



AN ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL AUDIT AT THE UNIVERSITY OF SIERRA LEONE

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Abstract:

Internal auditing is crucial for evaluating and improving internal control processes within government entities. Its primary objective is to assess the effectiveness and efficiency of internal controls, risk management, and governance processes. By identifying weaknesses and suggesting improvements, internal auditors contribute to better resource utilization and accountability. Internal audits can be conducted at various levels within the government, including central agencies, ministries, departments, or individual entities. This allows for a comprehensive examination of different aspects of government operations. Supreme Audit Institutions (SAIs) are independent governmental bodies responsible for conducting external audits of public sector entities. They assess the effectiveness and efficiency of financial management, compliance with laws and regulations, and the overall stewardship of public resources. While internal auditors focus on assessing internal controls and ensuring the reliability of financial information, SAIs provide an external perspective on the quality and impact of internal auditing within government entities. This collaboration helps promote good governance, transparency, and accountability in the use of public resources. A robust control system, which includes internal control, risk management, and audit functions, is essential for good governance. It helps safeguard public funds and maintain public trust. Adopting a risk-based approach to integrity and implementing targeted controls can enhance efficiency and effectiveness in resource utilization. Collaboration with citizens, the media, and non-governmental organizations further strengthens the functioning of the control system. This engagement enhances transparency and accountability and ensures that the government is responsive to the needs and concerns of the public. Internal and external auditing by SAIs are vital components of the public financial management system. They work together to assess and improve government operations, enhance accountability, and ensure the efficient use of public resources, ultimately contributing to good

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governance. In Sierra Leone, SAIs is likened to Audit Service Sierra Leone (ASSL). The concurrent triangulation approach is a specific mixed methods model used in this study. The research findings reveal that the internal audit department of the University of Sierra Leone is not adequately resourced to perform its functions effectively. However, segregation of duties and access to information is maintained but requires a functional audit committee, an increased number of competent auditors, and auditing software.

JEL: H83, M42, H11, H72, H76, K42, O17

Keywords: Supreme Audit Institutions (SAIs), Fourah Bay College (FBC), College of Medicine and Allied Health Sciences (COMAHS), Audit Service Sierra Leone (ASSL), Organisation for Economic Co-operation and Development (OECD), University of Sierra Leone (USL)

1. Introduction

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes (IIA, Website). Its primary purpose is to assist the organization in achieving its objectives by applying a systematic and disciplined approach to evaluate and improve various aspects of its processes, controls, and risk management practices. Internal auditing is a multifaceted function that serves as an essential part of an organization's governance and risk management framework. Its focus on independence, objectivity, and value addition helps organizations achieve their objectives, improve operations, and maintain effective controls while adhering to ethical and professional standards. The primary purpose of internal auditing is to enhance the organization's operations by adding value and helping it achieve its objectives. Internal auditors are responsible for evaluating and assessing the organization's processes, systems, and controls to identify potential risks, weaknesses, and areas for improvement. They provide objective and reliable information to management and stakeholders, enabling them to make informed decisions and take appropriate actions to address identified issues. Internal auditing plays a vital role in promoting effective risk management, ensuring adequate internal controls, and enhancing overall governance within an organization.

Internal auditing is also an important component of the public financial management system. It plays a crucial role in evaluating and improving internal control processes, providing independent assessments to senior management, and enhancing accountability and value for money in government operations. Internal audits can be conducted at various levels within the government, such as central agencies, ministries, departments, or even individual entities (OECD). The primary objective of an internal audit is to assess the effectiveness and efficiency of internal controls, risk management,

and governance processes. By identifying weaknesses and suggesting improvements, internal auditors contribute to strengthening the overall control environment and ensuring that resources are utilized efficiently.

While internal audit within the public sector focuses on evaluating the quality of budgeting, financial, and accounting information and assessing the extent to which organizations have met their established objectives, the external function of auditing is performed by Supreme Audit Institutions (SAIs). SAIs are independent governmental bodies responsible for conducting external audits of public sector entities. In Sierra Leone, this role is performed by Audit Service Sierra Leone (ASSL). The role of SAIs is to evaluate the effectiveness and efficiency of financial management, compliance with laws and regulations, and the overall stewardship of public resources (OECD). Although internal auditors and SAIs have different roles and responsibilities, they work together to promote good governance, transparency, and accountability in the use of public resources. Internal audit provides the first line of defense by assessing internal controls and ensuring that financial information is reliable. SAIs have the mandate to evaluate the effectiveness of the internal audit function itself, providing an external perspective on the quality and impact of internal auditing within government entities. It's worth noting that while internal audit units are part of the organization they reside in, they maintain organizational and functional independence. This independence ensures that internal auditors can perform their duties objectively and without undue influence, thereby enhancing the credibility and effectiveness of their work.

The University of Sierra Leone is a public university system in Sierra Leone with a rich history of being the anthem of West Africa; where all West African countries were pursuing University Education. The University of Sierra Leone, particularly its oldest and most well-known constituent college, Fourah Bay College (FBC), was established on February 18, 1827, making it one of the oldest universities in Africa. The university is currently organized into three constituent colleges or campuses:

- **Fourah Bay College (FBC):** FBC is the oldest and most prestigious college within the University of Sierra Leone. It offers a wide range of undergraduate and postgraduate programs in various academic disciplines. The historical significance of Fourah Bay College cannot be overstated. It was initially established as an Anglican missionary school and later became a renowned center for higher education in British West Africa. It attracted students from various African countries, including Nigeria, Ghana, Ivory Coast, Gambia, and others, who sought education in fields such as theology and education. This institution played a pivotal role in providing Western-style education and contributed to the intellectual and cultural development of the region.
- **Institute of Public Administration and Management (IPAM):** IPAM focuses on providing education and training in public administration and management. It plays a crucial role in developing professionals in these fields to contribute to Sierra Leone's public sector and private sector.

- **College of Medicine and Allied Health Sciences (COMAHS):** COMAHS is responsible for medical and health-related education and research in Sierra Leone. It trains healthcare professionals, including doctors, nurses, and allied health practitioners, to meet the country's healthcare needs.

The University of Sierra Leone has played a significant role in the education and development of Sierra Leone and the broader African region. In its various forms, the University of Sierra Leone has a rich history and has made lasting contributions to education and scholarship in Sierra Leone and West Africa as a whole. It continues to be a vital institution for higher education and research in the country.

