls	06
2.3 effectiveness of internal control system	07
2.4 segregation of duties	08
2.5 accounting procedure and guidelines	09
2.6 internal auditing	09
2.7 control procedure	10
2.8 information system	11
2.9 internal control limitations	11
2.10 internal control and internal auditing	15
2.11 management letter	18
2.12 delegation of function	18
2.12.1 Schedule of delegation	19
2.13 financial management audit	19
2.14 summary	26

## CHAPTER – 03 CONCEPTUALIZATION AND OPERATIONALIZATION

3.1 Introduction	27
3.2 Conceptualization	27
3.2.1 Effectiveness of Internal Control System	29
3.2.2 Segregation of Duties	29
3.2.3 Accounting Procedure and Guidelines	29
3.2.4 Internal Auditing	30
3.2.5 Control procedure	30
3.2.6 Information System	31
3.3 Operationalization	31
3.4 Summary	32

## CHAPTER – 04 RESEARCH METHODOLOGY

4.1 Introduction	33
4.2 Research Sample	33
4.2.1 The Choice of the Sample	33
4.2.2 Random Sampling	33
4.3 Data Collection Techniques	34
4.3.1 Primary Data	34
4.3.2 Secondary Data	35
4.3.3 Interviewing	35
4.3.4 Observation	35
4.4 Structure of Questionnaire	35
4.4.1 Personal Information	36
4.4.2 Research Information	36
4.5 Data Analysis	36
4.5.1 Univariate analysis	37
4.6 Data Evaluation	37
4.7 Summary	37

## CHAPTER – 05 DATA PRESENTATION AND ANALYSIS

5.1 Introduction	38
5.2 Personal Information	38
5.2.1 Sex Distribution	38
5.2.2 Age Distribution	39
5.2.3 Monthly Income	39
5.2.4 Educational Qualifications	40
5.2.5 Experience	40
5.2.6 Job level	41
5.3 Research Information	41
5.3.1 Segregation of Duties	41
5.3.2 Accounting Procedures and Guidelines	43
5.3.3 Internal Auditing	44
5.3.4 Control Procedures	45
5.3.5 Information System	46
5.4 Internal Control System	47
5.5 List of Findings	48
5.6 Summary	49

## CHAPTER – 06 DISCUSSIONS

6.1 Introduction	50
6.2 Personal Information	50
6.3 Research Information	51
6.3.1 Segregation of Duties	51
6.3.2 Accounting Procedures and Guidelines	52
6.3.3 Internal Auditing	52
6.3.4 Control Procedure	52
6.3.5 Information System	53
Internal Control System	54
Summary	55

## CHAPTER – 07 CONCLUSIONS AND RECOMMENDATION

7.1 Introduction	56
7.2 Conclusion	56
7.3 Recommendation	57
7.3.1 Segregation of Duties	57
7.3.2 Accounting procedures and guidelines	57
7.3.3 Accounting procedures and guidelines	58
7.3.4 Control Procedures	59
7.3.5 Information System	60
7.4 Other Recommendations	61
7.4.1 Strengthen EUSL Accounting and Auditing	61
7.4.2 Strengthen EUSL Internal Auditing and Controls	61
7.4.3 Create Chief Financial Officer Positions in each section	62
7.5 Implication	62
7.6 Summary	62
Appendix -1	
Request for Conformation Letter	XI
Appendix -2	
Questionnaire – English	XII-XV
Appendix -3	
Questionnaire-Tamil	XV - XIX
References	XX