

**EFFECT OF INTERNAL CONTROL SYSTEM ON ORGANISATIONAL  
EFFECTIVENESS OF PUBLIC SECTOR IN KWARA STATE, NIGERIA**

**BY**

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DEGREE IN MASTER OF SCIENCE (M.Sc) IN ACCOUNTING.**

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## DECLARATION

I, Hannah Tolulope, Adeboye, declare that this is a record of research work carried out by me at the Department of Accounting and Finance, College of Humanities, Management and Social Science, Kwara State University, Malete, Nigeria. The said report has not been submitted for any degree or examination in any other University to the best of my knowledge. All quotations are distinguished by quotation marks and the sources of information are acknowledged by means of references.

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## CERTIFICATION

This is to certify that this dissertation titled “Effect of internal control system on organisational effectiveness of public sectors in Nigeria” was written by Hannah Tolulope Adeboye with matriculation number 17/27/MAC003 of the Department of Accounting and Finance, College of Humanities, Management and Social Sciences, Kwara State University, Malete, Nigeria and has been read and approved as meeting the requirements for the award of a Master of Science Degree in Accounting.

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## **DEDICATION**

This project is dedicated to the Almighty God, the Giver of Life, Wisdom and Sound Health who gave me the enablement for the accomplishment of this goal and also to my Parent Mr & Mrs Matthew Tunde Adeboye.

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The depth of my sincere appreciation goes to my Heavenly Father, the Almighty God whose mercy endures forever in my life. Words can never express my gratitude to You Dear Lord.

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## ABSTRACT

*Non compliance with internal control practices have been a major concern for organisations in developing countries. Organisational effectiveness is affected by inefficiency of employees in their operational activities. As a result of this, attention has been focused on the operational affairs and the adaptation of the organisation to changing economic, environmental and political conditions towards enhancing organisational effectiveness. The general objective of this study therefore, is to investigate the effect of internal control system on organisational effectiveness of public sector entities. The specific objectives are to: (i) examine the level at which control activities affect organisational effectiveness of MDAs in Kwara State, Nigeria; (ii) determine the effect of information and communication technology on organisational effectiveness of MDAs in Kwara State, Nigeria; (iii)examine the level at which monitoring affects organisational effectiveness of MDAs in Kwara State, Nigeria and(iv) access the effect of internal audit on organisational effectiveness of MDAs in Kwara State, Nigeria. The study adopted a cross sectional survey method. Descriptive statistics and multiple regression were employed in the analysis of the questionnaires. The study found that control activities, information and communication technology and internal audit had a positive and significant relationship on organisational effectiveness. This was confirmed by the regression coefficient of 0.6956, 1.2029 and 0.9947 respectively computed for these test items. It was found that this relationship was significance since the t-statistics was 9.6210, 12.7423, 3.4719 and 0.2918 respectively and the p-value computed for the test variables of 0.0012, 0.0003 and 0.0045 respectively was less than the critical value of 5%. However, monitoring control had a positive and insignificant relationship on organisational effectiveness. This was confirmed by the regression coefficient of 0.0211 computed for this test item. It was found that this relationship was not significant since the t-statistics is 0.06500 and the p-value computed for the test variables of 0.9482 was more than the critical value of 5%. This implies that, organisational effectiveness is measured by the efficient and effective implementation of internal control system. This means that a single unit increase in any of the independent variables resulted in a corresponding increase in organisational effectiveness in the MDAs. The study therefore concluded that internal control system positively affects organisational effectiveness. The study recommended that staffs of the MDAs should be adequately aware of and comply with internal control policies and procedures; and staffs that refuse to comply with internal control policies should be sanctioned accordingly in order to enhance organisational effectiveness.*

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the Study

Organisational effectiveness has been affected by inefficiency of employees in their operational activities as a result of weak internal control practices. Consequently, attention has been focused on the operational affairs and the adaptation of the organisation to changing economic, environmental and political conditions (Obeidat, Al-Suradi, Masa'deh, and Tarhini, 2016), and on how to enhance organisational effectiveness (Orozco, Tarhini, Masa'deh and Tarhini, 2015). Organisations face numerous risks daily as a result of lapses in internal control mechanism and non-compliance with regulations (Eze and Wilson, 2013).

Non compliance with internal control procedures have been a major concern for organisations in the developing countries. An effective internal control system benefits an organisation by preventing the incidence of poor financing and by helping employees to work effectively and in harmony in their operations to enhance performance (Agwor & Akani, 2017). Organisations also recognize the importance of internal control system, which is viewed as useful tools in safeguarding the overall achievements of a company's objectives and assist the government in decreasing the danger of risk associated with its entity to ensure survival, growth and to attain high level of performance (Mahadeen, Al-Dmour, Obeidat & Tahini, 2016).

From the foregoing, it is not out of order to summarise that internal control system is an integral component of an organisation's operational, financial and technological evaluation. This structure is intended to direct and control the activities of an organisation by promoting organisational effectiveness. The role of internal control in the public sector organisation is to support the system established and at the same time foster the operational efficiency of the organization in other to achieve its goals and objectives (Cheng, Goh & Kim, 2015).

Ministries, departments and agencies (MDAs) were constituted to achieve government set goals and objectives. In other to ensure optimum performance for the public interest, government makes regular provisions through its MDAs by way of financial and material grants (Eze & Wilson, 2013). Further to this, some MDAs also generate revenues for the government to undertake various activities for the state. The legal restrictions which have been placed on the operations of the MDAs require it to give account of its stewardship to enable the government and the entire citizenry to assess its performance in terms of the public

property entrusted to it. That is, all resources flowing in must be accounted for and all disbursements must be checked against the authority to use the resources. Against this background, this study examines the effect of internal control system on organisational effectiveness in the public sector of Nigeria using MDAs in Kwara State as a case study.

## **1.2 Statement of the Problem**

Public sector administration in Nigeria has been debated to have a weak internal control system which has prevented the organisation from having a clear direction in the management of resources at their disposal. The absence of sophisticated and interrelated system designed to check one process on another has lead to ineffectiveness of several organisation as evidenced in the work of (Mahadeen, *et al.*, 2016). The implication of this is that public confidence has been dampened in the integrity of government institutions which is evidenced in corruption cases and fraud. Weak internal control activities such as improper segregation of duties (authorization and approval is done by the same individual) has prevented the MDAs from achieving their optimum performance. There is also lack of coordinated and efficient communication policy which affects the flow of information in the MDAs thereby affecting the achievement of set goals and objectives. In addition, computer system are not adequately protected from environmental damages and unauthorized access which has lead to loss of vital information and documents in the MDAs. Ademola, Adedoyin and Alade (2015) opined that some public sector stewards not excluding those who work in the information and communication technology (ICT) department manipulate monetary figures and even spend funds on themselves diverting from the goals of the organisation.

Furthermore, low level officers have not been properly monitored as most of them lack experience with regard to defining performance of the organisation coupled with limited staff resources. As argued by Agbejule and Jokipii (2009), that high degree of monitoring lead to a highly effective internal control system which in turns influences organisational performance. There are inadequate periodic evaluations of work assigned to these low level officers by the senior officers. This may have a far reaching implication on the achievement of the organisation set goals as low level monitoring will have negative effect on service delivery of this public entity. COSO in 1994 states that directors must understand the extent to which the entity's operational objectives are been achieved.

For an organisation to be effective, there is need for an internal audit department to oversee and control organisation's financial transactions. Despite the establishment of internal audit department, public officers still perpetrate fraud as most of the internal auditors fail to

perform their duties as a result of threat to their independence. This implies that internal auditors will not have a thorough assessment of organisation's transactions which can influence performance. In addition, internal auditors spend a lot of time to carry out internal audit and prepare audit reports. Ahmad, Othman and Jusoff (2009) opined that internal audit function in government sector is found to be less effective due to several issues such as insufficient audit staff, inadequate support and cooperation from top management, insufficient training, experience and independence of auditors. Of greater concern is that, the damages done to the public sectors needs urgent attention and despite the efforts made by the government to eliminate these problems majority of these MDAs are still struggling for survival and to deliver quality services.

### **1.3 Research Questions**

In addressing the problem of this study, the following research questions have been raised:

- i. What is the influence of control activities on organisational effectiveness of MDAs in Kwara State, Nigeria?
- ii. To what extent does information and communication technology affect organisational effectiveness of MDAs in Kwara State, Nigeria?
- iii. What is the influence of monitoring on organisational effectiveness of MDAs in Kwara State, Nigeria?
- iv. What is the effect of internal audit on organisational effectiveness of MDAs in Kwara State, Nigeria?

### **1.4 Objectives of the Study**

The general objective of this study is to investigate the effect of internal control system on organisational effectiveness of public sectors in Nigeria. In line with this, the specific objectives of this study are to:

- i. examine the influence of control activities on organisational effectiveness of MDAs in Kwara State, Nigeria,
- ii. determine the effect of information and communication technology on organisational effectiveness of MDAs in Kwara State, Nigeria,
- iii. examine the level at which monitoring affects organisational effectiveness of MDAs in Kwara State, Nigeria, and

- iv. assess the effect of internal audit on organisational effectiveness of MDAs in Kwara State, Nigeria.

### **1.5 Research Hypotheses**

In this study, four hypotheses were formulated and stated in their null form. They include::

**Ho1:** There is no significant relationship between control activities and organisational effectiveness of MDAs in Kwara State, Nigeria.

**Ho2:** Information and communication technology has no significant impact on organisational effectiveness of MDAs in Kwara State, Nigeria.

**Ho3:** There is no significant relationship between monitoring and organisational effectiveness of MDAs in Kwara State, Nigeria.

**Ho4:** Internal audit has no significant impact on organisational effectiveness of MDAs in Kwara State, Nigeria.

### **1.6 Significance of the Study**

Empirical research findings are crucial to the development of a nation. This study is expected to add value to the existing research literature on internal control system especially in the MDAs in Kwara State, Nigeria. The general purpose of this study is to investigate the effect of internal control system on organisational effectiveness in the public sectors using MDAs in Kwara State as the case study. In this pursuit therefore, the study added a new variable which is internal audit to proxy internal control system.

The result of the study will also contribute to academic field of knowledge by providing empirical evidence on internal control system and organisational effectiveness of public sectors in Nigeria. This study will serve as a body of reference for future researchers on internal control system and organisational effectiveness of MDAs in Kwara State.

