UNIVERSITY OF CAPE COAST

INTERNAL CONTROL PRACTICES AND FINANCIAL PERFORMANCE OF PRIVATE HEALTH INSTITUTIONS WITHIN THE TAMALE METROPOLIS, GHANA

LUCY AYINTARIKA

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BY

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Dissertation submitted to the Department of Accounting of the School of Business, College of Humanities and Legal Studies, University of Cape Coast in partial fulfilment of the requirements for the award of Master of Business Administration degree in Accounting.

MAY 2021

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature ……………………………. Date ……………………

Name: Lucy Ayintarika

Supervisors' Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature ………………………………. Date ………………….

Name: Mr. Wisdom Atsunyo

ABSTRACT

The contributions of internal control practices in any organisational setup can never be overemphasised. These practices notably monitoring, risk audit, control activities, information and communication and control environment have largely been found to promote financial performance. This research purposely analysed how these practices actually affect the financial performance of private health institutions within the Tamale metropolis of Ghana. This research was underpinned by the agency theory, quantitative approach, explanatory design and gathered primary data from 197 sampled health workers through structured questionnaires. A valid data set of 192 was processed using IBM SPSS version 26 statistical software. the linear regression technique was employed for the analysis of which the study found all the internal control practices to individually ensure better financial performance. It was concluded that internal control practices are key predictors of financial performance. The study, therefore, recommended that management of the private health institutions should pay immense attention to developing internal management mechanisms to boost their financial efficiency and overall performance while staying competitive.

KEYWORDS

Internal control practices

Control environment

Monitoring

Control activities

Risk audit

Information and communication

Financial performance

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DEDICATION

To my family.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ACRONYMS

ICP	Internal control practices
CE	Control environment
M	Monitoring
CA	Control activities
RA	Risk audit
IC	Information and communication
FP	Financial performance

CHAPTER ONE

INTRODUCTION

No organisation can operate successfully in the absence of proper internal controls. Internal control practices improve policies, structures and processes of any organisation including health institutions. Arguably, the activities of health facilities require the adoption of relevant internal control practices in a bid to safe human lives while maintaining high financial performance standards. Health institutions in developing economies such as Ghana, are constantly exposed to various risks which require resilient internal controls to achieve set performance targets. This study was underpinned by the agency theory to investigate the effects of internal control practices on the financial performance of private health institutions in Ghana.

Background to the Study

The need for organisations to be financially sustainable in our modern competitive and turbulent business environments can never be overemphasised (Amponsah-Kwatiah & Asiamah, 2020; Kabuye, Kato, Akugizibwe & Bugambiro, 2019). Anton and Afloarei Nucu (2021) stressed that achieving strong financial performance is the significant organisational goal. As such, organisations which fail to achieve financial soundness predominantly struggle to survive. Financial performance is the extent to which organisations achieve their financial targets or objectives (Fullerton & Wempe, 2009). It measures how well an organisation can use its limited resources to exceed profit margins. Daryanto (2017) similarly suggested that financial performance provides a good measure of an organisation's overall performance over a specified time period.

Financial performance is a significant dimension of an organisation's management system which helps in assessing operations and policies monetarily (Daryanto & Daryanto, 2019). It plays valuable roles in eliminating business risks; in turn promoting overall business performance. According to Daryanto (2017), the need to quantify an organisation's total financial health has promoted financial performance assessment in terms of sales margin, market share, return on equity and return on asset. In the health sector, for instance, calls for better and sustainable financial performance of health institutions have been increasing; especially in this era of COVID-19 pandemic amid persistent calls for quality healthcare (World Health Organisation, 2020).

The World Bank (2020) report indicated that achieving quality healthcare requires huge financial investments in health institutions. This situation has induced World Health Organisation (WHO), World Bank (WB) and International Monetary Fund (IMF) to frequently provide huge monetary packages aimed at addressing financial burdens on health institutions, especially in developing economies such as Ghana. In Ghana, these packages financially strengthen weak health institutions and aid them in procuring quality and expensive drugs, equipment, machines and technologies to deliver quality healthcare. This clearly indicates that health institutions in Ghana notably the private ones would struggle to survive in the face of poor financial performance.

Private health institutions play valuable roles in healthcare deliveries in the country, especially in remote areas where public hospitals are few (Asante, Price, Hayen, Jan & Wiseman, 2016). They also contribute to achieving the health-related Millennium Development Goals (MDG) 4, 5 and 6. In view of this, a study on financial performance of private health institutions in Ghana has grown in importance. Previous studies such as Nimako, Baiden and Awoonor-Williams (2020), Asante et al. (2016) and Saleh (2012) have concluded that Ghana's private health sector is financially unsound; attributable to lack of government support, overreliance on obsolete technologies and poor access to finance. Although these assertions can never be downplayed, poor adoption of internal control practices (ICP) requires much attention.

Similarly, ICPs are key accounting systems implemented to promote sound operational activities by optimising organisational resources (Eton, Murezi, Fabian & Benard, 2018; Dubihlela & Nqala, 2017; Dubihlela and Nqala (2017). These systems are generally internal in nature and are implemented by managers to help achieve set goals. They specifically ensure reliable reporting standards and promotes effective employee and overall firm operations (Kibangou, 2019). Ayagre, Appiah-Gyamerah and Nartey (2014) suggested that ICP protect organisational resources against resource wastages, fund mismanagement and fraudulent activities notably kickbacks, bribery and embezzlements. Arguably, organisations that adopt ICP generally comply with established policies, standards and regulations; achieve better performance in return.

Asiligwa and Rennox (2017) similarly asserted that ICP promotes goodwill, better accounting records, toughens asset control, eradicates irrelevant expenses, resource wastages and improve established systems. Also, successful adoption of ICP promotes easy detection and prevention of fraudulent activities thereby improving accountability, transparency and financial security. Previous researchers have linked internal control with financial performance (Adegboyegun, Ben-Caleb, Ademola, Oladutire & Sodeinde, 2020; Kabuye et al., 2019; Akimana, 2019); concluding that its systems notably control environment, control activities, monitoring, risk audit and information and communication promote better financial performance. Industrial Development report (2018) revealed that about 55 percent of manufacturing firms' revenues are obtained from adoption of ICP.

Arguably, private health institutions in Ghana can similarly overcome their financial burdens by adopting ICP. This assertion is supported by the agency theory which suggests that health institutions should establish proper systems to ensure positive employee (agent) attitudes to safeguard financial investments. Thus, the theory proposes the adoption of ICP to promote financial soundness and performance. It can be argued that private health institutions in the country including those within the Tamale metropolis adopt various ICP such as control activities, control environment and risk audit; however, their influence on financial performance lack proper documentation. It is against this background that the study investigates ICP and financial performance of private health institutions within the Tamale metropolis of Ghana.

Statement of the Problem

The emergence of COVID-19 has challenged global health systems; wielding extraordinary burden on healthcare amenities including maintenance of active workforce, protective masks among other essential services (World Bank, 2020; Lone & Ahmad, 2020). Overcoming this pandemic-imposed challenges, mobilisation of all health resources including inclusion of private health sectors have become necessary (World Bank, 2020). In Ghana, a developing economy, for instance, inclusion of private health institutions became inevitable since they account for about 40.2 percent of total health facilities in the country (Ghana Health Service, 2020). The Ghana Living Standards survey (GLSS7) in 2020 concluded that about 51.7 percent of health consultations are accessed from private health facilities.

Despite the dominance of the private health facilities in Ghana's health sector, their contributions to quality health services have been woefully inadequate (Agyemang-Duah, Peprah & Peprah, 2020; Burger, Kopf, Spreng, Yoong & Sood, 2012). Business Ghana (2020) report indicated that Ghana's private health sector is exposed to poor communication with the public/government sector, poor access to healthcare support services notably personal protective equipment (PPE), lack of external funding and modern technology; in turn affecting quality service delivery. Quality healthcare has been a general concern to most Ghanaians; a situation leading to rise in avoidable deaths, missing of revenue or business opportunities and wastage of time and material resources (Ghana Talks Business, 2020). Poor health services have also promoted apathy among people towards health services leading to poor morale, trust and loyalty issues and invariably appalling financial performance.