The Audit Service Sierra Leone (ASSL) is responsible for auditing the financial statements of public institutions in Sierra Leone, including the University of Sierra Leone. They have published several performance audit reports on the University of Sierra Leone, including one on the management of examinations in December 2021. The University of Sierra Leone, like any other public institution, is expected to adhere to financial and operational standards, and audits by bodies like ASSL help ensure that these standards are met. These audits play a vital role in promoting good governance and the responsible use of public resources within Sierra Leone's public sector. Governmental bodies must conduct audits to ensure transparency, accountability, and the proper utilization of public funds. The publication of performance audit reports, such as the management of examinations at the University of Sierra Leone in December 2021, is an important mechanism for evaluating the effectiveness and efficiency of public institutions. These reports typically highlight areas of improvement and can lead to reforms and corrective actions in the audited organizations.

Internal auditing plays a vital role in promoting effective risk management, ensuring adequate internal controls, and enhancing overall governance within an organization (Kamara, 2023). Internal auditing is an important component of the public financial management system. It plays a crucial role in evaluating and improving internal control processes, providing independent assessments to senior management, and enhancing accountability and value for money in government operations. Internal audits can be conducted at various levels within the government, such as central agencies, ministries, departments, or even individual entities (OECD, 2014). While internal audits within the public sector focus on evaluating the quality of budgeting, financial, and accounting information and assessing the extent to which organizations have met their established objectives, the external function of auditing is performed by Supreme Audit Institutions (SAIs). SAIs are independent governmental bodies responsible for conducting external audits of public sector entities. Although internal audit units are part of the organization they reside in, they maintain organizational and functional independence. This independence ensures that internal auditors can perform their duties objectively and without undue influence, thereby enhancing the credibility and effectiveness of their work.

The University of Sierra Leone (USL) has an internal audit department, but questions have been asked about its effectiveness. This research aims to assess the effectiveness of internal audit at the University of Sierra Leone.

2. Research Aim, Objectives, and Question

2.1 Research Aim

This research aims to assess the effectiveness of the internal audit department at the University of Sierra Leone.

2.2 Objectives of the Study

The objective of this research is to understand the effectiveness of the internal audit department at USL.

2.3 Research Questions

The undermentioned research questions will pave the way to understanding the effectiveness of the Internal Audit Department at the USL:

Research Question 1: Is the internal audit department sufficiently resourced with qualified staff experience to perform its duties effectively and have guidelines to follow to guide its work?

Research Question 2: Is the internal audit department involved in the operational, financial, and managerial functions?

Research Question 3: Does the internal audit department have full access to all departments, processes, systems, and records to perform its audit functions?

Research Question 4: Does the internal department have auditing software?

Research Question 5: Does the University of Sierra Leone have an audit committee?

3. Research Methodology

Qualitative case study research, as suggested by Merriam (1988), is particularly well-suited for exploring "how" and "why" questions. Qualitative methods allow researchers to delve deeply into the processes, motivations, and contextual factors behind a phenomenon, making them ideal for understanding the underlying mechanisms and reasons for certain outcomes. While case studies are often associated with qualitative research, they can also incorporate mixed methodology.

Dube and Pare (2003) argue that over 80% of studies in information systems are positivist case studies. This demonstrates that case studies can accommodate both qualitative and quantitative data, depending on the research question and objectives. In addition, by defining a case study as an approach whose purpose is to describe as accurately as possible the fullest, most complete description of the case, it follows that the researcher wants to know not only how and why a phenomenon occurs but also what it

is, how much, how often, where it came from, and so on (Swanson & Holton, 2005). Furthermore, Creswell (2003) acknowledges that a mixed approach involves collecting and analyzing both qualitative and quantitative data within a single study. This approach is particularly valuable when researchers aim to paint a detailed and multifaceted picture of a case or phenomenon, which may require a range of data sources and methods. Mixed methods research is a valuable approach for gaining a more complete and holistic understanding of complex phenomena, especially in the behavioural, health, and social sciences. By integrating both quantitative and qualitative data, researchers can leverage the strengths of each method to produce richer and more nuanced insights, making it a powerful tool in the researcher's toolkit (George, 2023).

This research is case study research focusing on the assessment of the effectiveness of the internal audit at the University of Sierra Leone, a mixed method methodology is applicable based on the foregoing suggestions in the literature.

The study used a variety of data sources, including questionnaires and follow-up interviews with participants, data from the internet and articles, information from the USL website, reports from the Sierra Leone Auditor General, textbooks, and data from the USL internal audit department. This diverse set of data sources helps ensure a comprehensive understanding of the research topic and serves as a bedrock for the analysis of the research questions to comprehend the effectiveness of the internal audit at the University of Sierra Leone.

The concurrent triangulation approach is a specific mixed methods model used in this study. It involves collecting both quantitative and qualitative data concurrently and analyzing them at the same time. This approach is valuable for gaining a deeper and more nuanced understanding of complex research questions. Several advantages of this approach, include the ability to enhance the depth and breadth of insights, as well as providing a more robust and nuanced understanding of complex topics (Creswell, 2009). It also emphasizes the importance of the interpretation phase, where researchers can discuss findings from both types of data and explore how they complement each other. Data mixing can occur during the interpretation or discussion section of the study. Researchers can merge one type of data into another to facilitate easy comparison, or they can integrate and compare the results side by side. The choice depends on the research goals and the nature of the data. In this particular research, the qualitative and quantitative data will be discussed and interpreted interchangeably. This means that findings from both types of data will be integrated throughout the discussion section rather than presenting quantitative results first and then qualitative quotes separately.

Teddlie and Yu (2007) offer a useful framework for researchers seeking to combine quantitative and qualitative data collection methods to gain a more comprehensive understanding of their research topics. The five typologies developed by Teddlie and Yu (2007) are mentioned as follows:

- 1) **Basic Strategies:** This involves combining quantitative and qualitative sampling techniques. Researchers can use methods like stratified purposeful sampling or

purposive random sampling to ensure diversity in their sample. It allows for a balanced mix of both types of data.