This study will assist policy makers in formulating policies to enhance a sound and functional system of internal control which will help the MDAs to achieve their goals and objectives. The government will also benefit from this study, as findings from this study will be used to enlighten the MDAs on the need for compliance with stipulated polices and guidelines for internal control system in order to promote the growth and stability of MDAs in Kwara State.

Finally, this study tends to bridge the gap by looking into the effect of internal control system on organisational effectiveness of MDAs in Kwara State. Control activities, information and

communication technology, monitoring and internal audit all together were used as proxies to measure internal control system.

### **1.7 Scope of the Study**

This study examined the effect of internal control system on the organisational effectiveness of public sectors in Nigeria. The focus of this study is on ministries, departments and agencies (MDAs) under the control of Kwara State government. The justification for the choice of MDAs in Kwara State was borne out of the fact that it remains the most powerful engine for providing social services in Kwara State which is one of the states in the north central region of Nigeria. Thirty three MDAs were used as case study for this research work which is shown in appendix ii and was conducted in 2019.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter presents a conceptual review, review of theories and empirical review. The conceptualization tends to explain the variables used in the study, in order to have a good understanding of the study. The empirical review comprises a comprehensive literature on the subject matter and reviewed what different scholars and authors have written on the study across the globe (from foreign countries to Nigeria). The theories reviewed guided the researcher in choosing the theoretical framework for the study.

#### **2.1 Conceptual Review**

This section contains the concept of internal control system and organisational effectiveness.

##### **2.1.1 Concept of Internal Control System**

There are many definitions of internal control, as it affects the various constituencies of an organisation in various ways and at different levels of aggregation. The American Institute of Accountants first defined the term internal control in 1949, as the plan of the organisation and all coordinate methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. A contemporary definition was given by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which was organized for the purpose of redefining internal control and the criteria for determining the effectiveness of an internal control system in 1977. Under the COSO Internal Control-Integrated Framework, internal control is broadly defined as a process, implemented by an entity's directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance (COSO, 2012).

Viewing internal control as a process allows firms to be proactive in regards to their decision making, that is, accurately and promptly to make strategic decisions. This will avoid any setbacks and unnecessary costs and guarantee that the system is operating effectively. In line with this observation, the International Organisation of Supreme Audit Institution (2004) defined internal control as an integral process that is affected by an entity's management and personnel and is designed to address risks and to provide reasonable assurance that is in pursuit of the entity's mission. The general objectives are achieved and executed in an orderly manner ethically, economically, efficiently and effectively there by fulfilling

accountability obligations; complying with applicable laws and regulations; and also it help in safeguarding resources against any loss, misuse and damage.

Cheng, Goh & Kim (2015), defined internal control system as a mechanism that ensure financial and operational efficiency. Corroborating this view, the International Standards on Auditing (ISA 400) defined internal control to mean all the policies and procedures adopted by the management of an entity to assist in achieving management's objective of ensuring orderly and efficient conduct of its business including adherence to management policies, the safeguarding of asset, the prevention and detection of Fraud and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information .

Mwakimasinde, Odhiambo and John (2014) defined internal control systems as a set of security measures which contribute to the control of a company with the aim to ensure the security and safeguard of assets, quality of information as well as prevent and detect fraud, and protect the organization's resources. Internal control is the first line of defense in safeguarding the assets of the organisation which can be largely achieved through prevention and detection of errors and fraud; and its success can be measured by the reliability of financial reporting, level of compliance with applicable laws and regulations, and finally the effectiveness and efficiency of its operations. Therefore, effective internal control system would help public sectors to achieve desired results through effective stewardship of public resources. In this direction, evidences however abound that internal controls provide reasonable assurances that the objectives of government enterprises are being achieved through: effectiveness and efficiency of operations through the use of the organisation's resources (Mahadeen *et al.*, 2016); reliability of financial reporting, including reports on budget execution, financial statements, and other reports for internal and external uses (Onyango, 2014) and compliance with applicable laws and regulations (Adams, 2016).

The wide view of controls means that internal controls cover all aspects of an organisation and there is a clear need for a way of pulling together control concepts to form an integrated whole, that is a control framework. Where there are risks to the achievement of objectives, which means failure is a strong possibility; controls have to be put in place to address these risks. If not failure becomes likely (Putra, 2015). Operationalisation of internal control system in this study is done through Control Activities, Information and Communication Technology, Monitoring and Internal Audit.

### **2.1.1.1 Control activities**

Control activities are the policies and procedures that help ensure management directives are carried out. They help ensure that necessary actions are taken to address risks to achievement of the entity's objectives (Muraleetharan, 2013). Control activities occur throughout the organisation at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, segregation of duties, verifications, reconciliations, security of assets and reviews of operating performance (COSO, 2014). Control activities are the procedures and strategies that help guarantee that management of an organisation orders are passed on adequately and in a promising way (Ofori, 2011). As indicated by Dinapoli (2007), the control activities are the directions, principles, systems and decisions built up over various activities by management to foresee or reduce dangers that impact the association in achieving its objectives.

### **2.1.1.2 Information and Communication Technology**

Information must be identified, captured and communicated in a form and timeframe that enable people to carry out their responsibilities (Ofori, 2011). Information systems produce reports, containing operational, financial and compliance-related information, that make it possible to run and control the business (COSO, 2012). They deal not only with internally generated data, but also information about external events, activities and conditions necessary to inform business decision-making (Osabiya, 2015). The control of communication, information and media technologies are based on the common digital technology (Kimani, 2015). It is referred to as electronic device, equipment, or tool used for collection, processing, storage, retrieval or transfer of information, and its associated services. This makes information and communication technology (ICT) a very important tool for an effective internal control system. In fact, organisations use ICT for initiation, authorization, recording and processing of transactions (Cheng, Goh & Kim, 2015).

### **2.1.1.3 Monitoring**

Monitoring according to the COSO (2005) was defined as the evaluation of the quality of internal control put in place to achieve organisational performance over time. This is accomplished through on-going monitoring activities and separate evaluations. Monitoring occurs in the course of operations. It incorporates regular management and supervisory activities, and other actions personnel take in performing their duties (Hayes and Baker,

2014). The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the adequacy of monitoring procedures (Agbejule and Jokipii, 2009). Internal control deficiencies ought to be reported upstream, with serious matters reported to the top management.

#### **2.1.1.4 Internal audit**

Internal audit according to the Institute of Internal Auditors (1999) was defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It assists an organisation to achieve its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal audit evaluates a company's internal control system and ensures compliance with regulations. It also provides management and directors with tools necessary to achieve operational efficiency by identifying problems and correcting lapses in order to accomplish organisation's objectives (Ofor and Lu, 2018). Professionals called internal auditors perform the internal audit activity in an organisation. Deepak (2010) contend that internal audit is part of the internal control system put in place by management of an organisation to ensure adherence to stipulated work procedure and as aid to management. They believe that internal audit measures, analyses and evaluates the efficiency and effectiveness of other controls established by management in order to ensure smooth administration of the organisation. This implies that internal audit is an integral part of a complex system designed by the management of any organisation to enhance organisational effectiveness.

#### **2.1.2 Concept of Organisational Effectiveness**

Organisational effectiveness is about how effective an organisation intends to achieve its goals and objectives. Organisational effectiveness is an organisation's long term ability to achieve consistently its strategic and operational goals. Moreover, organisations are constructed to be the most effective and efficient social units (Pandya, 2017). Organisational effectiveness is a broader term encompassing multiple constituents of organisational performance in terms of increased output, quality, adaptability and efficiency of operations. Organisational effectiveness captures organisational performance and internal performance outcomes normally associated with efficient operations (Herman and Renz, 2008). Efficiency is concerned with the optimal use of organisational resources (Ashraf and Kadir, 2012). Onolapo (2012) submitted that organisational effectiveness is the ability to produce desired

results. Mahadeen, Al-Dmour, Obeidat & Tarhini (2016) asserts that organisational effectiveness could be measured using organisational ability to achieve its goals (Goal approach), organisational ability to control and maintain the needed resources (Resource Control approach) and the (Multiple Constituency approach) which deals with operational efficiency, job satisfaction and customer satisfaction. Efficiency of operations and Goal achievement was used by Mwakimasinde, Odhiambo and John (2014) and Mahadeen *et al.*, (2016) to proxy organisational effectiveness in their study which this study adopted.

**Efficiency of Operations:** The notion of efficiency has its origin in economics but it equally applies to the business sphere. Efficiency is defined as the optimal relation between inputs and outputs. This means that an activity is been performed efficiently if a given quantity of output is obtained with a minimum of inputs or if a given quantity of inputs yields maximum output. In the light of this description, Mwakimasinde *et al.*, (2014) suggested that operational efficiency of a business can be measured with such indices like improving quality, reducing costs and improving customer and employee satisfaction.,

**Goal achievement:** Research has revealed that goal setting is applicable to the success of any organisation. Therefore, achievement of the goals of MDAs is crucial because it has the potential of improving and achieving development of a nation. Mwakimasinde *et al.*, (2014) opined that goal achievement is the main reason for the establishment of public sectors as the lack of goal will render them meaningless once there is no future plan of achievement. Each of the MDAs has its goals and objectives that conform with the desire and aspiration of the government, community or the environment where it is sited. Mahadeen *et al.*, (2016) in view of this described goal achievement of an entity as successful if its goals and objectives are satisfied.

## **2.2 Theoretical Review**

The study reviewed the Agency theory, System theory and Institutional theory

### **2.2.1 Agency Theory**

Agency theory was propounded by Jensen and Meckling (1976). Agency theory describes firms as necessary structures through which, it is possible to exercise internal control which minimizes opportunistic behavior of agents. This relationship between the agent and principal is strengthened by the principal employing an expert to monitor the agent. That is, a reputable auditor is appointed not only in the interest of third parties, but also in the interest of management. In view of this, agency theory addresses two major organisational problems,

namely: the problems that arise when the desires or goals of the principal and agent are in conflict, and the principal is unable to verify what the agent is actually doing and the problems that arise when the principal and agent have different attitudes towards risk (Muhuny & Jagongo, 2018).

This theory is therefore cogent to this study because it emphasis on the relationship between the Government, the directors and the auditor. The auditor is appointed to protect the interest of the Government by monitoring and verifying if the director of MDAs is doing what the government wants. Internal control system is one of the mechanisms used by an entity to address agency problem by reducing agency costs that affects the overall performance of MDAs and the benefits of the principal which is the State Government (Adams, 1994).