Similarly, Ghana Demographic and Health Survey in 2016 reported that the private health sector's contribution to minimising health-related diseases notably malaria is very poor; leading to its rise in the country especially in the Northern region (40%). Also, a number of neglected tropical diseases (NTDs) including elephantiasis, buruli ulcer, leprosy, yaws and bilharzia are extremely high in the northern part of the country (NTDP, 2015). These are clear indications that the health care system in the Northern part of Ghana is poor; attributable to appalling performance of both the public and private health facilities in the country. However, the government and other key stakeholders have largely focused on addressing issues in the public health sector with little or no focus on the private health facilities.

Arguably, the private health sector would continue to deliver poor services to citizens in the country notably the Northern region if their internal control practices are not critically evaluated. Private health institutions are basically exposed to potential environmental and operational hazards which contribute their performance shortfalls (Ndege, 2016). Ndege (2016) also concluded that unclear ICP increases fraudulent activities, poor employee work output and poor asset maintenance; situations which may arguably be indifferent within Ghana's private health sector. It is also a known fact that, health issues are inevitable; thus, access to poor quality health care could reduce active labour force and in turn negatively impact economic growth. Thus, this study investigates how internal control practices affect financial performance of private health facilities in developing economies with focus on Ghana.

Research abounds on ICP and financial performance (Adegboyegun et al., 2020; Tambari, Chioma & Abara, 2019; Akimana, 2019; Asiligwa & Rennox, 2017; Umar, H., & Dikko, 2018; Aksoy & Mohammed, 2020); however, focus on health sectors in developing economies have been scanty. Also, a number of them have adopted poor research methods; affecting quality of findings (Aksoy & Mohammed, 2020; Umar & Dikko, 2018; Ibrahim, Diibuzie & Abubakari, 2017). In Ghana, for instance, related studies have largely focused sectors including banking and manufacturing (Ayagre et al., 2014; Agbenyo, Jiang & Cobblah, 2018; Yao, Yusheng & Bah, 2017; Gyebi & Quain, 2013) with few on the health sector (Ibrahim et al., 2017). Ibrahim et al. (2017), for instance, focused on only public health institutions within the Upper West region. Deductively, none of the previous studies in Ghana's health sector have focused on private health facilities; a gap which requires urgent attention.

Purpose of the Study

This study purposely investigated how internal control practices influence the financial performance of private health institutions within the Tamale metropolis of Ghana.

Research Objectives

The study developed the following specific objectives to:

1. investigate how control environment influences financial performance of private health institutions in the Tamale metropolis
2. analyse the influence of risk audit on financial performance of private health institutions in the Tamale metropolis;
3. examine how control activities influence financial performance of private health institutions in the Tamale metropolis;
4. investigate the influence of information and communication on financial performance of private health institutions in the Tamale metropolis;
5. analyse the effect of monitoring on financial performance of private health institutions in the Tamale metropolis.

Research Questions

This research addressed the research questions below:

1. What is the influence of control environment on financial performance of private health institutions in the Tamale metropolis?

2. What is the influence of risk audit on financial performance of private health institutions in the Tamale metropolis?
3. What is the effect of control activities on financial performance of private health institutions in the Tamale metropolis?
4. How does information and communication affect the financial performance of private health institutions in the Tamale metropolis?
5. How does monitoring affect the financial performance of private health institutions in the Tamale metropolis?

Significance of the Study

The outcomes of the study were useful for policymakers within the health sectors of developing economies notably Ghana and potential researchers. The study assisted policy makers and other relevant bodies in Ghana's private health sector to revise, formulate and implement comprehensive internal control policies based on this study's well-established findings. The findings of the study also served as a wake-up call for the management of private health facilities especially those within the Tamale metropolis to develop relevant internal control mechanisms in order to increase their levels of financial efficiency. Furthermore, by contributing to the current stock of information relating to internal controls, the study's findings would serve as a reference source for academia and future studies.

Delimitations

The study was delimited to investigating internal control practices and financial performance within a developing economy. Thus, other dimensions of organisational performance including sustainability, market, operational and employee performances, for instance, were all excluded. Also, financial performance was measured using subjective indicators (i.e., primary data) including return on equity, return on assets, sales margin, etc; other than the use of secondary data which provides actual figures from annual reports of the private health institutions under investigation. Also, the study focused on private health facilities within the Tamale metropolis; thus, those outside this metropolis were all excluded. Also, only registered private health institutions were involved in the data collection exercise; thus, all unregistered firms were excluded from this research.

Limitations

There are certain imposed limitations that are inherent in any research activity, but must be handled. Due to the study's quantitative nature, structured questionnaires were adopted which exposed the study to some limitations. For instance, some of the questionnaires administered were never answered nor returned which affected the total data used for analysis. In terms of data collection, because of their busy and erratic work schedules, reaching a section of the respondents was a major challenge.

Also, the data analysed was founded on the opinions and views of members of private health facilities within the Tamale metropolis which could defer from reality. Finally, structured (closed-ended) questionnaires were administered to the respondents which limited them from making personal suggestions which could have improved the study's quality. The study overcame these limitations by developing a comprehensive questionnaire which covered all the study's variables and in turn improved the quality of the research. Also, the researcher engaged two research assistants throughout the data collection stage; authority note was also obtained from the head of department while some respondents were allowed to fill their questionnaires through online platforms.

Definition of Terms

Internal control practices: These are the entire system controls which are established by management or authorities to effectively and efficiently manage and sustain their organisation's assets.

Financial performance: It refers to subjectively and or objectively measuring of how well an organisation uses its assets and other resources to generate business revenues over a given period of time.

Organisation of the Study

This research consisted of five chapters where Chapter one focused on the study's introduction in relation to background issues, problem statement, research objectives and associated questions. Chapter two discussed relevant literature in relation to the research objectives. It specifically discussed he theoretical and empirical reviews and conceptual framework. Chapter three presented a discourse on the research methods such as research approach, research design and data processing and analysis. Also, Chapter four presented the results and discussion of data that was collected for the study. Finally, Chapter five summarised the study's key findings, drew conclusions and offered relevant recommendations for both policy formulation and further studies.

CHAPTER TWO

LITERATURE REVIEW

Introduction

Relevant studies in relation to internal control practices and financial performance were reviewed and discussed in this chapter. The theoretical, conceptual and empirical reviews that summarized knowledge from related studies were explicitly presented. A conceptual framework of the research was also developed and the chapter was closed with a chapter summary.

Theoretical Review

This research was supported by the agency theory because of its importance to the research objectives. The next section extensively discussed the theory.

Agency theory

The agency theory has generally been credited to both Michael Jensen and William Meckling (originators). This theory, according to Adams (1994), considers organisations as essential mechanisms in which internal controls are exercised to mitigate opportunistic agent behaviours. The theory suggests how best a principal can handle an agent during relationships (Fontrodona & Sison, 2006). The principal employs an agent in this partnership to achieve a mission he or she is unable to personally undertake. The theory implies that these actors are self-interest motivated, which establishes the foundations for predictable intrinsic disputes. According to Njaramba and Ngugi (2014), agents are projected to function in accordance with the principal's expectations.

Adams (1994) opined that the agency theory assumes that the idea of 'agency loss' is widely used by a principal to determine whether or not an agent is motivated by self-interest. Fontrodona and Sison (2006) accentuates that agency loss applies to the difference between the principal and the agent's expectations (behaviour). It is generally noted as zero (0) when an agent acts absolutely in requirements of the standards of a principal. Agency loss, therefore, rises if the agent's actions deviate from the objectives or priorities of the principal. Therefore, when an agent behaves completely in his or her own self-interest and obviously against the principal's wishes, the loss of the organisation becomes quite high (Wiseman, Cuevas-Rodríguez & Gomez-Mejia, 2012).

McCue and Prier (2008) stressed that by trying to increase personal economic capital, agents often behave selfishly. Therefore, the theory calls on agents (employees) either to surrender their interests or to function in ways that concurrently will maximize their personal and principal interests (employers). In a similar vein, Smith (2011) justified that an agent does not deny the moral obligation for a particular conduct merely because he or she works as an agent for another in agency relations. As such, by hiring specialists (external auditors or monitoring systems) to track the actions of the former, the agency principle offers grounds for improving the relationships between agents (workers) and principals (organisation).

Osipova (2015), in his study, argued that firms can establish strong cooperate relationships with agents during construction projects by adopting the agency theory. The theory also argues that, principals (firms) need to adopt various policies, practices, systems and strategies to ensure that their agents act in line with set goals and expectations. Notable among these practices or systems include the implementation of proper internal control practices (ICP). These practices decrease agency costs as conferred by Njaramba and Ngugi (2014) and eventually enable the principal to decrease overall costs.