- 2) **Sequential Sampling:** In this approach, data collected in the initial phase of research guide the selection of participants or cases for the subsequent phase. This helps refine the focus of the research and may involve different sampling techniques in each phase.
- 3) **Concurrent Sampling:** Here, quantitative probability sampling and qualitative purposeful sampling are combined, either as independent procedures or in a joint manner. For instance, closed-ended questions in a survey can provide quantitative data, while open-ended questions gather qualitative insights.
- 4) **Multilevel Sampling:** This approach involves sampling at multiple levels or units of analysis. It is suitable when research involves analyzing individual participants within specific organizations or communities. Different sampling techniques can be used at each level to capture various perspectives.
- 5) **Combined Strategies:** This type allows researchers to use any combination of the previously mentioned strategies. It provides flexibility to choose and tailor sampling techniques based on research objectives and the nature of the data being collected. Selecting the appropriate strategy from this typology depends on several factors, including the research questions, the desired level of integration between quantitative and qualitative data, and practical constraints in the research context. Researchers should carefully consider these factors to make informed decisions about their sampling approach in mixed methods research (Kamara, 2023).

Purposive sampling is used for this research. Therefore, 20 participants were selected, and 20 questionnaires were distributed to 20 participants based on the premise that the participants selected met the relevant criteria of having the knowledge and institutional memory of USL in providing the relevant information that will inform the answers to the research questions (Kamara, 2023).

Internal Audits play a critical role in organizations by assessing and improving the effectiveness of risk management, control, and governance processes. The factors that impact IA effectiveness are complex and multifaceted, and researchers have been studying these factors to gain a better understanding of how IA can contribute to organizational success. Some of the key IA factors, such as IA Independence, Size of the IA Function, Competencies of IA Staff, Quality of IA Processes and Methodologies, Relationship with Stakeholders, Senior Management Support, and Outsourcing of IA affect organizational performance. In recent years, scholars have been working to integrate the various factors into a more unified framework to understand IA effectiveness better. Research efforts on internal audit effectiveness made by Turetken *et al.* (2020) and Abdelrahim & Al-Malkawi (2022) are steps towards achieving the IA effectiveness goal. As the field continues to evolve, ongoing research and collaboration among scholars, practitioners, and organizations will likely contribute to the

development of a more comprehensive and widely accepted conceptual model for assessing IA effectiveness (Kamara, 2023).

The research aim is to assess the effectiveness of the internal audit department at the USL and its contribution to USL performance; with no comprehensive conceptual model established in the literature, this research emphasis was directed to, Independence, Objectivity, Competence, and Reporting Line of the Internal Audit Department as a Framework for the Analysis to Test the Effectiveness of the Internal Audit Department at USL. By adhering to these principles of independence, objectivity, competence, and independent reporting line, such as to the Audit Committee, the internal audit function in the public sector can play a crucial role in enhancing transparency, accountability, and good governance, which leads to the overall improvement of the organization's performance (Kamara, 2023).

4. Literature Review

4.1 Introduction

Internal auditing and external auditing by SAIs are vital components of the public financial management system. They work together to assess and improve government operations, enhance accountability, and ensure the efficient use of public resources, ultimately contributing to good governance. The literature critique is articulated in this section to serve as an informative guide for the data analysis.

4.2 Internal Control

The concerns about the safety of assets for investors and stakeholders in both public and private sector institutions are well-founded and have been extensively discussed in the literature (Joseph *et al.*, 2015). The separation of ownership from control is a fundamental aspect of modern corporations, where shareholders and stakeholders entrust decision-making authority to managers. However, this delegation can sometimes result in a loss of effective control over how the organization is run, raising concerns about the safety of investments and the need for robust governance and policies. To address these concerns and ensure the safety of investments, it is crucial to implement good governance practices and accountable policies. One key element of this is the implementation of control measures aimed at detecting and preventing fraud within the organization, whether it is a private or public entity. These control measures play a vital role in safeguarding shareholders' interests and promoting wealth maximization. Effectively managing risks and implementing internal controls are essential strategies for organizations. By doing so, they can minimize the likelihood of fraudulent activities, enhance transparency, and ensure accountability. These efforts not only protect the assets of investors and stakeholders but also contribute to building trust and confidence in the organization's operations (Kamara, 2023). Maintaining a balance between ownership and control, implementing stringent control measures, managing risks effectively, and promoting transparency and accountability are essential aspects of ensuring the safety of

investments and assets for both private and public sector institutions. These practices are fundamental to fostering a sound and ethical business environment that benefits all stakeholders involved.

International Public Sector Accounting Standards (IPSAS) play a crucial role in standardizing financial reporting and promoting transparency and accountability in the public sector. IPSAS, aligned with the International Financial Reporting Standards (IFRS) used in the private sector, brings a level of uniformity and comparability to financial reporting across various public sector entities, including national, regional, and local governments. By focusing on accrual-based accounting, IPSAS ensures that economic events and transactions are recorded as they occur, providing a more accurate and comprehensive view of an entity's financial position, performance, and cash flows. The objectives of IPSAS include enhancing the quality of financial reporting, leading to better-informed decision-making, and improving transparency in government resource allocation. This is critical for efficient and effective management of public funds and resources. Furthermore, the work of the International Public Sector Accounting Standards Board (IPSASB) in developing, maintaining, and providing guidance on IPSAS is instrumental in promoting the adoption and implementation of accrual-based accounting in the public sector. The efforts to support consistent financial reporting practices globally contribute to a better understanding and analysis of government finances on an international scale. It is important to recognize that while IPSAS is crucial for various public sector entities, government business enterprises typically follow different accounting standards. This differentiation acknowledges the diverse nature of financial reporting requirements based on the entity's characteristics and objectives. Overall, the adoption and adherence to IPSAS significantly contribute to achieving financial transparency, enhancing accountability, and facilitating meaningful comparisons of financial information within the public sector, ultimately benefiting both governments and their stakeholders.