### **2.2.2 System Theory**

Systems theory was developed by Ludwig Von Bertalanffy and Kenneth Boulding (1968) which studies systems as a whole. The System Theory is a collection of ideas and principles of several theories of diverse disciplinary backgrounds; it has as its subject matter the formulation and derivation of those principles which are valid for "systems" in general. The system theory views systems, whether physical or organizational, as a 'whole' even though they are made of various components. Thus, a system is a set of elements or components that are interrelated to one another in such a manner that they form a discernable whole and tend to achieve common objectives. The system theory was used to obtain a better understanding of internal control which is a sub-system within a larger system (the organisation). Luthans (2015) added that all systems except the smallest have subsystems and all but the largest have supra systems, which are their environment. Each system or subsystem conceptualized as having a boundary. The boundary of a system is the component that separates the system from its environment and filters the inputs to and the output from the system. The systems theory was used to obtain a better understanding of internal control which is a sub-system within a larger system (the organisation).

The systems theory was used to obtain a better understanding of internal control system which is a sub-system within a larger system (the organisation). Synonymously, internal control system is considered an organisational activity that requires every unit, department or section to participate. Each department or unit will have a unique set of responsibilities and tasks that may be viewed as independent while collectively contributing towards the overall success of the organisation's goals and objectives. However, the most important thing is that

internal control should also take into account the objectives and goals of the tasks in order to make an organisation very effective (Eldridge, Waarden, Van der Wiele & Williams, 2013).

### **2.2.3 Institutional Theory**

Institutional theory, offers an explanation that may be used to understand the adoption and design of control practices within organisations. This theory, more sociological in character, originates from work done by Meyer and Rowan (1977). According to this theory, organisations develop and design structures, processes and systems because they are more or less required in incorporating new practices and procedures. This according to Njiru (2016) means that organisations are driven to incorporate the practices and procedures defined by prevailing rationalized concepts in order to increase their legitimacy and their survival prospects. Organisational structures, including the various internal control functions, roles, processes and systems, become symbolic displays of conformity and social accountability. Organisations with the appropriate structures in place avoid in-depth investigations of their business operations. These rules involve normative obligations which may be viewed as facts of (organisational) life which must be taken into account and considered by managers, auditors, directors or other types of professionals within and outside the organisation. The process of institutionalization is then how social processes of different kinds come to take on a rule like status in everyday society. Repeated patterns of actions become institutions, or institutionalized rules, and thus institutional theory explains organisational phenomena by pointing to the environment and the formal and informal rules that are imposed on organizational activities. On this note, Dickson (2016) pointed out the importance of incorporating practices and procedures in an organisation. These rules involve normative obligations which may be viewed as facts of an organization which must be taken into account and considered by management, compliance officers, auditors and directors (Njiru, 2016).

### **2.3 Theoretical Framework**

The theoretical framework for this study was based on system theory and institutional theory. The system theory was used to obtain a better understanding of internal control which is a sub-system within a larger system (the organisation). System is a set of elements or components that are interrelated to one another in such a manner that they form a discernable whole and tend to achieve common objectives. Luthans (2015) added that all systems except the smallest have subsystems and all but the largest have supra systems, which are their

environment. Each system or subsystem conceptualized as having a boundary. The boundary of a system is the component that separates the system from its environment and filters the inputs to and the output from the system.

Internal control system is therefore synonymous with different subsystems like control activities, information and communication technology, and monitoring that must work together to achieve organisational goal and objectives. Synonymously, internal control system is considered an organisational activity that requires every unit, department or section to participate in order to promote organisational effectiveness. Each department or unit will have a unique set of responsibilities and tasks that may be viewed as independent while collectively contributing towards the overall success of the organisation's goals and objectives. However, the most important thing is that internal control system take into account the objectives and goals of an organisation and promotes effectiveness (Eldridge, Waarden, Van der Wiele and Williams, 2013).

Institutional theory is important to this study because it offers an explanation that can be used to understand the adoption and design of internal control practices within organisations. Organisational structures, including the various internal control functions, roles, processes and systems, become symbolic displays of conformity and social accountability. Organisations with the appropriate structures in place avoid in-depth investigations of their business operations. Meyer and Rowan, building on the work by Berger and Luckmann (1966), pointed the importance of institutionalized rules. These are classifications built into society and may be taken for granted or supported by public opinion or even the force of law. These rules involve normative obligations which may be viewed as facts of (organizational) life which must be taken into account and considered by managers, auditors, directors or other types of professionals within and outside the organisation. The process of institutionalization is then how social processes of different kinds come to take on a rule like status in everyday society. Repeated patterns of actions become institutions, or institutionalized rules, and thus institutional theory explains organizational phenomena by pointing to the environment and the formal and informal rules that are imposed on organizational activities. On this note, Dickson (2016) pointed out the importance of incorporating practices and procedures in an organisation. These rules involve normative obligations which may be viewed as facts of an organization which must be taken into account and considered by management, compliance officers, auditors and directors (Njiru, 2016). The institutional theory explains MDAs phenomena by pointing to the environment



and the formal and informal rules, policies and procedures that are imposed on the activities of MDAs in order to achieve its objectives and enhance organisational effectiveness. This theory emphasized that the presence of control activities, information and communication technology, monitoring and internal audit as internal control mechanism will increase organisational effectiveness.

## **2.4 Empirical Review**

Several studies have been conducted on the subject matter and different conclusions were reached. It is therefore necessary to review the literature in the context of these two variables.

### **2.4.1 Empirical Studies from Foreign Countries**

Oduro and Cromwell (2018) investigated the effectiveness of internal control in the local government sector in Ghana. Primary data was collected from 35 local government institutions in Ghana through questionnaire. The study employed multiple regression analysis. The study revealed that risk assessment significantly deter fraud. Control environment, control activities, monitoring and information communication had no significant influence on fraud prevention even though they all had positive effect on fraud prevention. The study found further that poor background checks, monitoring and inaccurate records were some of the major challenges facing internal control in the local government sector. Staffs were the worst culprit of fraud in the local government sector.

Kisanyanya (2018) examined the relationship between internal control systems and financial performance of public institutions of Higher Learning in Vihiga County, Kenya. The study used a descriptive research design. Primary data was collected from four institutions using semi-structured questionnaires. Descriptive and multiple regression analysis were used to analyze data. The result shows that there is a positive significant effect on control activities, risk assessment, control environment, information and communication and monitoring on financial performance.

Muhuny and Jagongo (2018) conducted a survey on the effect of internal control systems on financial performance of public institutions of higher learning in Nairobi city county, Kenya. The study used a descriptive research design. This study took a sample study approach with its target population being the different categories of staff in different departments of Public Institutions of Higher Learning in Nairobi City County, Kenya. Primary data was collected from sample population using open and closed ended questionnaires. Descriptive statistics

was used in the data analysis and information presented in statistical forms. A multiple linear regression was also used to analyze the relationship between the dependent and independent variable. The study realized that the control environment, risk assessment, control activities and information and communication as indicators of internal control systems have a significant influence on the financial performance of the institutions of higher learning in Nairobi City County, Kenya.

Wonder, Jiang & Cobbla (2018) investigated the impact of government internal control system on financial reporting quality in Ghana using Ghana Revenue Authority as the case study. Descriptive, correlation and multiple regression was used to analyse the questionnaires. The study finds out that control environment and monitoring have a negative significant relationship on financial reporting whereas control activities, risk assessment, information and communication and collection have a positive and significant relationship on performance on financial reporting quality.

Samuel and Wagoki (2018) assessed the role of internal control system components in Kenyan public universities: a case study of Jomo Kenyatta University of Agriculture and Technology. The study was conducted using both quantitative and qualitative approaches using survey and case study as research designs. Data was collected using closed-ended questionnaires as well as review of available documents and records. Descriptive statistics was used for the analysis of questionnaires. The study found out that internal control system is a crucial aspect of an organization's governance system and ability to manage risk, and is fundamental to supporting the achievement of an organization's objectives and creating, enhancing, and protecting stakeholder value, the university must ensure that the control environment is one that promotes and nurtures internal control systems.

Ibrahim, Diibuzie & Abubakari (2017) investigated the impact of internal control systems on financial performance: the case of health institutions in upper west region of Ghana. A survey was used on 5 health institutions in the region. The findings revealed that there is a positive relationship between internal controls and financial performance.

Pandya and Srivastava (2017) examined the factors influencing organisational effectiveness in the educational sector. The study adopted the descriptive method and correlation technique. The sample was selected randomly through stratified random sampling techniques and was analysed using multiple regression techniques. It was found that perceived gains from post-graduate education is contributed by organisational health, psychological well-

being of students, and satisfaction with quality of campus life and student engagement respectively.

Phiri and Mbetwa (2017) investigated the link between internal controls and financial performance in technical colleges in Zambia: a case of Kabwe Institute of Technology. The research was conducted using both quantitative and qualitative approaches using descriptive design, questionnaires and interviews as research designs. Data was analyzed using descriptive statistics, totals, percentages, tables and charts. The study established a significant relationship between internal control and financial performance.

Omar and Zaid (2016) assessed the relationship between internal control units for the effectiveness of financial control in administrative government units in Jordan. Questionnaire was distributed to managers and employees in the internal control of the administrative government units. The results showed that the assessment of internal control units for the effectiveness of financial control in administrative government units typically became high. The researcher attributed this result to the data analysis, verification, and validation of the financial transactions.

Odongkara (2016) examined the relationship between internal control systems and financial performance of municipal urban councils in northern Uganda: a case study of Kitgum municipal urban council. A descriptive research survey design was adopted using both qualitative and quantitative methods. Data analysis involved frequencies, percentages and inferential statistics such as correlations, and coefficient of Determinations. Findings revealed a moderate positive relationship between internal Control activities and financial performance; significant relationship between internal control environment and financial performance.

Njiru (2016) investigated the effect of internal controls on financial performance of public water companies in Kenya. A descriptive survey study research design was used for the study. Descriptive statistics was frequencies and percentages while the particular inferential statistics was correlation analysis and regression while Cronbach alpha was used to test reliability. There is a positive relationship between internal controls and financial performance of public water companies in Kenya.