The theory was also endorsed by other scholars and for example, Nyakundi, Nyamita and Tinega (2014) emphasised that internal controls should provide fair guarantees for management goals. In order to avoid disputes with or between employees (agents), internal control mechanisms are essentially integrated into organisational policies, legislation and other systems to help achieve existing goals (Morris, 2011). Similarly, Rubino and Vitolla (2014) suggested that management should create a managed earnings management environment, achievable through effective internal controls.

With respect to the study, the theory supports the assertion that private health institutions are likely to expose their agents (i.e., health workers) to various financial gaps in the face of poor internal controls such as control environment, control activities and risk audit. Simply put, the theory argues for management of these private health institutions to adopt proper ICPs in order to control the agents' activities (employees) in a bid to promote better financial and overall firm performance. The theory clearly emphasises that control practices play crucial roles in minimising possible risks in areas of finance, operational, managerial, among others; in turn bettering financial performance.

Conceptual Review

This section provided the conceptual review of the study.

Internal control practices

The concept of internal control is increasing in importance among academicians, researchers and businesses including manufacturing firms across the globe (Chalmers, Hay & Khlif, 2019; Zakaria, Nawawi & Salin, 2016). As such, this concept has attracted different definitions from several scholars in recent times. For instance, internal control practices (ICPs) refer to the various control systems and mechanisms implemented by organisations to help achieve set goals and objectives (Chalmers et al., 2019). Tunji (2013) suggested that, ICP comprises methods, procedures and practices implemented internally to safeguard resources, ensure accurate financial records to strengthen operational efficiencies and performances. According to Zakaria et al. (2016), ICP is the different mechanisms developed to ensure successful and productive control of capital and processes in order to achieve firm objectives.

Amissah (2017) also defined ICPs as practices comprising policies and procedures that protect firms' resources, provide proper financial reports, improve adherence to rules and regulations to achieve organisational targets. These systems are adopted to protect firms' assets to achieve expected returns. Adu-Frimpong (2016) also defined ICP to include the various policies and practices which positively affect the internal and external communication structures of organisations and their corporate finance management structures. These practices aid in the timely preparation of reliable and accurate financial reports coupled with inventory record management. According to the Dickins and Fay (2017), internal controls integrate policies, activities, plans, attitudes, and efforts of people to safeguard assets to minimise overall business costs.

Previous studies have found internal controls to protect financial documents and assets, reduce business risks, control operational activities and enhance business performance and competitiveness (Mahadeen, Al-Dmour, Obeidat & Tarhini, 2016; Shokoohi, Saeidi & Malekmahmoudi, 2015; Arwinge, 2014). Kinyua, Gakure, Gekara and Orwa (2015) added that, firms that implement internal controls are able to overcome resource wastages arising from financial frauds, inventory wastages, errors, negligence and improper accounting records. Internal controls ensure that firms adhere to strict rules, thus, protects them against unnecessary law suits and associated financial costs. Internal controls are primarily implemented in all facets of business systems and structures and most especially in areas of finance.

Eniola and Akinselure (2016) posited that, failure to adopt proper internal controls could expose firms to financial malpractices and mismanagement; invariably affecting financial wellbeing of these firms. According to Rosman, Shafie, Sanusi, Johari and Omar (2016), proper implementation of ICPs improve budgetary participation and performance effectiveness of Malaysian's non-profit organisations. Bentley-Goode, Newton and Thompson (2017) added that internal controls enable firms to establish comprehensive business strategies to ensure quality financial and audit reporting. These are clear indications that implementing relevant internal controls enable firms to overcome their financial frustrations in order to perform well, survive unhealthy competitions and enjoy competitive advantages.

Elements of internal control practices

A report by COSO (2009) suggested that every comprehensive internal control system should have the following five (5) key practices: information and communication, control activities, risk audit, control environment, and monitoring. Consequently, previous studies have widely discussed these practices (Shokoohi et al., 2015; Shabri, Saad & Bakar, 2016; Roseman et al., 2016; Ibrahim et al., 2017). Shabri et al. (2016) further revealed that, these ICS components form cohesive systems to interact with each other in order to react positively to changing business climates. Ibrahim et al. (2017) added that these elements are key to operational and firm successes. Asiligwa and Rennox (2017) revealed that organisations overcome goal conflicts by implementing internal controls including monitoring systems. These key internal control practices are discussed below.

Risk audit

Risk audit is a key constituent of internal control (Mary, Albert & Byaruhanga, 2014). Organisations are constantly exposed to various risks which could affect their operations and performance levels; thus, need to frequently assess and subsequently manage possible risks detected. According to Mary et al. (2014), risk audit deals with detecting and responding to possible business risks. It is also seen as technique or action for proactively identifying and addressing risk within an organisation. It is a key tool for effectively managing risk in all organisational settings. Effectively auditing or assessing risk means taking series of steps to group all minor risks under major components in order to aid analysis. Risk audit, thus, focuses on the possibilities of an event occurring coupled with its associated implications (Njeri, 2014).

Risk audit is basically not about creating numerous paper-works but rather identifying relevant measures to control risk within the chain (Maduekwe & Kamala, 2016). Auditing risk can help the actors to identify risks and their thresholds. This portion helps organisations to define and efficiently manage potential errors, develop protocols, policies and control mechanisms to detect those errors. According to Frazer (2012), risks, either internally or externally generated, could affect the overall financial standings of organisations which could lead to their collapse. However, risks which cannot be avoided should be accepted following strict procedures and practices; failure to accept some risks would make it extremely difficult to manage.

Janvrin et al. (2012) were of the views that, risk can be properly assessed if organisations have clear goals and objectives. Organisations should also tolerate risks by following required precision/materiality levels; clearly established frameworks and standards, reflect choices of management, reflect activities of internal and external actors and include financial and operational performance goals. From the foregoing, organisations must develop consistent and clear goals to enable them assess likelihood of occurrence, impact and severity of risks. Wanjara (2014) concluded that properly managing risks is inevitable if organisations intend to eliminate financial distress leading to improved financial performance levels.

Control environment

Among the vital components of ICS is control environment and it comprises the awareness, attitudes and practices of policy makers including management to control the environment within which organisations operate (Dharmadasa et al., 2014). Mary et al. (2014) opined that control environment consists of all organisational factors such as policies, structures, procedures, methods and processes for control environmental activities and actions. Kabuye et al. (2019) suggested that control environment consists of integrity, communication and ethical values; thus, a key aspect of operationalisation of organisational culture. This component allows organisations to implement proper standards for achieving set goals. It also includes the external influences which could affect organisational activities, human resource and risk management

Control environment has been found to set organisation's moving, provide basis for proper ICS and it is associated with management governance in terms of philosophy, ethical standards, supportive attitudes, employee morale and integrity (Zakaria et al., 2016; Dharmadasa et al., 2014). Thus, control environment is composed of human resource policies and practices, integrity and ethical values, delegation of responsibility and authority, organisational structure, philosophy and leadership style of key stakeholders and managerial competence (Bayyoud & Sayyad, 2015; Janvrin et al., 2012). They added that, control environment is effective when organisations adhere to ethical values by setting proper evaluation standards to ensure adherence while addressing possible deviations immediately.

Janvrin et al. (2012) further suggested that board of directors and management should carry out their managerial roles independently to ensure the development and performance of internal controls. The organisation should also remain committed to identifying, developing and continuously attracting capable individuals in line with set goals. It should also prepare and regularly review policies and procedures to evaluate competences and also address shortfalls. In pursuit of corporate goals, people should also be kept responsible for their duties. Organisations may struggle to control their environment if they fail to hold individuals accountable for their actions and inactions. Proper measurement mechanisms should be set in order to assess individual level of success against fixed criteria in relation to their obligations.

Monitoring

Monitoring involves reviewing the output over a specified period of time of internal control elements to ensure that they function effectively (Njeri, 2014). Monitoring ensures that through ongoing monitoring programs, separate assessments or the implementation of both, organisations can access the consistency of ICPs. In recent times, the dynamic nature of business environments has made this component very important. Inability to properly monitor both internal and external activities and fluctuations is a recipe for failure (Vu, 2016). As such, organisations need to constantly monitor performances of their new recruits, technologies, resource constraints and changing circumstances notably demand fluctuations and changing tastes and preferences of customers.