4.3 The Role of Supreme Audit Institutions

Supreme Audit Institutions (SAIs) are national authorities responsible for auditing government revenues and expenditures. They play a crucial role in ensuring transparency, accountability, and good governance in the public sector. SAIs act as independent external auditors of government entities, assessing the legality, regularity, and financial soundness of public sector operations (Ganga & Andaleeb, 2018). Supreme Audit Institutions (SAIs) play a crucial role in a country's accountability framework; in Sierra Leone, the role of the SAIs is likened to the role of the Audit Service Sierra Leone-Office of the Auditor General. While their traditional role involves conducting financial audits and compliance audits, SAIs are evolving to take on a more comprehensive approach to assessing the reliability, effectiveness, efficiency, and economy of policies and programs. While SAIs traditionally focuses on financial audits and compliance audits, they are expanding their role to assess the reliability, effectiveness, efficiency, and economy of policies and programs. This evolution enables SAIs to contribute evidence

for more informed policy-making. By fulfilling their oversight role effectively, SAIs enhances transparency, accountability, and good governance in the public sector (Kamara, 2023). Supreme Audit Institutions are essential components of a well-functioning government system, helping to maintain transparency, accountability, and good governance by independently assessing and reporting on the financial activities of government entities. Their work contributes to the efficient and responsible use of public funds and promotes trust in government institutions. On the other hand, the Organisation of Supreme Audit Institutions (INTOSAI) plays a crucial role in fostering cooperation among SAIs, setting global audit standards, and promoting best practices in government auditing. Its emphasis on voluntary participation, equality, and mutual learning helps build a strong international community of auditors dedicated to improving public financial management and accountability worldwide. Furthermore, Organizations of the Treadway Commission's (COSO) framework provides valuable guidance for organizations to strengthen their internal controls and minimize the risk of fraudulent activities. By implementing the control measures established in the COSO (2011) framework and adopting a comprehensive approach to governance and ethical practices, organizations can significantly enhance their ability to detect and prevent fraud. This, in turn, helps protect shareholders' assets and contributes to the overall goal of wealth maximization and sustainability.

5. Literature Review

Philna Coetzee and Dave Lubbe's (2014) in the article "Improving the Efficiency and Effectiveness of Risk-Based Internal Audit Engagements" presents a model for enhancing the efficiency and effectiveness of risk-based internal audit engagements. The model was developed through a comprehensive study of academic literature, prevailing business practices, and related documentation. Practical testing and feedback from heads of internal audit departments in prominent South African organizations were utilized to refine the model, with the study findings endorsing its usage. However, two significant concerns have been identified. Firstly, the article notes that the existing risk management strategies within organizations may not be sufficiently mature for internal auditing to fully depend on the outcomes of the risk management process, a requirement for the optimal functioning of the proposed model. This suggests that improvements or enhancements in risk management strategies may be necessary. Secondly, internal auditors are reluctant to adopt a pure risk-based approach during audit engagements. Instead, there is a preference for a control-based approach, focusing more on high-risk areas. This highlights a potential gap between theoretical models and practical implementation, possibly necessitating efforts to promote greater adoption of risk-based approaches within the internal audit profession.

The article titled "Internal Audit, Alternative Internal Audit Structures and the Level of Misappropriation of Assets Fraud", published in the journal Accounting and Finance in 2008 by Paul Coram, Colin Ferguson, and Robyn Moroney investigates the

relationship between the presence of an internal audit function and the likelihood of detecting and self-reporting misappropriation of assets fraud within organizations. This article further highlights the value of internal audit functions in organizations, emphasizing their role in improving control and monitoring mechanisms to detect and self-report fraud, particularly misappropriation of assets fraud. Additionally, it underscores the effectiveness of retaining internal audit functions within the organization compared to outsourcing them entirely.

Ahmad Feizizadeh's article titled "Strengthening Internal Audit Effectiveness," was published in the Indian Journal of Science and Technology in May 2012. This article underscores the importance of considering internal audit as a strategic function within organizations. It also provides evidence that factors like professional competence and adopting a risk-based approach can enhance the effectiveness of internal audits, particularly in the context of payroll-related activities in public institutions. This article provides insights into the importance of internal audit and strategies for enhancing its effectiveness.

The paper titled "The Internal Audit Function: Perceptions of Internal Audit Roles, effectiveness, and Evaluation" by Dominic S.B. Soh and Nonna Martinov-Bennie (2011), as published in the Managerial Auditing Journal provides valuable insights into the evolving roles and effectiveness of the internal audit function within organizations. This paper sheds light on the changing landscape of the internal audit function within organizations, as well as the challenges associated with aligning performance evaluation practices with its evolving roles and responsibilities. It is a valuable resource for stakeholders involved in corporate governance and auditing practices.

"The Role of Internal Audit in Effective Management in Public Sector," authored by A. O. Enofe, C. J. Mgbame, V. E. Osa-Erhabor, and A. J. Ehiorobo, published in the Research Journal of Finance and Accounting in 2013. This article examines the role of internal audit (IA) in managing and controlling the public sector. This article discussed the importance of internal audits in achieving effective management in the public sector. It emphasizes the role of IA in contributing to effective management practices, even though its impact on management control mechanisms may be limited. The study underscores the significance of IA as a tool for enhancing the governance and management of public sector entities.

"The Use of Internal Audit by Australian Companies," authored by Jenny Goodwin-Stewart and Pamela Kent, was published in the Managerial Auditing Journal in 2006[24]. This article examines the voluntary adoption of internal audit functions by publicly listed Australian companies and investigates the factors influencing their decision to have an internal audit function. This article highlights the relatively low adoption rate of internal audit functions among publicly listed Australian companies. It emphasizes the role of company size and commitment to risk management as key factors influencing the decision to establish an internal audit function. Additionally, it suggests that the relationship between internal audit and corporate governance is not as straightforward as might be assumed.

The article titled "The Contribution of Internal Audit as a Determinant of External Audit Fees and Factors Influencing this Contribution" by William L. Felix, Audrey A. Gramling, and Mario J. Maletta was published in February 2001. This article examines the relationship between the contribution of internal audit and external audit fees, as well as the factors that influence this contribution. This article provides empirical evidence of the significant impact of internal audit contribution on external audit fees. It also identifies factors, such as internal audit quality and coordination with external auditors, that influence the extent of this contribution. The study's unique dataset and comprehensive analysis contribute to our understanding of the dynamics between internal and external audit functions in large, non-financial services firms.

Aaron Cohen and Gabriel Sayag (2010) conducted a study to examine the effectiveness of internal auditing in Israeli organizations. This study sheds light on the effectiveness of internal auditing in Israeli organizations and highlights the critical determinants that influence its success. The findings emphasize the essential role of internal auditing in enhancing risk management and improving the overall business and financial reporting processes.