Boakye (2016) examined the role of internal control in the public sector in Ghana. Results indicate that internal control system had been effective at the Hospital as a result of effective

supervision, Segregation of duties, proper authorizations and approval etc. the study also revealed that, internal control system faces some problems in its implementation such as poor judgment in decision making, making errors due to carelessness, fatigue etc.

Rahmawati, Haerani, Taba and Hamid (2016) investigated the measures of organisational effectiveness: public sector performance. The results of the study provide evidence that the leadership and competencies that can improve employee's behavior for the better. Good leadership and high competence and employee's behavior can increase employee performance management to a higher direction. Leadership and competence cannot increase the effectiveness of the organization towards high, while the employee's behavior and management performance that can increase the organizational effectiveness.

Mahadeen, Al-Dmour, Obeidat and Tarhini (2016) examined the effect of the internal control system on organisational effectiveness. Descriptive statistics and multiple regression was used for the analysis of questionnaires. The results of the study showed that there is a statistically significant effect of control environment and monitoring on the organisational effectiveness. While, there is no statistically significant effect of communication, risk management and control activities on the organisational effectiveness.

Kraipetch, Kanjanawasee and Prachyapruit, (2016) evaluated organisational effectiveness in higher education institutions, ministry of tourism and sports in Thailand. Data collection was conducted through documentary study, interviews, observations, and inquiry using assessment form. Analysis employed descriptive statistics and content analysis. The study found out that organisational effectiveness evaluation system involves four interrelated components: input, process, output, feedback and utilization of evaluation results. The system is valid, comprehensive, and useful for evaluating organisational performance based on its main missions, propriety, and feasibility.

#### **2.4.2 Empirical Studies in Nigeria**

Agwor and Akani (2017) assessed internal control system in public service of Bayelsa State, Nigeria. The research design adopted was cross sectional survey method. Analysis of data adopted the spearman rank order correlation. It was found that very strong relationship exists between internal control and fraud, safeguarding of assets is significantly related to asset misappropriation and there is a significant relationship between management integrity/ethical value and employee embezzlement.

Abubakar, Dibal and Pwagusadi (2017) examined the effect of internal control system on financial accountability and transparency in local government areas of Borno State, Nigeria. The data for the study were collected through the use of the questionnaire instrument. The data collected were analysed using descriptive statistics, chi-square statistics as well as regression analysis. The result of the chi-square statistics revealed that internal control activity is ineffective in the local government areas of Borno state. The regression results revealed that internal control activity has insignificant impact on financial accountability but

Adetula, Balogun, Uwajeh and Owolabi (2017) examined internal control system and performance of universities in South-West region of Nigeria. A study was conducted among 20 federal, State, individual private and mission-based private universities in South-West region of Nigeria. Findings revealed that many components of internal control system (segregation of duties, performance of supervisors' role, and the management review) are properly adhered to except that the internal audit units of those institutions are not independent.

Abba and Kakanda (2017) examined internal control system and performance of local government areas. An ex-post facto research was conducted in Nigeria among 16 Local Government Areas in Taraba state, reported that internal control system moderates both statutory allocation and internally generated revenue towards government expenditure, but internal control system is not effectively applied in the local governments.

Eniola and Akinselure (2016) examined the effect of internal control on financial performance of firms in Nigeria. Survey was conducted on 5 companies based on purposive sampling method. Internal control activities have significant relationship with fraud perpetrated in the organization. The study also established that internal control contributes significantly to attainment of the organization goals and objectives.

Onyefulu and Ofor (2016) examined how internal control can prevent and detect fraud in the public sector. Data were analyzed using Pearson's moment correlation coefficient. This result of the study shows that internal control of Anambra state public sector is not adequately staffed, equipped with qualified personnel to prevent and detect fraud.

Sanusi and Mustapha (2015) investigated the effectiveness of internal control system at local government level in Nigeria. The study was carried out in some selected local government council area of Oyo State, Nigeria. Data obtained were coded and analysed using frequency

table and percentage; chi-square was used to test the formulated hypothesis. The result of the finding shows that internal control system is positively significant for the good financial accountability in the local government area council in Nigeria.

Ademola, Adedoyin and Alade (2015) studied the effect of internal control system in Nigeria public sectors using the Nigeria National Petroleum Corporation as a case study. Findings revealed that there is a significant effect of effectiveness of internal control system in the public sector as in the case of NNPC in the prevention and detection of fraud.

Ejoh and Ejom (2014) studied the impact of internal control system on performance of tertiary institutions in Nigeria. A survey research was conducted in Cross River State College of Education, Akamkpa. The study revealed that all activities of the College are initiated by the top management. The study also found that the institution adhere strictly to the provisions of annual departmental budget and that control are in place to exclude incurring expenditure in excess of allocated fund. Also, there is poor security network in the College. Surprisingly, the study result further confirms that there is no significant relationship between internal control activities and financial performance of Cross River State College of Education.

Eze and Wilson (2013) evaluated the relationship between fraud and internal control procedures: evidence from two south east government ministries in Nigeria using Enugu and Ebonyi States as case study. The result of the study shows that the degree of internal control activities in ministries and departments leaves much to be desired. There were clear cases of failure of the system of internal check and absence of actual segregation of duties.

Onaolapo and Odetayo (2012) investigated the effect of information system on organisational effectiveness: a case study of selected construction companies in Ibadan, Nigeria. The study covered five (5) randomly selected construction industries in Ibadan, Oyo state. The questionnaire technique was used in gathering relevant data from their financial accountant and site project manager respectively. The results show that accounting information system has effect on organisational effectiveness.

## 2.5 Summary and Gaps Identified in the Literature

This section provides a review on theoretical, conceptual and geographical issues relating to the research area. This study filled the gaps identified in the literature.

Theoretically there is a gap, as previous studies such as Odongkara, 2016; Njiru, 2016; Kisanyanya, 2018; Wonder *et al.*, 2018 employed agency theory as their theoretical underpinning but this study used system theory and institutional theory as the theoretical framework to investigate internal control system on organisational effectiveness of public sector in Kwara State, Nigeria which was not used in previous studies.

Conceptually there is a gap, as previous studies such as Abubakar *et al.*, 2017; Wonder & Cobblah, 2018, Kisanyanya, 2018; Muhuny & Jagongo, 2018 used control environment, control activities, risk assessment, monitoring, information and communication technology to measure internal control system but this study introduced internal audit to proxy internal control system on organisational effectiveness of public sector in Kwara State, Nigeria which was not used in previous studies.

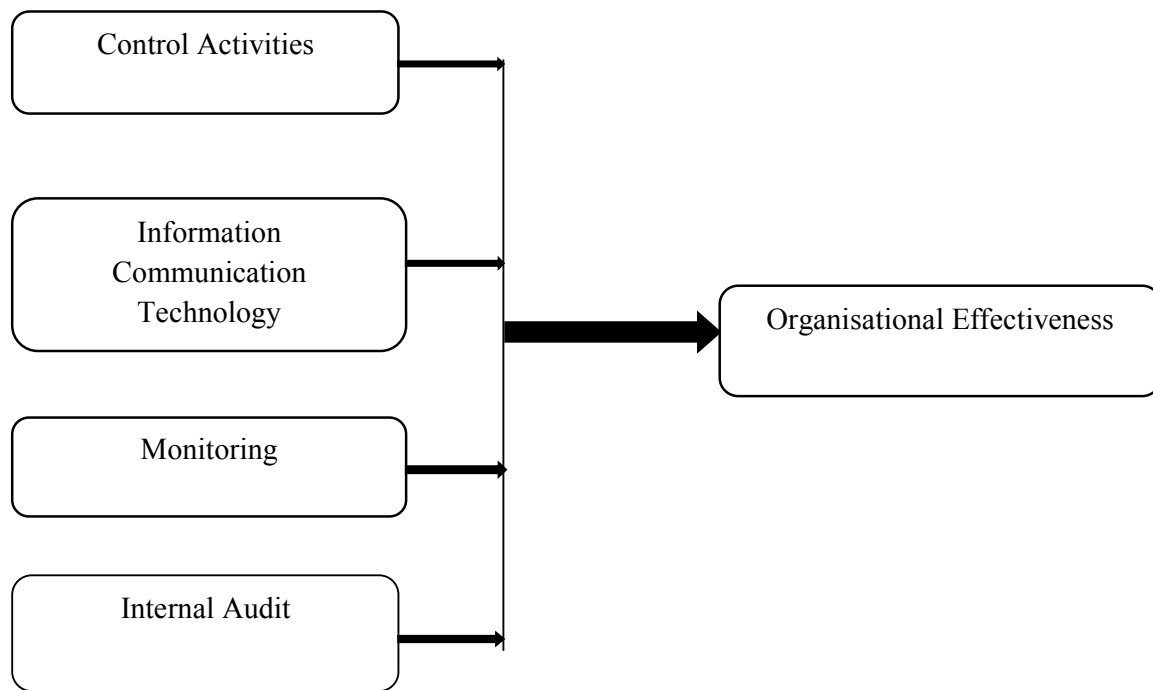
There is a geographical gap, as previous studies such as Mahadeen *et al.*, 2016; Rahmawati *et al.*, 2016; Kraipetch *et al.*, 2016; Oduro and Cronwell, 2018; Kisanyanya, 2018; Muhuny and Jagongo, 2018 focused mainly on Jordan, Malaysia, Ghana, Kenya, Thailand, Zambia and South Africa. Even though some studies such as Eze and Wilson, 2013; Ademola *et al.*, 2015; Onyefulu and Ofor, 2016 ; Agwor and Akanni, 2017; Abba and Kakanda, 2017 were conducted in Nigeria, they were carried out in other States of the Federation outside the geopolitical zone (North-Central) the present study was conducted.

In the light of the above observations in the literature reviewed, there exists a theoretical, conceptual and geographical gap which this current study filled. To the best of the researcher's knowledge none of the studies in Nigeria has studied the effect of internal control system on organisational effectiveness of public sector in Kwara State, Nigeria

**Figure 2.1 Conceptual Framework**

**Independent Variables**

**Dependent Variable**



**Source: Researcher's Design, (2019).**

The conceptual framework shows the effect of the independent variable on the dependent variable. The independent variable is internal control system which was proxy by control activities, information and communication technology, monitoring and internal audit while the dependent variable is organisational effectiveness which was measured by efficiency of operations and goal achievement.