Ofori (2011) suggested that monitoring is aimed at determining whether internal control is effective, well implemented and properly designed. Monitoring also enables organisations to constantly identify risks that may occur within a given time period. It should, therefore, be carried out regularly to evaluate process designs, managerial actions and assessment of quality internal controls. This element of ICP involves having specific accountability guidelines for managers so that they can do their jobs efficiently. It also involves audit assessments and other impartial parties, the use of experienced workers, the consideration of change rates, objectivity assessment and the creation of baseline understanding (Vu, 2016; Njeri, 2014).

Control activities

Policies, processes and procedures built to improve risk management techniques are known as control activities (Ndamenenu, 2011). These procedures and systems are also implemented to monitor how directives of management are executed to help minimise the risks which could impede attainment of set organisational goals and objectives (Frazer, 2012). Nyakundi et al. (2014) suggested that, control activities are also associated with formulating and sustaining interrelated records, performance reviews and fraud detection or management. It, therefore, helps management and other policy makers to detect, overcome and constantly reduce risks impeding an organisation's survival and success.

Further, control activities ensure that organisations have control over activities such as information processes, human capital management, financial reporting, performance appraisal and documentation of daily transactions or activities. Organisations can also acquire, develop and maintain technologies to support accomplishments of set goals. They can also implement appropriate security management systems, regularly assess policies and procedures and take corrective actions to enhance organisational development (Janvrin et al., 2012). According to Amudo and Inanga (2009), control activities comprise separation of responsibilities, resource control, frequent review of operations, supervision and authorisation.

Organisations which implement control activities are able to ensure timely, relevant and effective communication systems; enhance communicating responsibilities and organisational objectives to employees; reduce over-dependence on some employees, improve decision making processes while ensuring minimisation of fraudulent activities. Separation of responsibilities, reconciliations, verification, and physical protection of properties or assets may also be included in control activities. These measures emphasise the smooth execution of management directives. This practice is measured primarily on the basis of a wide variety of monitoring activities and the volume and type of test procedures (Dharmadasa et al., 2014; Janvrin et al., 2012).

Information and communication system

Another major component of internal controls implemented by organisations are the information and communication system (Hayali, Dinç, Sarılı, Dizman & Gündoğdu, 2012). It is associated with how employees can obtain information either vertically and horizontally to ensure effective communication. According to Hayali et al. (2012), if data subsystems are structured in a sensitive and disciplined manner, proper communication is possible. Good communication at all levels should be introduced and consistency should be the priority. Argun (2016) opined that information is needed by organisations to help achieve set goals. Communication should be internally and externally executed in order to obtain relevant information from employees, suppliers, regulators, shareholders and government. Ideally, information should be circulating through departments from bottom to top and top to bottom.

Also, information obtained from either internal or external partners should be properly processed, identified and communicated to relevant people within the useful time frames. Information is primarily used to support other internal control components, including climate control, control and surveillance operations (Janvrin et al., 2012). To ensure better information and communication spread, it is necessary to identify, gather and communicate information in a timely and efficient way. This ICP dimension is intended to allow workers to complete job actions in the finest possible way. Any people involved in the enterprise must also exchange information externally. Information that is expressed in this manner makes it possible to more accurately manage behaviours and employee obligations, as Olumbe (2012) argues.

Information is mostly used to assist other elements of internal controls such as monitoring, the control climate, and control operations (Janvrin et al., 2012Information must be timely and efficiently detected, captured and transmitted, and through this aspect of internal management it must be accomplished. This element is structured to enable workers to perform their roles in the best possible way. Details must be shared both externally and to all stakeholders participating with the enterprise. The details conveyed in this manner enables control operations and employee roles, as Olumbe (2012) argued, to be more effective.

Financial performance

Organisations are primarily established to achieve specific objectives by performing effectively and efficiently (Wanjara, 2014; Umar & Dikko, 2018). Organisations arguably require proper business practices in order to achieve set goals as well as remain relevant in their industrial set up. According to Wanjara (2014), performance is associated with an individual or a firm's ability to operate efficiently, enjoy abnormal business profits, survive stiff competitions and react positively to environmental threats and opportunities. Financial performance has been found to be among the key performance measurement dimensions (Antony & Bhattacharyya, 2010). It explains the degree to which organisations achieve set financial objectives. It, therefore, helps in the measurement and evaluation of organisational successes in achieving business objectives (Saeidi, Sofian & Siti Zaleha, 2014).

Galbraith and Schendel's (1983) study specifically revealed key subjective financial indicators to include return on assets, sales returns, profit margin and return on equity. Another study by Bakar and Ahmad (2010) revealed common financial performance dimensions to consist of sales growth and profits. Similar studies have relied on these financial performance measurement indicators (Shokoohi et al., 2015; Dossi & Patelli, 2010; Richard, Devinney, Yip & Johnson, 2009; Judge, Naoumova & Koutzevol, 2003). Judge et al. (2003), for instance, adopted financial elements including profitability, asset growth and Net Interest Margin (NIM).

Saeidi et. al. (2014) adopted financial indicators including return on sale (ROS), return on equity (ROE) and return on investment (ROI). Some foregoing researches have assessed financial performance through using common subjective indicators: financial soundness, return on investment, sales growth, operating income, cash flows and net profit (Mwaniki, 2017; Maduekwe & Kamala, 2016; Jackson & Singh, 2015; Mishkin, 2007; Dwivedi & Jain, 2002). The Njeri (2014) research adopted financial metrics such as income/profit growth and capital return to assess production corporations' financial success in Kenya.

This research, therefore, modified some of the metrics to assess the financial performance of private health institutions in Ghana with focus on those within the Tamale metropolis. Moreover, this is largely attributed to the widespread recognition and importance to the study of these metrics. Note that, these are subjective measurement indicators of financial performance and are preferred when the researcher intends to rely on primary data other than secondary data (Vij & Bedi, 2016; Singh, Darwish & Potočnik, 2016; Abdi, 2015; Woods, 2012).

Empirical Review

This section presented extensive reviews of related literature on internal control practices (ICP) and financial performance. This review was carried out to provide adequate literature to support or disapprove the study's findings. The empirical review was also done to deduce research gaps to justify the need for this study. Various studies have established a relationship between ICP and FP; with inconsistent results., whereas others have also relied on poor research methodologies. For instance, Njeri (2014) examined how financial performance of manufacturing industries in Kenya are affected by internal controls. As a quantitative study, gathering questionnaires from only 20 randomly sampled respondents was woefully inadequate. The linear regression output found internal controls including monitoring, control environment and risk audit to significantly improve financial performance of these industries.

A similar study by Ndiwa and Kwasira (2014) found financial performance to be statistically contributed by internal controls notably control activities. This study also focused on manufacturing firms in Kenya and concluded that control activities play vital roles in minimising fraudulent and error-prone activities; in turn improving financial performance. In contrast, Ejoh and Ejom (2014) conducted a related study but focused on tertiary institutions in Nigeria. This study revealed that internal controls have no significant effect on firm performance; concluding that a change in internal controls do not cause any significant improvement in performance of the tertiary institutions. This finding contradicts that of Kamau (2016) who concluded that internal control significantly improves the financial performance of companies listed on the Ghana Stock Exchange (GSE).

Among other specific objectives, a quantitative study by Rosman et al. (2016) examined how ICS affect financial performance effectiveness of non-profit organisations (NGO) in Malaysia. Primary data was gathered from 96 respondents using structured questionnaire and subsequently used multiple regression for analysis. Internal control practices notably risk audit, control activities and monitoring were found to be significantly associated with financial performance of NGOs in Malaysia. Zhou, Chen and Cheng's (2016) study on internal control and its effect on firm performance buttressed this finding by concluding that poor ICPs leads to poor firm performance. Thus, implementation of proper ICPs create avenues for improving firm performance.

Similarly, Asiligwa and Rennox (2017) focused on commercial banks in Kenya and analysed how internal controls affect their financial performance. The descriptive design was adopted and quantitative analysis was used to investigate the research objectives. The study gathered primary data from 43 commercial banks using structured questionnaires and the analysis reported internal controls to significantly improve financial performance. Thus, banking sector in Kenya enjoys strong financial performances due to the adoption of proper internal controls. In Ghana, Ibrahim et al. (2017) focused on healthcare facilities within the Upper West region of Ghana. It employed descriptive design to investigate the issues at stake. It was concluded that internal controls strongly influence the financial performance levels of the five (5) health institutions studied.