"An Evaluation of the Internal Control Function: The Case of Kenya Polytechnic University College" by Wainaina Sarah W. (2011). The study aimed to evaluate the internal control function of Kenya Polytechnic University College (KPUC) and identify the challenges faced in implementing the internal control system. The study used a case study research design and collected data through interviews, observations, and document analysis. The study found that KPUC had a well-designed internal control system, but there were challenges in implementing the system effectively. The study recommended that KPUC should improve its internal control system by addressing the challenges identified in the study.

The research undertaken by Novita Sari, Imam Ghozali, Tarmizi Achmad titled "The Effect of Internal Audit and Internal Control System on Public Accountability: The Empirical Study in Indonesia State Universities" in 2017 focuses on the effect of Internal Audit and Internal Control on public accountability in Indonesia state universities. The study aims to examine the relationship between internal audit, internal control, and accountability based on good governance principles. The data were analyzed using regression analysis and the WarpPLS application. The findings of the study indicate that internal audit, represented by the parties directly involved in financial management, does not have a significant influence on accountability. However, the internal control system, represented by the SPI/internal control unit, has a positive influence on accountability. The study emphasizes the importance of building accountability to ensure good university governance. The research paper provides valuable insights for researchers and practitioners in the field of university governance and public accountability.

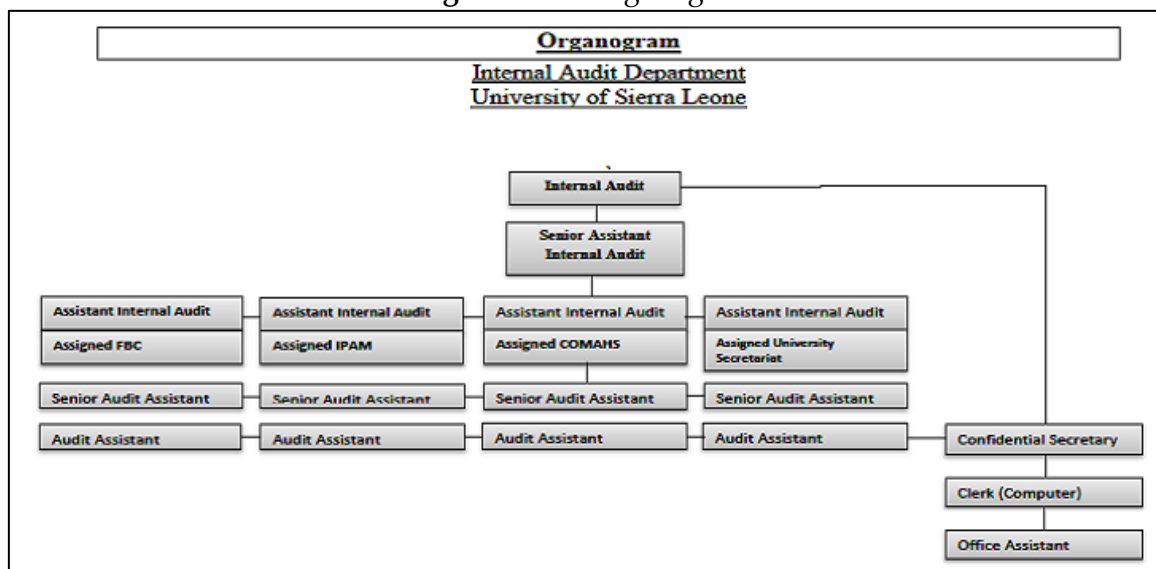
6. Result and Discussions

The research aim is to assess the effectiveness of the internal audit department at the USL; with no comprehensive conceptual model established in the literature, this research emphasis was directed to, Independence, Objectivity, Competence, and Reporting Line of the Internal Audit Department as a Framework for the Analysis to Test the Effectiveness of the Internal Audit Department at USL. By adhering to these principles of independence, objectivity, competence, and independent reporting line such as to the Audit Committee, the internal audit function in the public sector can play a crucial role in enhancing transparency, accountability, and good governance, which leads to the overall improvement of the organization’s performance. The data collected from the 20 participants is used to answer research questions and form the basis of the analysis using the mixed method approach with a specific focus on the concurrent triangulation approach.

Research Question 1: Is the internal audit department sufficiently resourced with qualified staff experience to perform its duties effectively and have guidelines to follow to guide its work?

The research finding indicates the USL internal audit department has a comprehensive role in assessing and enhancing the organization's operations and controls. However, the internal control department is not well equipped with qualified and experienced staff members although it has a clear segregation of duties and reporting lines as shown in Figure 1: the organogram.

Figure 1: The organogram



Source: Provided by the University of Sierra Leone Internal Audit Department

Ensuring that the internal audit function has sufficient resources is essential for its ability to provide valuable insights, enhance organizational performance, and contribute

to risk management and governance. Organizations that invest adequately in their internal audit function are more likely to reap the benefits of improved control, transparency, and accountability. The data collected and interpreted in Figure 2 below indicates that 50% of the participants are not sure the internal audit department is sufficiently resourced with qualified staff experience to perform their duties effectively, and 30% are sure that the internal audit department is not sufficiently resourced with qualified staff experience to perform their duties effectively; whilst 20% affirmed that the internal audit department is sufficiently resourced with qualified staff experience to perform their duties effectively. This analysis reveals that the internal audit department is not sufficiently resourced with qualified staff experience to perform their duties effectively; this weakness will affect the IA department to perform its work effectively as the competence and staff strength do not match the workload available.

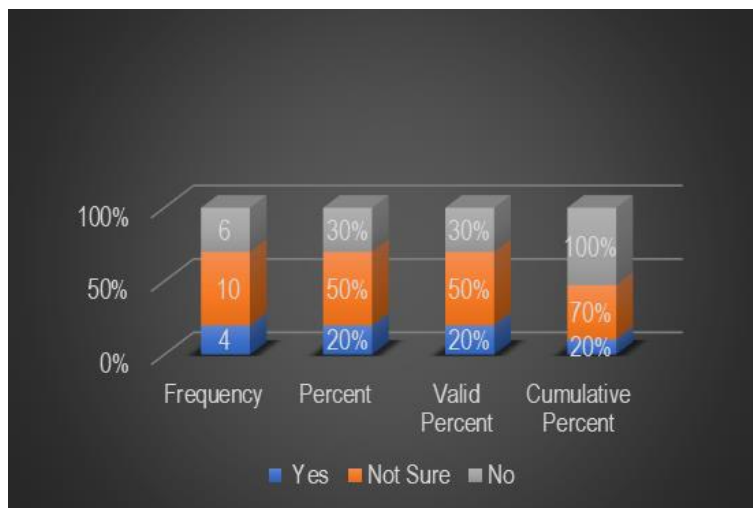


Figure 2: Internal Audit Resources

The audit department is guided by the university policies and national policies such as the Financial Management and National Public Procurement Authority Act; the Public Financial Management Act (PFMA, 2016), the Sierra Leone Finance Act 2021, and in general the International Public Sector Accounting Standards. Such policies are crucial for the efficient and transparent financial operation of educational institutions.