## CHAPTER THREE

### METHODOLOGY

This chapter provides discussion of the research methods and procedures employed in this study. It discusses the research design, the population of the study, sample size and sampling techniques, data collection methods as well as model specification.

#### 3.1 Research design

The research design adopted for this study was a cross sectional survey research which requires a quantitative system of data collection from a sampled population through the use of questionnaires (Pallant, 2007). Perceptual data of this nature can be effectively obtained through a survey research design.

#### 3.2 Population of the Study

The population of this study consists of 33 MDAs (see appendix II) under the control of Kwara State government. The target population of this study consists of 269 accountants and 33 internal auditors in MDAs.

#### 3.3 Sample size and sampling technique

The sample size representative of this study is 161 accountants and 31 internal auditors; this is determined by Taro Yamane's formula (1967). This number was selected using stratified sampling technique to achieve fairly representative of the population of the MDAs and thereby followed by random selection of the respondents. The computation is as follows:

$$n = \frac{N}{1+Ne^2}$$

Where

n = Sample size

N = Population of Study

e = Significant level (5%)

Accountants,

$$n = \frac{269}{1+269(0.05)^2}$$

$$n = 160.84 \text{ approx. } 161$$

Internal Auditors,

$$n = \frac{33}{1+33(0.05)^2}$$

$$n = 30.48 \text{ approx. } 31$$

**Table 3.1 Computation of sample size for accountants from each category of ministries, departments and agencies.**

	Population of accountants	Computation of Sample	Number of respondents to be sampled
Ministries	152	$152/269 \times 100 = 57\%$ $57\% \times 161 = 92$	92
Departments	76	$76/269 \times 100 = 28\%$ $28\% \times 161 = 45$	45
Agencies	41	$41/269 \times 100 = 15\%$ $15\% \times 161 = 24$	24
Total	269		161

**Source: Author's Computation, (2019).**

Therefore, from table 3.1 above, ninety two (92) accountants was chosen from ministries, forty five (45) accountants from departments and twenty four (24) accountants from agencies were taken as sample for the study.

**Table 3.2 Computation of sample size for internal auditors from each category of ministries, departments and agencies.**

	Population of internal auditors	Computation of Sample	Number of respondents to be sampled
Ministries	19	$19/33 \times 100 = 58\%$ $58\% \times 31 = 17$	18
Departments	6	$6/33 \times 100 = 18\%$ $18\% \times 31 = 6$	6
Agencies	8	$8/33 \times 100 = 24\%$	7

		24% X 31 = 7	
Total	33		31

**Source: Author's Computation, (2019).**

Therefore, from table 3.2 above, eighteen (18) internal auditors was chosen from ministries, six (6) internal auditors from departments and seven (7) internal auditors from agencies were taken as sample for the study.

### 3.4 Model Specification

To attain the objectives of this study, the model of Mahadeen, Al-Dmour, Obeidat & Tarhini, (2016) was adapted. The model was presented as:

$$OEF = \beta_0 + \beta_1 CENV + \beta_2 RISK + \beta_3 CONT + \beta_4 ICT + \beta_5 MONT + e$$

Where:

OEF = Organisational Effectiveness

$\beta_0$  = Constant

CENV = Control Environment

RISK = Risk Assessment

CONT = Control Activities

IC = Information Communication

MONT = Monitoring

e = Error term

$\beta_1 - \beta_5$  = Coefficient of explanatory variables

The above model was modified where Control Environment, Risk Assessment were removed because they were not used in the research objectives of the study and replaced with Internal Audit.

The model used for this study is:

$$OEF = \beta_0 + \beta_1 CONT_i + \beta_2 ICT_i + \beta_3 MONT_i + \beta_4 IAUD_i + e_i$$

Where,

OEF = Organisational Effectiveness

CONT = Control Activities

ICT = Information and Communication Technology

MONT = Monitoring

IAUD = Internal Audit

$\beta_0$  = Constant

$\beta_1 - \beta_4$  = Coefficient of explanatory variables

$\epsilon$  = Standard error

$i$  = Crossectional (Individuals)

A priori expectation in with the extant literature to be  $\beta_1, \beta_2, \beta_3, \beta_4 > 0$

### **3.5 Method of Data Collection**

This study used primary data. For the purpose of this study, a total number of 192 copies of questionnaire were administered to accountants and internal auditors across MDAs in Kwara State to gather information for this research. This method would enable the researcher to obtain reliable and valid information from the respondents.

The structured questionnaire has three sections. Section A was on demographic data of the respondents. Section B is a close ended question used to determine the extent of adherence to control activities, information and communication technology, monitoring and internal audit. Section C consists of questions used to elicit information on the level of organisational effectiveness of MDAs. Sections B and C were close ended form of questionnaire based on a five (5) point Likert scale, ranging from Strongly Agree (SA) = 5 points, Agree (A) = 4 points, Undecided (UD) = 3 points, Disagree (D) = 2 points and Strongly Disagree (SD) = 1 point.

### **3.6 Validity and Reliability of Instrument**

In order to ascertain the content validity of the instruments used for data collection in this study, the questionnaire was given to few lecturers in University of Ilorin for useful criticism and corrections. This was used to examine the instrument with regards to the suitability of language and the extent to which the instrument properly measure the variables under study. The comments and corrections made helped the researcher to modify and produce the final instruments.

To ascertain the reliability of the instrument, a pilot study was conducted on 30 accountants and internal auditors in March 2019 on some selected MDAs in Kwara State. Their responses were analysed using Cronbach Alpha Reliability test.

### 3.7 Measurement of Variables

The table below shows the measurement of variables used for this study and their sources.

Table 3.3 shows the measurement of variables

Variables	Construct	Type	Measurement	Sources
Organisational Effectiveness	OEF	Dependent	Efficiency of operations and Goal achievement.	Mahadeen <i>et al.</i> , (2014)
Control Activities	CONT	Independent	Measured by policies and procedures put in place such as segregation of duties, authorization and approval.	Ibrahim <i>et al.</i> , (2017)
Information Communication Technology	ICT	Independent	Measured by the level of communication among employees and how information is secured on the computer systems.	Kimani (2015)
Monitoring	MONT	Independent	Measured by the level of supervision and evaluation of work done by the employees.	Ibrahim <i>et al.</i> , (2017)
Internal Audit	IAUD	Independent	Measured by guidance provided by auditors to identify key performance measurement and report the level of quality services provided.	Onyango, 2014

Source: Researcher's Computation, (2019).

### 3.8 Method of Data Analysis

Descriptive and inferential statistics were used to analysis the data gathered from the survey through the questionnaires. The descriptive statistics in this study includes the frequency tables, percentages, mean, and standard deviation. Multiple regression and analysis of variance was used as the inferential statistics to analyze independent and dependent variables to statistically show the effect of internal control system on organisational effectiveness of MDAs.

Before testing of hypotheses, preliminary analysis tests were conducted such as reliability and validity tests. To test for the reliability of the research instruments, the researcher used Cronbach's Alpha coefficient, the most common measure of scale of reliability with a value

of 0.7 and above considered as an acceptable reliable value for Cronbach's Alpha; values substantially lower indicate an unreliable scale (Pallant, 2007). For normality test, the researcher looked at Shapiro-Wilk test to justify the adoption of parametric analysis. To ascertain whether the data relating to each variable are normally distributed, their values are not significant at 0.05. To test for multicollinearity, the researcher used the VIF and tolerance value to establish the level of association among the explanatory variables (Pallant, 2007).

## CHAPTER FOUR

### DATA PRESENTATION, INTERPRETATION AND DISCUSSION

This chapter focused on the presentation of data, interpretation of results and discussion of findings collected by questionnaires. This study examined the effect of internal control system on organisational effectiveness of public sector in Kwara State, Nigeria. This aspect of the analysis which deals with the quantitative data collected through questionnaires shows the respondents' demographic profile, screening of data collected, measures of validity and reliability of the measurement, model specification and goodness of measures such as descriptive statistics i.e. mean and standard deviation. It also presents the normality, multicollinearity and multiple regression analysis for hypothesis testing. Data were analyzed using SPSS Version 22.

#### 4.1 Reliability Test

Table 4.1 below shows the result of Cronbach Alpha test for the variables used for the study. The variables were relatively high at 0.924, 0.794, 0.812, 0.705 and 0.945 respectively for control activities, information and communication technology, monitoring, internal audit and organisational effectiveness of MDAs respectively. These values are above 0.70, which implies that the items are not measuring something different from the scale. Hence, the scale can be considered to have shown a sign of internal consistency and reliability (Pallant, 2007).

**Table 4.1 shows the result of the analysis on reliability test of independent variables and dependent variable.**

Variables	Cronbach's Alpha	No of Items
Control activities	0.924	6
Information and communication Technology	0.794	8
Monitoring	0.812	5
Internal audit	0.705	7
Organisational effectiveness	0.945	11

**Source: Author's Computation, (2019).**

#### 4.2 Response rate of Questionnaire Distributed

In order to achieve this objective a survey design was adopted to gather data for the study through the administration of questionnaire to respondents. 192 respondents were randomly selected for the study. This was made up of 161 accountants and 31 internal auditors in

MDAs in Kwara State and the instrument used was distributed accordingly. Moreover, from the 192 copies of questionnaires distributed to the respondents only 173 copies of questionnaires were validly returned. This gave 90.10% completeness rate. Therefore, all the computations in this chapter were based on 173 validly returned questionnaires.

**Table 4.2 Response Rate of the Questionnaires Distributed**

Number Administered	Number returned	% Returned
192	173	90.10

**Source: Author's Computation, (2019).**

### 4.3 Demographic Characteristics of the Respondents

Table 4.3 presented the distribution of respondents' demographical characteristics. From the table, the distribution of respondents according to sex indicated that 75.72% of the respondents were male while 24.28% of the respondents were female. This revealed that substantial numbers of the respondents were male and hence, any information collected from this category of respondents might be useful in generalizing the findings of the study.

The distribution of respondents by marital status showed that 51.45% of the respondents were married while 26.58% of the respondents were single. In addition, 21.97% were divorced. This indicated that sufficient numbers of respondents were married and invariably, any information generated from this category of respondents might influence the outcome of the research.