Also, within the healthcare sector, Eke (2018) investigated how internal controls impact the financial performance of hospitality institution in the Rivers State, Nigeria. This study adopted the survey design and inappropriately used the convenience tool to sample 20 hospitality organisations in Rivers State. Data was surprisingly obtained through textbooks, journals and internet. However, the use of questionnaires as another data collection instrument was appropriate. Relying on the linear regression analysis, this study found control environment, information and communication and risk assessment to affect financial performance of HOs. The study concluded that absence of control environment could spell doom for these hospitality firms.

Lagat (2018) also carried out a quantitative study to analyse how financial performance is affected by ICS implemented by Kenyan's state-owned sugar companies. Using the descriptive research design, the study obtained data from 30 respondents in five (5) companies. Primary data was obtained using structured questionnaires and analysed using linear regression. It was found that ICS cause about 52 percent of change in financial performance; thus, a change in ICS could contribute about 52 percent of change in financial performance of the state-owned sugar companies. However, Gitau (2018) focused on 54 supermarket retailers in Kenya and found risk assessment and internal checks practices to have cause a significant positive change in financial performance levels. Similar finding was obtained by Kabuye et al. (2019) who also focused on supermarkets but in Uganda other than Kenya.

Akimana (2019) similarly focused on examining how internal controls affect the financial performance. However, this study focused on SMEs in Nairobi Country, Kenya. Adopting the descriptive design, the study assembled data from 116 employees through structured questionnaires. This research wrongly analysed its data using SPSS which is a software for processing data. Based on the linear regression result, the study found internal controls (i.e., monitoring, risk assessment, control activities) to significantly and positively contribute to the financial performance of SMEs in Nairobi, Kenya. Adegboyegun et al. (2020) obtained a contradictory finding with their study focusing on 120 randomly sampled SMEs within the Ondo State of Nigeria. It concluded that only control activities and environment individually improve financial performance but the composite of internal controls have no significant effect on financial performance.

Deductively, although studies abound on internal control practices and financial performance (Akimana, 2019; Adedeji & Olubodun, 2018; Lagat, 2018; Gitau, 2018); majority of them have focused on manufacturing (Lagat, 2018; Ndiwa & Kwasira, 2014), financial (Asiligwa & Rennox, 2017; Amissah, 2017) and retail (Kabuye et al., 2019; Gitau, 2018) industries. Only Ibrahim et al. (2017) was found to directly focus on the health sector (public); with none on the private health sector of Ghana. Also, a number of these studies adopted wrong methods (Akimana, 2019; Njeri, 2014) which affected the quality of their respective findings. Previous findings have also been inconsistent with some (Adegboyegun et al., 2020; Ejoh & Ejom, 2014) reporting no significant relationships; whereas, others (Asiligwa & Rennox, 2017; Rosman et al., 2016;

Kamau, 2016) reported significant relationships. Therefore, these empirical gaps justified the need for a study of this nature.

Conceptual Framework

A conceptual framework geared towards providing a pictorial view of the research objectives is presented in this section. The framework, specifically, showcased how internal control practices (ICPs) are associated with financial performance (FP) in a diagrammatic form. This framework focused on two major variables where the independent variable was represented by the five key internal control practices; whereas the endogenous variable was signified by financial performance. The framework was presented in Figure 1.

Internal Control Systems

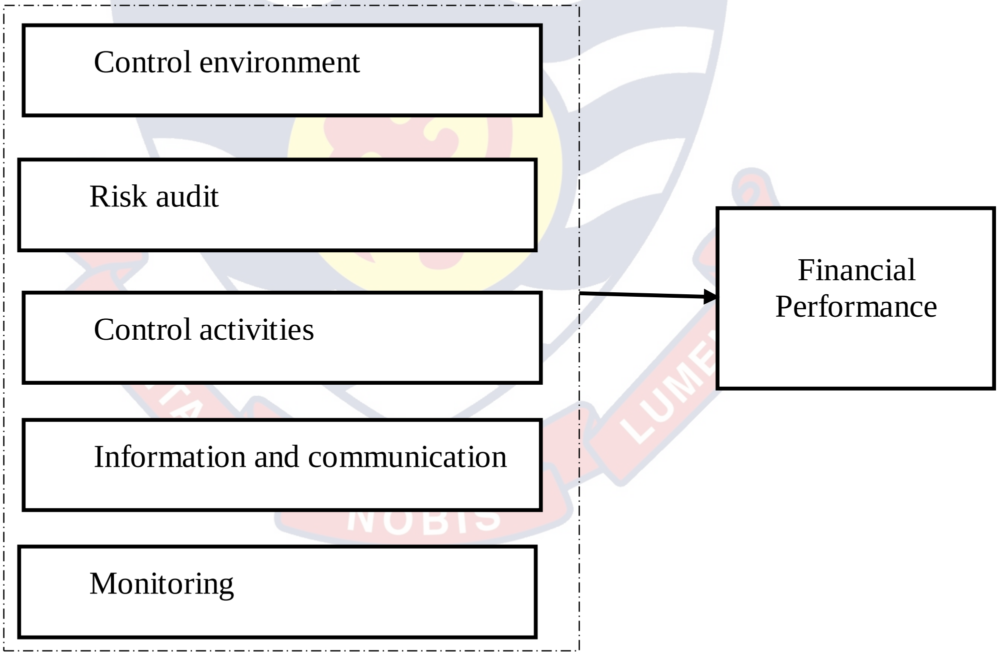

Figure 1: Conceptual framework of the Study
Source: Author's Own Construct (2020)

As indicated in Figure 1, the internal control practice was measured with regards to its five key components (information and communication, control environment, monitoring, control activities and risk audit). Financial performance was measured in terms of sales growth, market share, profit margin, return on equity, return on asset and operational income. These measurement indicators were in consonance with previous related studies (Njeri, 2014; Nyankundi et al., 2014; Shokoohi et al., 2015; Umar & Dikko, 2018). From the figure, the arrow pointing at financial performance indicates that, it is dependent on a unit change in the ICS dimensions. Thus, any variation in any ICS could lead to a variation in FP of the manufacturing firms studied. However, the framework remains silent on the extent to which ICS affects FP of these firms; thus, worthy of investigation.

Chapter Summary

The entire chapter offered detailed reviews of associated literature in four major subsections: theoretical review, conceptual review, empirical review and conceptual framework. The agency theory underpinned this research due to its nature and purpose. The chapter ended with the conceptual model that offered an illustration of the objectives of the research.

CHAPTER THREE

RESEARCH METHODS

Introduction

With regards to internal control practices (ICP) and financial performance, this section addressed the relevant techniques or methods adopted in this research. The ensuing sections discussed the key methodological elements supporting this research.

Research Paradigm

The positivism paradigm underpinned this research due to its relevance to the objectives. This paradigm involves the use of scientific processes intended to draw objective conclusions (Holden & Lynch, 2004; Sobh & Perry, 2006). The paradigm is concerned with obtaining facts about a phenomenon by involving hypothesis testing and quantitative tools (Saunders et al., 2009). It assumes that there is one defined reality, fixed, measurable and observable (ontological assumption); genuine knowledge is quantifiable and objective. The philosophy aims to expand theory and ensure authentic knowledge is obtained only through scientific means. It further assumes that objectivity and precision are good while subjectivity is inherently misleading. Also, the use of quantitative methods is the only acceptable strategy to generate valid knowledge (Saunders et al., 2009; Lincoln, Lynham & Guba, 2011).

Research Approach

Research approach is an important part of any scientific research as it provides the strategies, plan and systems for conducting the research (Creswell, 2014). The quantitative approach was employed for the purpose of the study.

Using statistical methods to clarify what is understood and needs to be learned through comprehensive analysis, the quantitative approach is most preferred to the qualitative and mixed approaches (Creswell & Plano Clark, 2011). The quantitative approach also aids in understanding cause and effect relationships among variables understudy. It is specifically preferred if the researcher intends to explain how one variable causes a change in the other variable. In this case, this approach is relevant in explaining how internal control practices cause changes in financial performance.