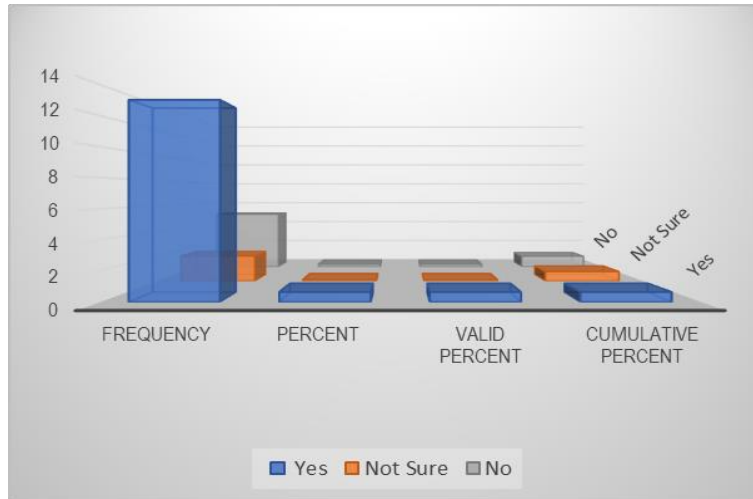


Figure 3: Internal Audit Guidelines

In summary, a well-organized and resourced internal audit function is essential for maintaining consistency, quality, and efficiency in audit activities. It helps the organization effectively identify and manage risks, ensures compliance, and provides a strong foundation for accountability and communication. This, in turn, contributes to the overall effectiveness of the internal audit function in supporting the organization's objectives and enhancing its governance and control processes.

Research Question 2: Is the internal audit department involved in the operational, financial, and managerial functions?

The internal audit function should be independent of the areas it audits. Independence allows the internal auditors to provide an unbiased and objective assessment of the organization's operations, controls, and risks (Kamara, 2023) Data collected and follow-up interviews revealed that the internal audit is not involved in the routine activities of the USL. The internal audit department is not involved in routine activities such as finance activities, human resources activities, or administration activities of the USL hence no self-review threat, self-interest threat, or advocacy threat. However, the internal department being part of the USL, is not entirely free from familiarity threats and not having an audit committee in place may subject the audit department to intimidation threats; hence, the objectivity of the internal audit may be impaired. However, regularly reviewing and updating financial policies is essential to ensure they remain relevant and effective in a changing financial landscape. It is also a way to demonstrate the university's commitment to responsible financial management and transparency.

Figure 4 reflects the responses provided by respondents. The responses indicate 65% of the participants strongly disagreed that the IA department is involved in the routine activities of USL in areas such as operational activities and financial management. Not being involved in the routine activities, therefore, provides the leverage to identify and address issues, mitigate risks, and improve overall governance and control operational activities, and 25% strongly disagreed that the IA department is involved in

the routine activities of USL, whilst 10% are not sure whether the IA department is involved or not involved in the routine activities of USL.

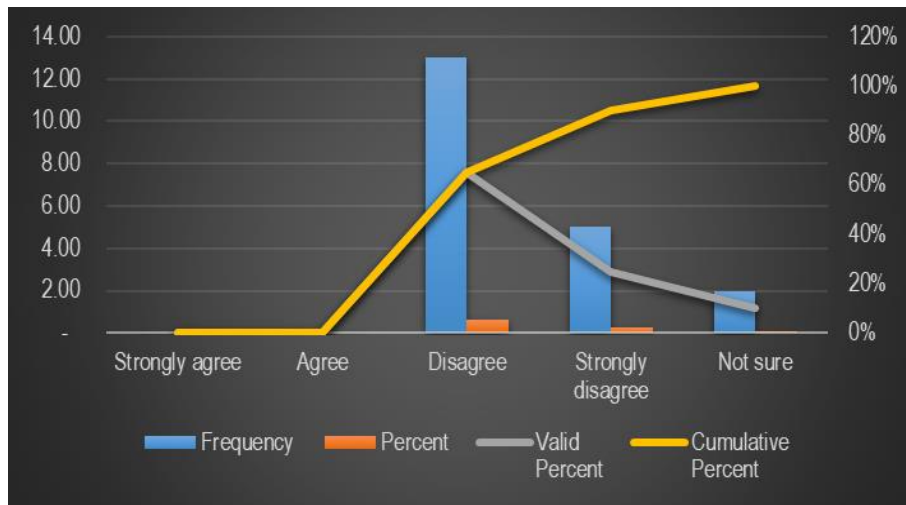


Figure 4: Internal Audit Operational, Financial & Managerial Functions

This analysis indicates that the IA department is independent of the constituent colleges audited and also protected from self-review threats. Independence is a fundamental principle of internal auditing and plays a crucial role in ensuring the effectiveness and integrity of the internal audit function. Independence allows internal auditors to provide unbiased and objective assessments of an organization's operations, controls, and risks. They are not influenced by personal or departmental interests, which helps ensure that audit findings and recommendations are impartial and free from bias. Furthermore, independence is a cornerstone of the internal audit function. It not only ensures that audits are conducted objectively and impartially but also helps maintain the integrity, credibility, and effectiveness of the internal audit process. Organizations that prioritize independence in their internal audit function are better positioned.

Research Question 3: Does the internal audit department have full access to all departments, processes, systems, and records to perform its audit functions?