The result from the table further showed that 18.49% of the respondents were between 21-30 years of age. More so, 50.29% of the respondents were between 31-40 years of age while 23.70% of the respondents were between 41-50 years of age. Also, 7.52% of the respondents were 51 and above years of age. This implied that substantial numbers of the respondents were between 31-40 years of age. The relevance of this to the study was that all the respondents used for the study are legally qualified and that there were no respondents that might be termed as minor to make the outcome of the study irrelevant.

The distribution of respondents according to educational level revealed that 75.72% of these respondents had HND/BSC. Moreover, 13.87% of the respondents had MBA/MPA/MSC while 10.41% of the respondents had PH.D. This showed that substantial numbers of the respondents had HND/BSC. The relevance of this to the study was that all the respondents used for the study were academically qualified and hence, they were in a better position to know about internal control system.



The result from the table indicated that 84.97% of the respondents were accountants while 15.03% of the respondents were internal auditors. This revealed that sufficient numbers of the respondents were accountants and hence, they were in a better position to know about internal control system.

The distribution of respondents according to years of working experience indicated that 24.27% of the respondents had between 1-10 years of working experiences while 47.98% had between 11-20 years of working experience. Resultantly, 20.81% of the respondents had between 21-30 years of working experience while 6.94% of respondents had 31 and above years of working experience. This implied that majority of the respondents had between 11-20 years of working experience. The implication of this to the study was to see how respondents working experience influenced their opinions rating to the test items.

**Table 4.3 Demographic Characteristics of the Respondents**

<b>Demographical variables</b>	<b>No of Respondents</b>	<b>% Percentage of frequency</b>
<b><i>Sex</i></b>		
Male	131	75.72
Female	42	24.28
Total	173	100.00
<b><i>Marital Status</i></b>		
Married	89	51.45
Single	46	26.58
Divorced	38	21.97
<b>Total</b>	173	100
<b><i>Age</i></b>		
21-30	32	18.49
31-40	87	50.29
41-50	41	23.70
51-above	13	7.52
Total	173	100
<b><i>Educational Level</i></b>		
HND/BSC	131	75.72
MBA/MPA/M.SC	24	13.87
PH.D	18	10.41
Total	173	100
<b><i>Professional Cadre</i></b>		

Accountant	147	84.97
Internal Auditor	26	15.03
Total	173	100
<b>Working Experience in Years</b>		
1-10	42	24.27
11-20	83	47.98
21-30	36	20.81
31 and above	12	6.94
Total	173	100

Source: Author's Computation, (2019).

#### 4.4 Descriptive Analysis

##### 4.4.1 Mean and Standard deviation of Control Activities

Table 4.4 presented the mean and standard deviation of control activities as a measure of internal control system. From the table below, the mean and standard deviation indicates there are six items representing control activities. All the six items were characterized with both high and low level mean score. The sixth item recorded the highest mean score (M= 4.31, SD= 0.82), whereas the first item recorded the lowest mean score (M= 3.92, SD= 1.03) respectively. This result shows that the third item is the main feature representing control activities in internal control system.

**Table 4.4 shows the result of analysis on control activities**

S/N	Test Items	MEAN	STD
1	Controls employed include authorizations, approvals, comparisons, physical counts, reconciliations and supervisory controls.	3.92	1.03
2	Staffs are aware of the code of conduct and ethics policy of the organisation.	4.05	0.93
3	There is reinforcement of standards of conducts and regulations.	4.11	0.93
4	The policies and procedures are adequate for authorizing and approving transactions.	4.26	1.06
5	Management performs periodic review of policies and procedures to determine their continued relevance, and refreshes them when necessary.	4.22	1.00

6	There is periodic training to ensure employees are aware of their duties.	4.31	0.82
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**Source: Author's Computation, (2019).**

#### 4.4.2 Mean and Standard deviation of Information and Communication Technology

Table 4.5 presented the mean and standard deviation of information and communication technology as measured of internal control system. From the table below, the mean and standard deviation indicates there are eight items representing information and communication technology. All the eight items were characterized with both high and low level mean score. The eight item recorded the highest mean score (M= 4.37, SD= 0.85), whereas the first item recorded the lowest mean score (M= 4.22, SD= 0.95) respectively. This result shows that the fifth item is the main feature representing information and communication technology in internal control system.

**Table 4.5 shows the result of analysis on information and communication technology**

S/N	Test Items	MEAN	STD
1	There is consideration of internal and external sources of data when identifying relevant information to use in the operation of internal control.	4.22	0.95
2	Communication exists between management and directors so that both have information needed to fulfill their roles with respect to the organisation's objectives.	4.26	1.08
3	There is a process to quickly disseminate critical information when necessary.	4.27	1.04
4	Management has a communication process reinforcing to all employees their roles in ensuring that internal control responsibilities are taken seriously.	4.30	0.91
5	The ministry has processes in place to communicate relevant and timely information to external parties.	4.34	0.95
6	The computer systems are adequately protected from environmental damage.	3.98	0.92
7	The computer systems are protected from unauthorized access through the use of passwords.	4.29	1.02
8	Users other than system and security administrators are	4.37	0.85

	prevented from accessing sensitive operating system commands.		
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**Source: Author's Computation, (2019).**

#### 4.4.3 Mean and Standard deviation of Monitoring

Table 4.6 presented the mean and standard deviation of monitoring as a measure of internal control system. From the table below, the mean and standard deviation indicates there are five items representing monitoring. All the five items were characterized with both high and low level mean score. The third item recorded the highest mean score (M= 4.40, SD= 1.00), whereas the fifth item recorded the lowest mean score (M= 3.91, SD= 1.00) respectively. This result shows that the third item is the main feature representing monitoring in internal control system.

**Table 4.6 shows the result of analysis on monitoring**

S/N	Test Items	MEAN	STD
1	The heads of department coordinate and supervise meetings on a weekly, monthly, quarterly and periodic basis.	4.21	1.00
2	Officers representing various units or sections present report on their activities and action plans during the weekly, monthly, quarterly and periodic meetings.	4.33	0.97
3	Performance reports of activities are prepared on a weekly, monthly, quarterly, half-yearly and annual basis.	4.40	1.00
4	Director and heads of department conduct periodic evaluation of work done by staffs.	4.39	0.68
5	The directors and heads of department have a good experience about monitoring and evaluation processes.	3.91	1.00

**Source: Author's Computation, (2019).**

#### 4.4.4 Mean and Standard deviation of internal audit

Table 4.7 presented the mean and standard deviation of internal audit as a measure of internal control system. From the table below, the mean and standard deviation indicates there are seven items representing internal audit. All the seven items were characterized with both high and low level mean score. The fourth item recorded the highest mean score (M= 3.74, SD= 2.60), whereas the fifth item recorded the lowest mean score (M= 3.04, SD= 1.07)

respectively. This result shows that the fourth item is the main feature representing internal audit in internal control system.

**Table 4.7 shows the result of analysis on internal audit**

S/N	Test Items	MEAN	STD
1	Internal auditor makes appropriate recommendations for management to improve.	3.13	1.87
2	Internal auditor issues reports regularly.	3.26	1.96
3	Internal auditor performs his duties with a greater degree of autonomy and independence from management.	3.09	1.53
4	There is an internal audit department.	3.74	2.60
5	Our internal audit is sufficiently staffed.	3.04	1.07
6	Internal audit report address weaknesses in our internal control system.	3.39	2.54
7	Management discusses internal audit reports frequently.	3.33	1.29

**Source: Author's Computation, (2019).**

#### 4.4.5 Mean and Standard deviation of organisational effectiveness

Table 4.8 presented the mean and standard deviation of organisational effectiveness. The organisational effectiveness were based on two parameters of efficiency of operation and goal achievement. In term of efficiency of operation, the mean and standard deviation indicates there are six items representing efficiency of operations. All the six items were characterized with both high and low level mean score. The fifth item recorded the highest mean score (M= 4.42, SD= 0.79), whereas the second item recorded the lowest mean score (M= 3.86, SD= 0.99) respectively. This result shows that the fifth item is the main feature representing efficiency of operations in organisational effectiveness.

In term of goal achievement, the mean and standard deviation indicates there are five items representing goal achievement. All the five items were characterized with both high and low level mean score. The second item recorded the highest mean score (M= 4.32, SD= 0.98), whereas the fourth item recorded the lowest mean score (M= 3.85, SD= 0.80) respectively. This result shows that the second item is the main feature representing goal achievement in organisational effectiveness.

**Table 4.8 shows the result of analysis on organisational effectiveness**

A	Efficiency of Operations	MEAN	STD
1	Cost of operations has been effectively managed over the years.	4.04	1.04
2	Periodical surveys indicate a reasonable job satisfaction among employees.	3.86	0.99
3	There is a noticeable decline in the number of complaints in respect to service delivery.	4.09	1.30
4	Periodical surveys indicate high satisfaction of services rendered.	4.11	0.87

5	The organisation is now in a better position to serve the public more efficiently and effectively.	4.42	0.79
6	Periodical surveys indicate that the quality of service rendered is high.	4.31	0.85
<b>B Goal Achievement</b>			
1	Management structure will support planned goals and objectives.	4.11	0.92
2	There is a comprehensive integration of activities and efforts of people in the organization to ensure the achievement of goals and objectives.	4.32	0.98
3	Effective operations within the ministry have lead to quality services that are consistent with the organization's objectives.	3.97	0.94
4	The organisation has been able to attain high level in its key performance indicators.	3.85	0.80
5	The organisation is successful in achieving its objectives over time.	4.11	1.10

**Source: Author's Computation, (2019).**

#### 4.5 Normality Test

Shapiro-Wilk statistics assess the normality of the distribution of scores. A significant result of more than 0.05 indicates normality. The table below analyzes the normality test. Table 4.9 below indicates that the data relating to each of the research variables were normally distributed as the test is not significant at 0.05 ( $P= 0.102, 0.088, 0.74$  and  $0.135$ ). Hence, the researcher found that the variables are normally distributed and parametric statistical analysis is appropriate for the study (Pallant, 2007).

**Table 4.9 shows the result of the analysis on normality test among the independent variables.**

	Statistic	Sig.
CONT	.957	.102
ICT	.891	.088
MONT	.873	.074
IAUD	.943	.135

**Source: Author's Computation, (2019).**

#### 4.6 Multicollinearity Test

Table 4.10 below addresses the multicollinearity of the explanatory variables. The tolerance is an indicator of how much of the variable of the independent is not explained by other independent variables in the model. If the value is less than 0.10, it indicates that the correlation with other variable is high, suggesting the possibility of multicollinearity (Pallant, 2007). This study indicates tolerance value of 0.576, 0.637, 0.657 and 0.594 respectively for each independent variable, which is more than 0.10. The VIF values are 1.735, 1.571, 1.522, and 1.683 respectively, which are above 0.1. This indicates that multicollinearity does not

exist among the exogenous latent constructs, since the VIF values are more than 0.1 and tolerance values exceeded 0.10 (Pallant, 2007) which indicates that there is no multicollinearity among the variables.