Also, the quantitative approach relies on descriptive (mean, percentages) and inferential statistical tools notably chi-square, corelation and linear regression into drawing inferences about a population (Creswell, 2014). According to Saunders and Lewis (2012), in order to allow statistical analysis to be carried out and draw concrete conclusions, the quantitative method typically collects and transforms data into a numerical form; subsequently processed using software and analysed rigorously. Creswell and Creswell (2017) added that the approach provides more objective responses and is suitable for generalising findings from a relatively large sample size across an entire population. Conclusively, this approach is preferred to investigate how ICP affect financial performance using a relatively large sample size from respondents of private health facilities in Ghana.

Research Design

Research scholars have revealed three key designs to conducting a study: exploratory, explanatory and descriptive designs. As such, the choice of a design is largely dependent on a study's purpose, objectives and approach (Creswell & Clark, 2012). The exploratory design, for instance, is carried out to investigate an issue the researcher has no past data or can rely on very limited studies (Grove, Burns & Gray, 2012). It is generally adopted for qualitative studies to obtain data from a relatively small population and serve as a vital tool for initial research. It assists researchers in obtaining the nature of a given issue, provide in-depth understanding to the issue while helping to properly formulate the problem (Creswell, 2014). It also provides the foundation for further research by identifying the probable reasons and not solutions to the problem.

The explanatory design, on the other hand, is adopted to provide detailed explanation to a given research. This design is suitable for investigating cause-and-effect-relationships between or among subjects of interest (Creswell & Creswell, 2017). It can also be carried out to examine how a given variable impacts or statistically affect the other variable(s). It also analyses an occurrence or a particular issue related to relationship patterns among constructs. The design helps researchers to understand the reasons for the occurrences of wide range of processes, provides replication while ensuring greater level of internal validity. It is suitable for quantitative methods where quantitative or statistical tools are required to provide in-depth analysis of a given problem.

Finally, the descriptive design is an aspect of quantitative or qualitative research that aims to identify frequencies, characteristics, trends, etc (Creswell, 2017). This design specifically focuses on describing a population's features and focuses primarily on "what" of a given subject that "why". It is largely seen as quantitative research that aims at gathering quantifiable information for further statistical analysis. It is employed to collect information about the current state of phenomena and to explain what happens in a situation with respect to variables or conditions (Saunders, Lewis & Thornhill, 2012). The design analyses large volumes of data from a large target population (Tabachnick, Fidell & Ullman, 2007).

With reference to the earlier discussion, the study adopted the explanatory design due to its nature, purpose and objectives. More precisely, the explanatory design is relevant for investigating the cause-and-effect-relationships between or among variables of interest (Wahyuni, 2012). For instance, this study investigates the cause-and-effect connection between ICP and financial performance; thus, the need for this design. This design also uses statistical tools to draw concrete and factual conclusions for better generalisation purposes. It gathers primary data through structured questionnaires from a large population size; as such, it could be time consuming when ensuring a good response rate and the information obtained for further analysis caused be misleading (Wildemuth, 2016; Creswell, 2014). Regardless of these drawbacks, the explanatory design was the most preferred in addressing issues in this study.

Study Area

The Tamale Metropolitan Assembly (TMA) is among the sixteen district assemblies within the Northern Region of Ghana. It was originally established in 1988 as a municipal district and was known as the Tamale Municipal District (TMD). Its name was later changed in 2004 after the status of the district was upgraded to a metropolitan district assembly. In 2012, a portion of TMA was split off to create the Sagnarigu District which also subsequently upgraded in 2018 to become a Municipal assembly. Tamale can be found in the northwest part of Northern Region and is among the biggest cities in the country. Majority (80.08%) of its population reside in urban areas with only 19.1 percent living in rural localities.

The metropolis boasts of a number of tourist sites, educational centres and health institutions. With a number of modernised health facilities in the metropolis, majority of the residents within the Northern part of the country access medical care there. Some of these health institutions include Rabito Clinic, Kobsad Scientific Hospital, Habana Medical Service, Tamale Central Hospital and Tamale Teaching Hospital, among others. The Tamale Metropolitan Assembly (2020) report revealed that majority of the health facilities in the metropolis are privately owned and as such exposure to financial difficulties could have severe rippling effect on the entire health delivery in the metropolis, region and country as a whole. Thus, it was relevant to investigate how the internal control practices they adopt influence the financial performance of the private health facilities in the metropolis.

Population

Creswell (2014) viewed a study's population to consist of a group of entities with specific characteristics. As such, this study's population consisted of health workers of private health institutions within the Tamale metropolis of Ghana. It specifically consisted of all health workers of the 10 registered private health care facilities in the region such as Habana Medical Service, Rabito Clinic and Kabsad Scientific hospital. These facilities have duly registered with the Tamale Metropolitan Assembly (TMA) and as such operate legally. From the staff report obtained from the health institutions, the health workers sum up to 410. Simply put, the study's target population size consisted of 410 health workers in the 10 registered private healthcare facilities within the Tamale metropolis of Ghana.

Sampling Procedure

Due to the study's relatively large target population size, a sample was preferred to offer a reasonable depiction of the population. Using the Krejcie and Morgan (1970) sampling determination table, the sample size was chosen. This table provides a scientific rationale for selecting the study sample size. Based on the sampling table, a sample of 197 health workers were sampled from the 420 health workers of the 10 private health institutions. After obtaining the sample size, the simple random sampling method was chosen to select the participants for the study. This technique is a probabilistic tool which gives each and every member in a given population a fair opportunity to be chosen.

The simple random sampling technique is relatively easy to use, offers fairness in selecting members, according to Groves et al. (2011), and is the most straightforward probability sampling technique. The goal of the research, which involves generalisation of results over the entire population (private health institutions within the Tamale metropolis and Ghana in general), also prompted this decision. More precisely, the study employed the lottery method where the staff codes of the health workers were assigned unique numbers and then folded individually. Then the folded sheets bearing the unique numbers were inserted in a box, rigorously shook and arbitrarily selected without replacing till the desired sample size was satisfied. The randomly chosen numbers reflected the target population from which data was gathered from for analysis.

It is to note that, several measures were implemented to clean the data after it was retrieved. Out of the 197 questionnaires administered, a total of 195 were gathered from the exercise. This was due to two of the respondents' failure to return the questionnaires within the stipulated time. After cleaning the data, the researcher found some issues in relation to incompletely filled questionnaires on the part of three respondents. As such, the study relied on a data set of 192 valid responses representing a response rate of 97.46 percent of the overall questionnaires administered. The valid response rate was near 100 percent indicating that its result could provide a true reflection of the sample and the target population as a whole.

Data Collection Instrument

A structured or standardized questionnaire was adopted to obtain primary data from the selected participants. According to Saunders et al. (2012), a questionnaire covers all data collection techniques where respondents are individually asked to respond to similar group of questions in a prearranged manner. The structured questionnaire is the only appropriate primary data collection tool for quantitative studies, thus, aids in quantitative analysis. This instrument was self-constructed based on related literature and its question items were scored on a five-point Likert-like scale. The range for this scale was from 1 to 5 indicating least agreement and highest agreement respectively to the items on the questionnaire. This scale was chosen to obtain the respondents' level of agreement to each statement. The scale is also appropriate for analysing data using both descriptive and inferential statistical tools.

The questionnaire was structured with 37 items in four (4) different categories namely sections A, B, C and D. The first category, Section A entailed four (4) items to solicit for the demographic details of the selected participants and the firms they work in. Section B gathered data on the measurement of the five internal control practices with five (5) question items each. Finally, Section

C consisted of eight (8) question items which dealt with the financial performance measurement indicators.

Validity and Reliability

Thornhill, Saunders and Lewis (2009) suggested that it is important for a research to collect empirical findings which reproduce situational fact. Thus, to answer research questions, a researcher must ensure that the information to be gathered will easily be accessed. These can be accomplished by maintaining the reliability and validity of the research tool adopted for a study. Validity, for instance, describes a degree to which a research instrument tests its study objectives (Saunders et al., 2012). It is conducted to validate and streamline questionnaire contents by peer review and professional feedback. With respect to this research, a questionnaire was drafted and assigned to two research-inclined peers for review. Relevant corrections were done and subsequently given to the researcher's supervisor for further review. Per the issues raised, all necessary corrections were done until the questionnaire was fully developed for actual data collection.

