

EFFECTIVENESS OF INTERNAL CONTROL SYSTEM ON STATE OWNED  
CORPORATIONS IN MANNAR DISTRICT

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## ABSTRACT

The study focuses on assessing the Effectiveness of internal control system on state owned corporations. There are Nine state owned corporations which were used the internal control system in Mannar District. A stratified random sampling technique was used to select this sample. The Firms were stratified as every corporation. The main objectives of this work is to explore how internal control system has effectiveness in many aspects of business and accounting practices especially in financial reporting and to evaluate the level of effectiveness of internal control system on state owned corporations in Mannar District.

The focus of the research was on areas that the researchers considered as very critical in internal control system. These areas include: segregation of duties, Accounting procedures and guidelines, internal Auditing, control procedure and Information system..

The study concludes with observations summarizing the research and the recommendations that emerged. The empirical findings showed that firms using internal control system have not been effective in delivering quick and efficient financial information to their users. On the other hand, firms operating with internal control systems offer much improved, efficient and fast financial information to their users, thereby making them much more valuable..

According to this analysis, the results showed that sixty four percentage of state owned corporations have overall effectiveness of the Internal Control system in Mannar District.

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