**Table 4.10 shows the result of the analysis on multicollinearity test among the independent variables.**

Variables	Tolerance Value	VIF
CONT	.576	1.735
ICT	.637	1.571
MONT	.657	1.522
IAUD	.594	1.683

**Source: Author's Computation, (2019).**

#### **4.7 Regression Analysis and Testing of Hypotheses**

Table 4.11 above presented the result of the regression analysis computed for the study parameters. From the regression result above, the study found that control activities is statistically significant and positively related to organisational effectiveness at 5% level of significance. This inferred was premised on the fact that the p-value of the t-statistics computed for the items of 0.0012 was less than the critical value of 5%. Therefore, the null hypothesis will be rejected and alternate hypothesis will be accepted. The regression coefficient obtained for this variable of 0.6956 showed an existence of a positive relationship between control activities and organisational effectiveness of MDAs.

From the regression result above, the study found that information and communication technology is statistically significant and positively related to organisational effectiveness at 5% level of significance. This inferred was premised on the fact that the p-value of the t-statistics computed for the items of 0.0003 was less than the critical value of 5%. Therefore, the null hypothesis will be rejected and alternate hypothesis will be accepted. The regression coefficient obtained for this variable of 1.2029 showed an existence of a positive relationship between information and communication technology and organisational effectiveness of MDAs.

From the regression result above, the study found that monitoring is statistically not significant and positively related to organisational effectiveness at 5% level of significance. This inferred was premised on the fact that the p-value of the t-statistics computed for the items of 0.9482 was less than the critical value of 5%. Therefore, the null hypothesis will be

accepted and alternate hypothesis will be rejected. The regression coefficient obtained for this variable of 0.0211 showed an existence of a positive relationship between monitoring and organisational effectiveness of MDAs.

From the regression result above, the study found that internal audit is statistically significant and positively related to organisational effectiveness at 5% level of significance. This inferred was premised on the fact that the p-value of the t-statistics computed for the items of 0.0045 was less than the critical value of 5%. Therefore, the null hypothesis will be rejected and alternate hypothesis will be accepted. The regression coefficient obtained for this variable of 0.9947 showed an existence of a positive relationship between internal audit and organisational effectiveness of MDAs.

It was found out that the p- value of the F Statistics of 0.000 indicates that the null hypothesis which stated that internal control system is not significant on organisational effectiveness of MDAs was rejected. It is safe to assert that internal control system has a positive and significant relationship on organisational effectiveness of MDAs. The R-squared (coefficient of determination) revealed that the independent variables of the study were good predictors for organisational effectiveness of MDAs. For instance, coefficient of determination obtained of 0.736 showed that approximately 74% of organisational effectiveness of MDAs was explained by control activities, information and communication technology, monitoring and internal audit.

**Table 4.11 shows the regression analysis on the independent variables.**

Variables	Coefficient	Standard error	T statistics	P value
CONT	0.6956	0.0723	9.6210	0.0012
ICT	1.2029	0.0944	12.7423	0.0003
MONT	0.0211	0.3246	0.06500	0.9482
IAUD	0.9947	0.2865	3.4719	0.0045
C	1.2875	4.4123	0.2918	0.5463
R <sup>2</sup>	0.736			
Adjusted R <sup>2</sup>	0.694			
F statistics	7.718			
F statistics (prob.)	0.000			

**Source: Author's Computation, (2019).**



#### 4.8 Discussion of Findings

Table 4.11 shows that internal control system has significant positive effect on organisational effectiveness of MDAs in Kwara State, Nigeria. In considering the components of internal control system, all the components (control activities, information and communication technology, internal audit) are all positive and significant except monitoring which is positive and not significant. Preliminary analysis was done by descriptive statistics and multiple regression.

Research question one was used to investigate objective one which examines the influence of control activities affect organisational effectiveness of MDAs in Kwara State, Nigeria. The study found that control activities is statistically significant and positively related to organisational effectiveness at 5% level of significance. This finding is consistent with the work of Agwor and Akanni, 2017; Ishola, Adedoyin and alade, 2015; Kisanyanya, 2018 and Eze, 2013. However the result of this study did not concur with the work of Oduro and Cromwell, 2014 which showed that control activities is insignificant with organisational effectiveness. Result of the study is in line with the institutional theory which states that control activities is a mechanism that take into account the objectives and goals of an organisation and promotes effectiveness. The finding also supports the apriori expectation that control activities have a positive significant relationship with organisational effectiveness of MDAs.

Research question two was used to investigate objective two which determines the effect of information and communication technology on organisational effectiveness of MDAs in Kwara State, Nigeria. The study found that information and communication technology is statistically significant and positively related to and organisational effectiveness at 5% level of significance. This finding is consistent with the work of Mahadeen et al., 2016; Muhuny and Jagongo, 2018 and Onyango, 2018. However the result of this study did not concur with the work of Oduro and Cromwell, 2014 which showed that information and communication technology is insignificant with organisational effectiveness. Result of the study is in line with the institutional theory which states that information and communication technology is a control mechanism that take into account the objectives and goals of an organisation and promotes effectiveness. The finding also supports the apriori expectation that information and communication technology have a positive significant relationship with organisational effectiveness of MDAs.

Research question three was used to investigate objective three which examines the level at which monitoring affects organisational effectiveness of MDAs in Kwara State, Nigeria. From the empirical analysis and hypothesis conducted, the study found that monitoring is statistically insignificant and positively related to organisational effectiveness at 5% level of significance. This finding is consistent with the work of Mahadeen et al., 2016 and Oduro and Cromwell, 2014. However, the result of Kisanyanya, 2018 and Eze, 2013 did not concur with this study which showed that monitoring is significant with organisational effectiveness. Result of the study supports the apriori expectation that monitoring have a positive relationship with organisational effectiveness of MDAs.

Research question four was used to investigate objective four which access the effect of internal audit on organisational effectiveness of MDAs in Kwara State, Nigeria. From the empirical analysis and hypothesis conducted, the study found that internal audit is statistically significant and positively related to organisational effectiveness at 5% level of significance. This finding is consistent with the work of Ofor and Lu, 2018. Result of the study is in line with the institutional theory that the presence of internal audit as control mechanism will increase organisational effectiveness. The findings also concurs with the apriori expectation that internal audit have a positive significant relationship with organisational effectiveness of MDAs.

#### 4.9 Summary of Findings

Having presented all the results including the main effects in the preceding sections, Table 4.12 summarizes the results of all the hypotheses tested.

Table 4.12 Summary of hypotheses tested

Hypotheses	Relationship	Beta Coefficients	T statistics	P value	Decision
Ho <sub>1</sub>	Control Activities -> Performance	0.6956	9.6210	0.0012	Supported
Ho <sub>2</sub>	Information and Communication Technology -> Performance	1.2029	12.7423	0.0003	Supported
Ho <sub>3</sub>	Monitoring -> Performance	0.0211	0.06500	0.9482	Not Supported
Ho <sub>4</sub>	Internal Audit -> Performance	0.9947	3.4719	0.0045	Supported

Source: Researcher's Computation, (2019).

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary

Organisational effectiveness has been affected by inefficiency of employees in their operational activities. As a result of this, attention has been focused on the operational affairs and the adaptation of the organisation to changing economic, environmental and political conditions (Obeidat, Al-Suradi, Masa'deh, and Tarhini, 2016) and how to enhance organisational effectiveness (Orozco, Tarhini, Masa'deh and Tarhini, 2015). Ministries, departments and agencies (MDAs) were constituted to achieve government set goals and objectives. In order to ensure optimum performance for the public interest, government makes regular provisions through its MDAs by way of financial and material grants (Eze & Wilson, 2013). Further to this, some MDAs also generate revenues for the government to undertake various activities for the state. Operational activities of MDAs also suffer effectiveness problems. This study therefore, investigates the effect of internal control system on organizational effectiveness of MDAs in Kwara State, Nigeria. However, this was achieved through four specific objectives which were developed to proffer answers to the research questions and they include: to examine the level at which control activities affect organisational effectiveness of MDAs in Kwara State, Nigeria; determine the effect of information and communication technology on organisational effectiveness of MDAs in Kwara State, Nigeria; examine the level at which monitoring affects organisational effectiveness of MDAs in Kwara State, Nigeria and assess the effect of internal audit on organisational effectiveness of MDAs in Kwara State, Nigeria.

The study reviewed literatures on internal control system and organizational effectiveness. The reviews were divided into three: the conceptual review, theoretical review and empirical review. The study vividly examines the concept of internal control system and concept of organizational effectiveness. The study was guided by the Agency theory, Institutional theory and System theory. The results of the previous studies were empirically reviewed and were divided into international and local studies to bring out the lacuna on previous studies about internal control system. The theoretical framework to the study was agency theory.

The study adopted a cross sectional survey research design. The basic idea behind this research design is to measure the impact of one variable on the other. It involves the use of questionnaires for testing the hypothesis or answering each research questions. The

population based on primary data (Structured questionnaire) consisted of 33 MDAs under the control of Kwara State government. The target population therefore consists of 269 accountants and 34 internal auditors in MDAs. The sample size was scientifically derived using Taro Yamane's (1967) size formula, which yielded 161 accountants and 31 internal auditors in MDAs. Questionnaires were analyzed using relevant descriptive and multiple regression analysis. The study adopted the model of Mahadeen, Al-Dmour, Obeidat & Tarhini, (2016) was adapted to suit the objectives of this study. The study included a new variable into the model which was internal audit.

The major findings from the investigations in the study are discussed in accordance with the objectives of this study stated in chapter one. The results show that control activities, information and communication technology and internal audit has a positive and significant relationship on organisational effectiveness. This was confirmed by the regression coefficient of 0.6956, 1.2029 and 0.9947 respectively computed for these test items. It was found that this relationship was significance since the p-value of the t-statistics computed for the test variables of 0.0012, 0.0003 and 0.0045 respectively was less than the critical value of 5%. However, monitoring control had a positive and insignificant relationship on organisational effectiveness. This was confirmed by the regression coefficient of 0.0211 computed for this test item. It was found that this relationship was not significant since the p-value of the t-statistics computed for the test variables of 0.9482 was more than the critical value of 5%.