On the other hand, reliability evaluates the degree to which a research instrument can be trusted and replicated. To achieve this, internal consistency was tested using Cronbach's alpha (α) where an α value of 0.70 or more indicated reliability (Thornhill et al., 2012; Best & Kahn, 2016). The reliability was done by obtaining a 30-data set through pre-testing from health workers within the Wa metropolis of Ghana. This data was then processed by means of IBM SPSS Statistics version 26 and subsequently analysed with reliability test in the software. This was done to test how reliable the instrument is for gathering primary data.

After the analysis, the Cronbach alpha (α) values of each construct were reported. From the test, the overall α score was 0.933; thus, clearly higher than the 0.70 threshold. The research instrument was therefore deemed valid and reliable, and good findings can be achieved in this regard from the analysis. Table 1 presented the reliability outcome based on the α values of each construct or objective.

Table 1: Reliability Analysis

Item	Item loading	Cronbach Alpha (α)
Control environment	5	.874
Control activities	5	.856
Risk audit	5	.792
Information and Communication	5	.819
Monitoring	5	.857
Financial performance	8	.834
All items	33	.933

Source: Field survey (2020)

Data Collection Procedure

Primary data was obtained from the health workers by following laid down processes or procedures. For instance, an introductory letter detailing the intent and purpose of the study was first obtained from the Head of Accounting Department, School of Business, University of Cape Coast. This letter was attached to the drafted questionnaires and submitted to the respective management of the ten private health institutions for approval. Upon receipt of approval, the researcher also sought for consent from the prospective respondents to promote voluntary participation. Due to the appreciable level of education of the respondents, questionnaires were distributed to them and they were allowed to fill them with minimal involvement.

The questionnaires were given to the respondents at post and some explanations were provided to maintain focus and also ensure receipt of quality data. The respondents were allowed to fill and return the questionnaires to a designated place at their respective work places within two weeks. This time frame was deemed appropriate due to their nature of work coupled with tight work schedules. Respondents who pleaded for time extension were given one week to return the questionnaires. In all, the exercise took three working weeks to complete and although a number of them were initially reluctant to participate, the exercise was extremely successful with a response rate of over 98 percent.

Ethical Consideration

Ethical consideration in research is the norms or standards required to differentiate between right and wrong (Connelly, 2014). As such, every research requires that researchers meet common ethical considerations in a bid to progress the reliability and acceptance of its outcomes, conclusions and recommendations. Common ethical issues considered in the study included honesty, right to privacy, voluntary participation, anonymity, confidentiality and addressing plagiarism issues (Connelly, 2014; Richard, Devinney, Yip & Johnson, 2009). All measures were put in place to ensure that all the ethical issues were addressed. For instance, anonymity was ensured when the data collection instrument made no room for obtaining personal details from the respondents. This was done to prevent the respondents' from revealing their personal contacts which could affect anonymity.

With respect to confidentiality, the respondents were assured of safety of the information they provide. Thus, they were guaranteed of confidentiality of their details and as such, would not be used against them nor found the public domain. Possibilities of facing privacy problems were overcome by encouraging selected participants to respond to the questionnaires themselves and to leave vague comments unanswered for more explanations in their very own suitable medium. Also, plagiarism issues were addressed by providing appropriate references to information obtained from articles and other scholars. Information obtained were also appropriately paraphrased to avoid over-reliance on word for word quotes. It is to note that, all other ethical issues were addressed to ensure that the study's findings could be relied upon for policy formulation and other decision-making purposes.

Data Processing and Analysis

This research investigated how internal control practices influence financial performance of private health institutions within the Tamale metropolis of Ghana. Data obtained during the data collection was subjected to rigorous editing to eliminate missing values and incomplete data. The screened data was coded and processed through IBM SPSS version 26 software. Analysis of the data via descriptive statistics (i.e., percentages, frequencies) and inferential statistics (i.e., linear regression). The percentages and frequency, for instance, were employed in describing the demographic features of the selected participants for the study.

All the five research objectives were analysed using linear regression. This analytical tool is effective for examining the effect of one independent variable on a dependent variable. In this case, the study analysed the effect of the different internal control practices on financial performance individually. To achieve this, the study met the rules of assumptions underpinning linear regression and they included sampling adequacy, normality of data, multicollinearity, data independence, among others. Researchers have generally concluded that a data is deemed normal if it has an adequate sample size (i.e., > 100). Having an adequate sample size limits the need for the other assumptions to prove data normality. Due to the study's adequate sample size projecting normality of data, the study's outcomes were then offered in tables and discussed in Chapter four.

Model Specification

With respect to the focus on the study, a model was developed to help understand the its purpose. It was also developed to help in determining which predictor variables should be excluded or included from the regression equation. As such, the study's model was specified below:

$FP = c + \beta_1 CE + \beta_2 RA + \beta_3 CA + \beta_4 IC + \beta_5 M + \epsilon$

Where:

c – Constant term

ϵ - Error term

IC – Information and Communication

CE – Control environment

CA - Control Activities

RA- Risk Audit

M – Monitoring

FP – Financial performance

It could be seen from the regression model that financial performance (i.e., dependent variable) is a function of a constant term, internal control systems (i.e., independent variables) and an error term. Thus, a unit increase in the internal control elements comprising CE, RA, CA, IC and MON is likely to cause a unit rise in the financial performance of the health facilities understudy.

Chapter Summary

This chapter discussed the methods and procedures used in achieving the study's objectives. It precisely discoursed key methodologies including approach, design and research instrument. In addition, the procedure used for data collection, statistical tools used for data processing and analysis were also addressed in the chapter. Finally, the research instrument achieved adequate validity and reliability, whereas ethical considerations that were adhered to were also presented.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter discussed the study's analysis in relation to its aims. It explicitly addressed the socio-demographic details of the respondents and how the internal control practices individually affect financial performance.

Socio-Demographic Features of Respondents

On the demographic features, this section described the respondents' age group, sex and educational attainments. Other areas covered include departments in which they work and the number of years working at the institution. Data obtained on the demographics were presented in Table 2. In terms of sex, males were represented by approximately 56 percent of respondents as against their female counterparts who were represented by nearly 44 percent. Obviously, males outnumbered their female counterparts displaying male dominance in many managerial grounds (Ofei, Sakyi, Buabeng, Mwini-Nyaledzigbor & Atindanbila, 2014).

Data on Table 2 disclosed that most of the staff (91.9%) of the hospitals understudy were below fifty years and thus, within their active working periods and look energetic. Except for less than one-tenth of the health staff who are over 50 years. From the table, majority of them (51%) fall within 41-50 years. In relation to education attainment, bachelors' degree holders dominate this study with 56 percent majority of respondents. Also, staff of the study's facilities that hold masters' degree had 24 percent representation whilst as low as approximately 6 percent of them were diploma holders and 14 percent of staff with doctorial qualification. The educational background of staff at the study area is quite appreciable but it is advisable for various authorities to consider recruiting chartered professionals (such as chartered accountants and chartered purchasing and supply staff) on the management team.

Table 2: Socio-Demographic Characteristics of Respondents

Item	Frequency	Percent (%)
Sex		
Male	108	56.0
Female	84	44.0
Age (Years)		
18-30	19	9.9
31-40	60	31.2
41-50	98	51.0
Over 50	15	7.9
Level of Education		
Diploma/HND	12	6.4
First degree	107	55.7
Masters' degree	46	23.9
Postgraduate degree	27	14.0
Number of years worked		
Below 3 years	17	8.9
3– 6 years	33	17.2
6 – 10 years	98	51.0
Over 10 years	44	22.9
Total	192	100.0

Source: Field data (2020)

Finally, the working experience of the respondents was described. Apparently, a few (9%) of the respondents have worked for a maximum of two years in their respective hospitals whiles a majority of the study respondents (51%) have been working at their respective facilities for 7-10 years. It is also clear that nearly three-fifth (74%) of the respondents have more than six years of working experience at their current job place. This substantial number of years of working experience leaves much to be desired and suggests credible information about their understanding of the internal control practices in their facilities of work (Affum, 2011).

Effect of Control Environment on Financial Performance

The focus of this section was to discuss the result of how control environment affects financial performance of private health institutions within the Tamale metropolis of Ghana. This result was aimed at achieving the study's research objective one. The study attained this objective using the linear regression analysis of which the results were presented in Tables 3 (model summary), 4 (ANOVA) and 5 (Coefficients) respectively.