Data collected and follow-up interviews revealed that the internal audit department has full access to all departments, processes, systems, and records to perform its functions. Figure 5 below reflects the responses on the IA department's access to all departments, processes, systems, and records to perform its functions. The participants' responses indicate that 40% "Strongly Agreed" that the IA department members of staff have full access to all departments, processes, systems, and records to perform their functions, and 55% "Agreed" that the IA department members of staff have full access to all departments, processes, systems, and records to perform their functions. However, 5% of the interview participants were not sure that IA department members of staff have full access to all departments, processes, systems, and records to perform their functions. Having no limitation on the scope of work for the internal audit function is a critical principle for ensuring its effectiveness and its ability to provide comprehensive

assessments of an organization's operations. A broad scope allows internal auditors to examine every part of the organization, which is essential for identifying risks across various departments, processes, systems, and records. This comprehensive approach helps ensure that no significant risks are overlooked. Furthermore, having no limitation on the scope of internal audit work is essential for ensuring that the internal audit function can provide a comprehensive assessment of an organization's operations, risks, and controls. This approach helps the organization proactively manage risks, enhance control systems, and achieve its strategic objectives while promoting transparency and accountability.

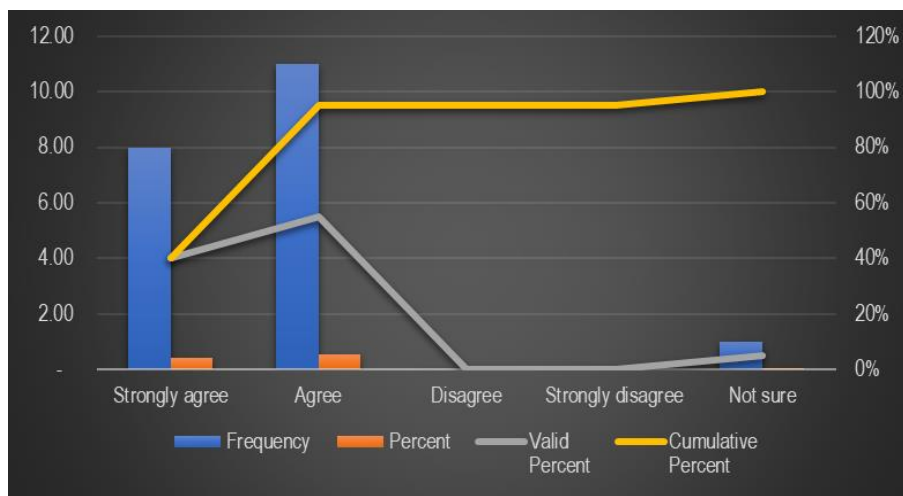


Figure 5: Internal Audit Access to Information

Research Question 4: Does the internal department have auditing software?

The responses received reveal that the internal audit department does not have the appropriate accounting software to perform its auditing function. Figure 6 below indicates that 30% disagreed that the IA department has auditing software whilst 50% strongly disagreed that the IA department has auditing software whereas 20% were not sure whether IA has auditing software or does not have auditing software. Auditing software is a fundamental tool for modern internal audit departments, and it can significantly enhance their efficiency, effectiveness, and ability to provide valuable insights to the organization.

Auditing software is a powerful tool that modern internal audit departments can leverage to streamline their processes, improve data analysis, enhance risk management, and provide more valuable insights to the organization. By investing in the right auditing software and ensuring proper training for auditors, organizations can strengthen their internal audit function and support effective governance and control.

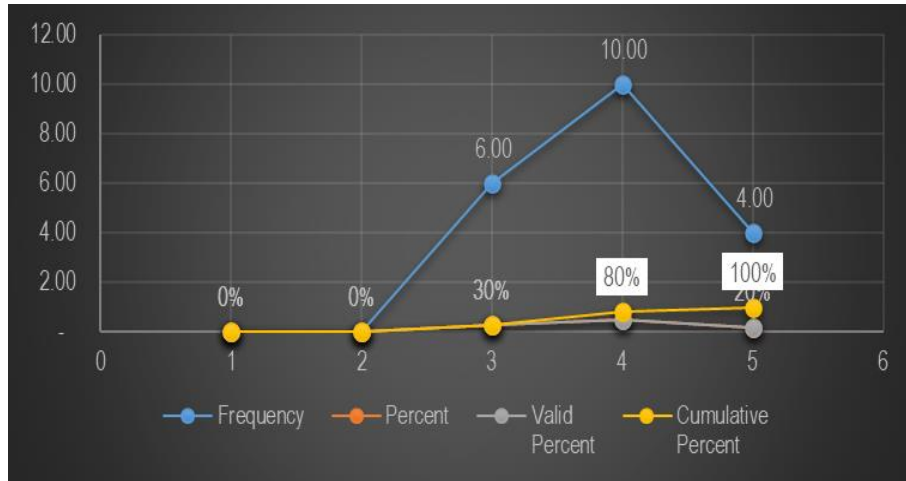


Figure 6: Auditing Software

Research Question 5: Does the University of Sierra Leone have an audit committee?

Audit committees within the public sector play a crucial role in enhancing the credibility and effectiveness of internal auditors while strengthening the internal control environment. The data collected and follow-up interview revealed that there is no functional IA committee.

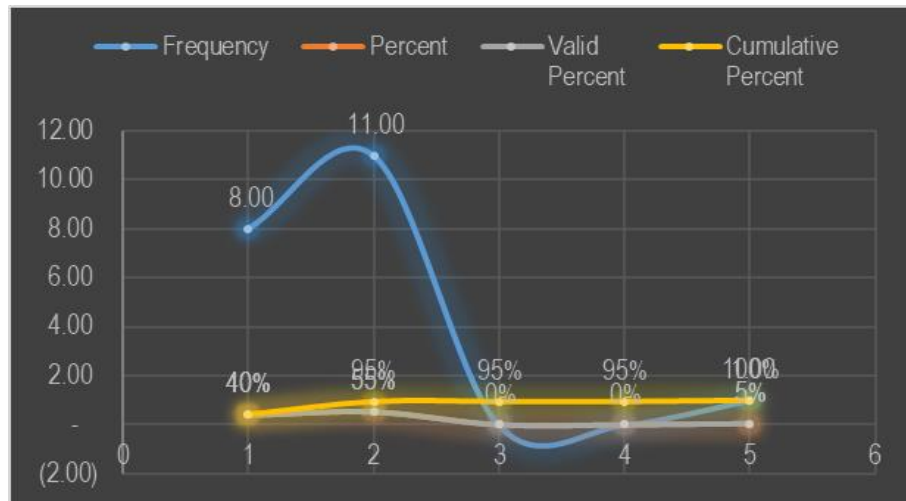


Figure 7: Internal Audit Committee

The data analysis indicates that 40% strongly agreed that there is no functional IA committee; 55% agreed that there is no functional IA committee; whereas 5% were not sure as to whether or not there is a functional audit committee in existence. Audit committees in the public sector serve as a critical governance mechanism to support internal auditors in their mission to provide independent and credible assessments of an organization's operations, controls, and risks. They help strengthen the internal control environment, monitor the work of internal auditors, and protect them from undue influence, ultimately contributing to improved accountability, transparency, and governance within public sector organizations. This finding also reveals that there is no independent reporting line through the audit committee, which may subject internal

audit to management override, undue influence, and intimidation, thereby impeding the internal audit objectivity and independence.