## **5.2 Conclusion**

Based on the results, the study concluded that internal control system positively affect organisational effectiveness as three (control activities, information and communication technology and internal audit) of the four variables used to proxy internal control system were positively significant while monitoring was positively insignificant to organisational effectiveness. The attainment of organisational objectives depends largely on how strong and effective the internal control system is in place. Therefore, this study concluded that internal control system has significant positive effect on organisational effectiveness of MDAs in Kwara, Nigeria. This means that an increase in control activities, information and communication technology and internal audit will lead to a corresponding increase in organisational effectiveness of MDAs in Kwara State, Nigeria. On the contrary, monitoring does not constitute a significant effect on organisational effectiveness of the MDAs which means that monitoring does not guarantee organisational effectiveness.

### **5.3 Recommendation**

- i. Based on the findings that control activities have a significant positive effect on organisational effectiveness of MDAs in Kwara state, Nigeria, this study recommends that control activities such as authorizations, approvals, comparisons, physical counts and reconciliations should be improved upon because this improves the effectiveness of the organisation.
- ii. Based on the findings that information and communication technology have a significant positive effect on organisational effectiveness of MDAs in Kwara state, Nigeria, this study recommends that there should be proper communication channels to disseminate appropriate information to staffs and clients of the organisation. In addition, unauthorized users should not have access to the computer without an appropriate permission in order to protect information.
- iii. Based on the findings that internal audit have a significant positive effect on organisational effectiveness of MDAs in Kwara state, Nigeria, this study recommends that the personnel in the internal audit department should be properly trained to sharpen their skills of implementation of necessary policies and procedures in order to improve the level of organisational effectiveness.

### **5.4 Contribution to Knowledge**

The study has investigated the effect of internal control system on organisational effectiveness of MDAs in Kwara state, Nigeria as its case study. This section presents areas in which this study contributes to internal control system literature.

- i. Different from prior studies that proxy internal control system with control environment, control activities, risk assessment, information and communication and monitoring, this study seems to be the first to use internal audit to investigate internal control system on organisational effectiveness of public sector in Nigeria.
- ii. Previous studies employed agency theory as their theoretical underpinning but this study used system theory and institutional theory as the theoretical framework to examine internal control system on organisational effectiveness of public sector in Nigeria.

### **5.5 Limitation and Delimitation to the Study**

The findings of this research work is limited to the MDAs in Kwara State, Nigeria and caution should be taken in generalising this study findings to federal MDAs and other public sector in Nigeria other than MDAs in Kwara State. However, this does not affect the quality of this study since the findings are substantially applicable to MDAs. Given the nature of operation of MDAs in Kwara State used in this study, its findings may not be completely applicable to federal MDAs in Nigeria. Furthermore, this study was limited to MDAs in Kwara State. Nevertheless, these limitations did not affect the findings of this study in any way, due to the adequate empirical supportive evidences available in the study as the results are reliable and fit for policy formulation.

### **5.6 Suggestion for Further Studies**

The study examined the effect of internal control system on the organisational effectiveness of MDAs in Kwara State, Nigeria. In order to improve on this study based on the limitations and delimitations identified, the study suggested the following areas to future researchers to consider that the sample size could be increased by increasing the number of states in the North Central involved in the research. Finally, this study focused mainly on MDAs in Kwara State; future research could be conducted on federal MDAs in Nigeria.

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**APPENDIX I**  
**QUESTIONNAIRE**

Department of Accounting and Finance,  
Faculty of Management Sciences,  
Kwara State University Malete,  
Kwara State.  
April 2019

Dear Sir/Ma,

**REQUEST FOR YOUR COOPERATION IN COMPLETING THIS QUESTIONNAIRE**

I am a postgraduate student undergoing the Master's degree program in the Department of Accounting and Finance, School of Business and Governance, Kwara State University Malete. As part of the requirement for the program, I am undertaking a study on the effect of internal control system on organisational effectiveness in Ministries, Department and Agencies (MDAs) in Kwara State. In this regard, you have been duly selected as a member of the sample.

I wish to appeal to you to assist this study by kindly sparing few minutes to complete this questionnaire. I also assure you that your response will be treated in strict confidence and used for the stated academic purpose.

Yours Faithfully,

Hannah Tolulope, ADEBOYE

17/27/MAC003

**Section A: Demography of Respondents**

Please tick (✓) the boxes provided, the option that reflects your demographic status.

1. Sex: Male [ ] Female [ ]
2. Marital Status: Single [ ] Married [ ] Divorced [ ]
3. Age group: 21-30 years [ ] 31-40 years [ ] 41-50 years [ ]  
51 years and above [ ]
4. Educational level: H.N.D/B.Sc [ ] MBA/MPA/M.Sc [ ] Ph.D [ ]
5. Professional Cadre: Accountant [ ] Internal Auditor [ ]

6. Work Experience: 1 - 10 years [ ] 11-20 years [ ] 21-30 years [ ] 31years and above [ ]

### Section B: Internal Control System

**Instruction:** You are requested to rank the extent to which your organisation complies with the following internal control system putting a tick (√) against the option of your choice. Five options ranging from Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D) and Strongly Disagree (SD) have been provided in this section in order to ascertain your response.

S/N	Questionnaire Items	SA	A	UD	D	SD
	<b>Control Activities</b>					
1	Controls employed include authorizations, approvals, comparisons, physical counts, reconciliations and supervisory controls.					
2	Staffs are aware of the code of conduct and ethics policy of the organisation.					
3	There is reinforcement of standards of conducts and regulations.					
4	The policies and procedures are adequate for authorizing and approving transactions.					
5	Management performs periodic review of policies and procedures to determine their continued relevance, and refreshes them when necessary.					
6	There is periodic training to ensure employees are aware of their duties.					
	<b>Information and Communication Technology</b>					
1	There is consideration of internal and external sources of data when identifying relevant information to use in the operation of internal control.					
2	Communication exists between management and directors so that both have information needed to					

	fulfill their roles with respect to the organisation's objectives.					
3	There is a process to quickly disseminate critical information when necessary.					
4	Management has a communication process reinforcing to all employees their roles in ensuring that internal control responsibilities are taken seriously.					
5	The ministry has processes in place to communicate relevant and timely information to external parties.					
6	The computer systems are adequately protected from environmental damage.					
7	The computer systems are protected from unauthorized access through the use of passwords.					
8	Users other than system administrators are prevented from accessing sensitive operating system commands.					
	<b>Monitoring Control</b>					
1	The heads of department coordinate and supervise meetings on a weekly, monthly, quarterly and periodic basis.					
2	Officers representing various units or sections present report on their activities and action plans during the weekly, monthly, quarterly and periodic meetings.					
3	Performance reports of activities are prepared on a weekly, monthly, quarterly, half-yearly and annual basis.					
4	Director and heads of department conduct periodic evaluation of work done by staffs.					
5	The directors and heads of department have a good experience about monitoring and evaluation processes.					

	<b>Internal Audit</b>					
1	Internal auditor makes appropriate recommendations for management to improve.					
2	Internal auditor issues reports regularly.					
3	Internal auditor performs his duties with a greater degree of autonomy and independence from management.					
4	There is an internal audit department.					
5	Our internal audit is sufficiently staffed.					
6	Internal audit report address weaknesses in our internal control system.					
7	Management discusses internal audit reports frequently.					

### **Section C: Organisational Effectiveness**

**Instruction:** You are requested to indicate your level of agreement with each item regarding the level of organizational effectiveness by putting a tick (√) against the option of your choice. Four options ranging from Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (D) and Strongly Disagree (SD) have been provided in this section in order to ascertain your response.

S/N	<b>Questionnaire Items</b>	<b>SA</b>	<b>A</b>	<b>UD</b>	<b>D</b>	<b>SD</b>
	<b>Efficiency of Operations</b>					
1	Cost of operations has been effectively managed over the years.					
2	Periodical surveys indicate a reasonable job satisfaction among employees.					
3	There is a noticeable decline in the number of complaints in respect to service delivery.					
4	Periodical surveys indicate high satisfaction of services rendered.					
5	The organisation is now in a better position to serve the public more efficiently and effectively.					



6	Periodical surveys indicate that the quality of service rendered is high.					
	<b>Goal Achievement</b>					
1	Management structure will support planned goals and objectives.					
2	There is a comprehensive integration of activities and efforts of people in the organization to ensure the achievement of goals and objectives.					
3	Effective operations within the ministry have lead to quality services that are consistent with the organization's objectives.					
4	The organisation has been able to attain high level in its Key Performance Indicators.					
5	The organisation is successful in achieving its objectives over time.					

## APPENDIX II

### LIST OF MINISTRIES, DEPARTMENTS AND AGENCIES

S/N	MINISTRIES
1	Ministry of Agriculture and Natural Resources
2	Ministry of Commerce and Cooperatives
3	Ministry of Culture and Tourism
4	Ministry of Education and Human Capital Development
5	Ministry of Energy
6	Ministry of Environment
7	Ministry of Finance
8	Ministry of Health
9	Ministry of Housing and Urban Development
10	Ministry of Industry and Solid Minerals
11	Ministry of Information and Communications
12	Ministry of Justice
13	Ministry of Local Government, Chieftaincy Affairs and Community Development
14	Ministry of Planning and Economic Development
15	Ministry of Sports and Youth Development
16	Ministry of Tertiary Education, Science and Technology
17	Ministry of Water Resources
18	Ministry of Women Affairs and Social Development
19	Ministry of Works and Transport

S/N	DEPARTMENTS
1	Accountant General Office
2	Bureau of Statistics
3	Bureau of Land
4	Pension Board
5	Town Planning
6	Office of Surveyor General

S/N	AGENCIES
1	Kwara State Agency for Mass Education
2	Hospital Bureau management
3	Kwara State Council of Art and Culture
4	Primary Health Care Development Agency
5	Kwara State Road Traffic Management Authority (KWARTMA)
6	Kwra State Road Maintenance Agency (KWARMA)
7	Kwara State Health Insurance Agency
8	Kwara State Enviromental Protection Agency (KWEPA)