7. Summary, Limitation, Conclusion, and Recommendation

7.1 Summary, Limitations, and Conclusion

A well-organized and resourced internal audit function is essential for maintaining consistency, quality, and efficiency in audit activities. It helps the organization effectively identify and manage risks, ensures compliance, and provides a strong foundation for accountability and communication. This, in turn, contributes to the overall effectiveness of the internal audit function in supporting the organization's objectives and enhancing its governance and control processes. Independence is a cornerstone of the internal audit function. It not only ensures that audits are conducted objectively and impartially but also helps maintain the integrity, credibility, and effectiveness of the internal audit process. Organizations that prioritize independence in their internal audit function are better positioned to identify and address issues, mitigate risks, and improve overall governance and control.

A functional internal audit department within the USL plays a vital role in providing confidence to various stakeholders, including taxpayers, government agencies, civil society organizations, and donors. Having a functional IA department has benefits such as:

- 1) **Ensuring Accountability:** Internal auditors within the USL help ensure that public funds and resources are used efficiently, effectively, and in accordance with established policies and regulations. Their work helps hold government agencies accountable for their financial and operational activities.
- 2) **Preventing Mismanagement and Fraud:** Internal auditors are responsible for identifying and addressing mismanagement, fraud, and irregularities within government entities. Their efforts help safeguard public resources and prevent financial losses due to fraudulent activities.
- 3) **Transparency:** Internal audit reports and findings are typically made available to the public and stakeholders, promoting transparency in the use of public funds. This transparency is essential for maintaining public trust.
- 4) **Efficiency Improvements:** Internal audits often identify areas where processes can be streamlined and made more efficient. This can lead to cost savings and more effective service delivery to the USL.
- 5) **Compliance Assurance:** Internal auditors ensure that government agencies adhere to laws, regulations, and policies. This compliance assurance helps prevent legal and regulatory violations and associated penalties.
- 6) **Risk Management:** By assessing and mitigating risks, internal auditors contribute to the prudent management of public resources. This reduces the likelihood of financial crises or resource misallocation.

- 7) **Recommendations for Improvement:** Internal audit reports provide valuable recommendations for improving internal controls, governance, and operational efficiency. These recommendations are essential for continuous improvement within government entities.
- 8) **Confidence of Donors:** Donors and international organizations often require assurance that their funds are being used effectively and for their intended purposes. A functional internal audit department helps provide this assurance, making it more likely that donors will continue to support government initiatives.
- 9) **Government Accountability:** Internal audits can lead to improved decision-making within government agencies. When weaknesses are identified and addressed promptly, government entities become more accountable for their actions and resource management.
- 10) **Civil Society Oversight:** Civil society organizations often rely on the work of internal auditors to advocate for transparency, accountability, and good governance in the public sector. Internal audit findings can serve as important evidence in these efforts.
- 11) **Taxpayer Confidence:** Functional internal audit departments assure taxpayers that their tax monies are being used wisely and for the public good. This helps maintain taxpayer confidence in government agencies.
- 12) **Efficient Resource Allocation:** By identifying areas of waste or inefficiency, internal audits contribute to better resource allocation, ensuring that public funds are directed toward priority areas.

This research was limited to the IA department of the University of Sierra Leone a Comparative Assessment of the Universities in Sierra Leone Internal Audit Departments would have provided holistic results on the assessment of the effectiveness of the internal audit departments within the Universities and generalization may be achieved in the context of Sierra Leone and applicable elsewhere.

A well-functioning internal audit department and audit committee within the USL is essential for building and maintaining confidence among stakeholders. Its work helps ensure that public resources are used effectively and efficiently, promotes transparency and accountability, and contributes to the overall success of the USL's vision, mission, and core values. This, in turn, benefits the public and the broader society.

7.2 Recommendation Management and Future Researchers

7.2.1 Recommendation to Management

The findings of this research revealed that the internal audit department is not sufficiently resourced with qualified staff experience to perform their duties effectively. Recommended that management increase the staff strength by recruiting qualified staff experienced to perform their duties effectively and efficiently. Ensuring that the internal audit function has sufficient resources is essential for its ability to provide valuable insights, enhance organizational performance, and contribute to risk management and governance. Organizations that invest adequately in their internal audit function are

more likely to reap the benefits of improved controls, transparency, and accountability. In addition, there is no functional audit committee within the USL. It is recommended that the USL consider setting up an audit committee. Audit committees in the USL will serve as a critical governance mechanism to support internal auditors in their mission to provide independent and credible assessments of an organization's operations, controls, and risks. They help strengthen the internal control environment, monitor the work of internal auditors, and protect them from undue influence, ultimately contributing to improved accountability, transparency, and governance within public sector organizations. Furthermore, the research findings reveal that the USL IA department does not have auditing software. It is recommended that the USL consider having auditing software. Auditing software is a powerful tool that modern internal audit departments can leverage to streamline their processes, improve data analysis, enhance risk management, and provide more valuable insights to the organization. By investing in the right auditing software and ensuring proper training for auditors, organizations can strengthen their internal audit function and support effective governance and control.

7.2.2 Recommendation to Future Researchers

Future research on a Comparative Assessment of the Universities of Sierra Leone's Internal Audit Departments. This research will provide holistic results on the effectiveness of the internal audit departments within the Universities in Sierra Leone and generalization may be achieved in the context of Sierra Leone and applicable elsewhere.

Conflict of Interest Statement

The authors declare no conflicts of interest.

This research is free from any conflict of interest, and there are no anticipated ethical issues.

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Abu Kai Kamara
AN ASSESSMENT OF THE EFFECTIVENESS OF THE
INTERNAL AUDIT AT THE UNIVERSITY OF SIERRA LEONE

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