Table 3 presented the model summary output to explain the coefficient of determination using the R^2. It specifically presented the R and R^2 scores of the regression output. The R score described the sampled correlation to indicate the relationship between the variables. In Table 3, the R score was 0.484 which represents a medium association between control environment (CE) and financial performance (FP). This result means that a medium positive connection exists between CE and FP; however, whether this association is significant or not was presented in Table 4.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.484[a]	.234	.230	3.826

a. Predictors: (Constant), CE
Source: Field data (2020)

Also, the column labelled R^2 explains the quantum of total variation in the endogenous construct which can be described by the predictor construct. Thus, the R^2 value of 0.234 indicates that control environment (CE) accounts for about 23.4 percent of change in financial performance (FP). This result implies that 23.4 percent of disparity in FP is accounted for by CE. Therefore, other predictor variables including control activities, risk audit and monitoring, among others could account for the remaining 76.9 percent of variation in financial performance. The adjusted R^2 value of 0.23 implies that about 23 percent of variation in FP is explained by possible adjustments in CE.

The Analysis of Variance (ANOVA) result of the regression analysis was also presented in Table 4 and discussed thereof.

Table 4: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	849.901	1	849.901	58.051	.000[b]
	Residual	2781.719	190	14.641		
	Total	3631.620	191			

a. Dependent Variable: FP
b. Predictors: (Constant), CE
Source: Field data (2020)

The ANOVA result comprises the mean square, sum of squares, F value and the sig. score. According to Cohen (1992), for any predictor variable to accurately explain any variation in an endogenous variable, then its sig. value should be less than 0.05. The sig. value of any regression output describes the relationship that exists between the variables understudy. From Table 4, the F-stat of 58.051 produced a sig. value of 000<0.005 and this implies that a significant association exists between the variables. This result implies that there is a statistically significant connection between CE and FP. Thus, CE plays a significant role in affecting changes in FP of private health institutions within the metropolis understudy. Simply put, any change in FP at the private health facilities is significantly contributed by CE.

The coefficients output was presented in Table 5 to offer valuable evidence relevant for understanding the results of the regression.

Table 5: Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	20.194	1.404		14.384	.000
	CE	.569	.075	.484	7.619	.000

a. Dependent Variable: FP
Source: Field data (2020)

The coefficients table is relevant for predicting control environment (CE) on financial performance (FP), coupled with determining whether CE significantly contribute to the regression model (i.e., using the sig. scores). Table 5 presented the unstandardised and standardised coefficient output of the regression analysis. Interpreting the beta coefficients (B), Cohen (1992) suggested that R values < 0.29 signified “very weak”; R scores between 0.30 and 0.49 signified “weak”; R scores between 0.50 and 0.69 signified “moderate” and finally, values between 0.70 and 1.0 signified “strong” effect of one variable on the other. With a constant term of 14.097, the R value under the unstandardised column was 0.569 with sig. value of 0.000<0.005. This result implies that CE has a strong effect on FP; thus, there is a statistically significant positive and moderate effect of CE on FP at the private health institutions studied.

Also, the study reported the R value of the standardised coefficient in order to reveal how CE significantly predicts FP. More precisely, R of 0.484 under the column marked standardised coefficient explains that CE weakly predicts FP. This means that, for any change in FP, CE statistically predicts about 48.4 percent of such change. This implies that, for any unit increase in CE, FP also significantly increase by 48.4 percent. Thus, the higher the control environment among private health institutions within the Tamale metropolis, the higher their financial performance levels.

This study's finding has largely been supported by previously related literature. For instance, Adedeji and Olubodun (2018) buttressed this finding by concluding that ICS which includes control environment is a significant predictor of firm performance in Nigeria. Also, Ibrahim et al. (2017) found control environment, among the other internal control practices, to significantly predict the financial performance of public health institutions within the Upper West region of Ghana. similar findings were obtained by Asiligwa and Rennox (2017) although their study focused on commercial banks in Kenya. This result clearly indicate that control environment plays a valuable role in improving the financial performance of the private health institutions in areas of improved profit margins, return on asset and return on capital.

Effect of Risk Audit on Financial Performance

The outcome of research objective two with respect to how risk audit influences the financial performance of private health institutions in the Tamale metropolis of Ghana was discussed in this section. This discussion was achieved under three key dimensions: Model summary, ANOVA and coefficients. Table 6 specifically presented the model summary in areas of R, R^2 and adjusted R^2.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.564[a]	.318	.315	3.610

a. Predictors: (Constant), RA
Source: Field data (2020)

The R value showed the association that existed between risk audit (RA) and financial performance (FP). Table 6 showed that the R value was 0.564; indicating that a positive and moderate connexion occurs between RA and FP. Also, the R^2 score described the amount of variation in RA that accounts for variation in FP. With an R^2 score of 0.318, RA statistically accounted for about 31.8 percent of change in FP. Simply put, for any variation in FP among the private health facilities, RA accounts for about 31.8 percent of it. Thus, other exogenous variables such as control activities, control environment and monitoring statistically account for the remaining 68.2 percent of change in financial performance. Finally, the adjusted R^2 score of 0.315 percent signifies that for any modifications in financial performance, adjustments in risk audit accounts for about 31.5 percent of it.

Table 7 presented the outcome of the ANOVA output.

Table 7: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1155.326	1	1155.326	88.645	.000[b]
	Residual	2476.294	190	13.033		
	Total	3631.620	191			

a. Dependent Variable: FP
b. Predictors: (Constant), RA
Source: Field data (2020)

Table 7 presented the F-stat and sig. values of the regression output. The sig. value, for instance, shows whether a significant connection exists between RA and FP. To achieve this, the regression output should have a sig. value < 0.05 (Cohen, 1992). From the table, a sig. value of 0.000<0.005 with F-stat of 88.645 was produced. This output indicated a significant association between IA and FP. This result means that RA is significantly related with FP and thus, can cause a change in the latter.

Table 8 finally presented the coefficients output by reporting three major columns: unstandardised, standardised coefficients and sig. values.

Table 8: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	15.946	1.587		10.050	.000
	RA	.768	.082	.564	9.415	.000

a. Dependent Variable: FP

Source: Field data (2020)

The coefficients table explains how risk audit (RA) predicts financial performance (FP). It is specifically used to describe the extent to which RA statistically predicts a change in FP. With a constant term of 15.946, the unstandardised value was 0.768 with a sig. value of 0.000. This result shows that RA has a significant moderate and positive effect on FP. Also, with a standardised coefficient of 0.564 with sig. value of 0.000; RA significantly predicts a change in FP. This means that risk audit plays a tremendous role in predicting any change in financial performance. Thus, for any unit variation in financial performance, risk audit significantly contributes about 56.4 percent of such change.

This result implies that more management of the private health institutions focus on risk audit, the higher their financial performance levels and vice versa. Previous empirical literature has supported this finding by concluding that risk audit plays a vital role in improving financial performance of the private health facilities within the Tamale metropolis of Ghana. Risk is obviously considered inevitable in any organisational setting, as such ensuring continuous assessment is geared toward controlling its likelihood and severity of occurrence. This finding is, therefore, supported by Rosman et al. (2016) who found ICPs including risk audit to significantly affect both financial and non-financial performance effectiveness of non-profit organisations in Malaysia. Gitau (2018) also reported similar findings with his focus on supermarkets in Kenya.

Effect of Control Activities on Financial Performance

Research objective three focused on how control activities affected the financial performance of private health institutions within the Tamale metropolis of Ghana. To attain this objective, the linear regression output was reported under three key sections: model summary, ANOVA and coefficients. The model summary which consists of the R, R^2 and adjusted R^2 results of the regression model was shown in Table 9.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.506[a]	.256	.252	3.770

a. Predictors: (Constant), CA
Source: Field data (2020)

The R value showed whether a correlation existed between control activities (CA) and financial performance (FP). With an R value of 0.506, this research found a moderate and positive association to exist between CA and FP. The R^2 also accounts for the degree of variation in the objective's endogenous variable that is linearly contributed by the predictor variable (Creswell, 2014). In line with this, the study's R^2 value of 0.256 meant that the predictor variable (i.e., CA) linearly contributes about 25.6 percent of any change in the dependent variable (i.e., FP). The implication is that, about 25.6 percent of variation in financial performance was linearly accounted for by control activities.

The Analysis of Variance (ANOVA) output was also shown in Table 10 and discussed thereof.

Table 10: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	931.130	1	931.130	65.512	.000[b]
	Residual	2700.490	190	14.213		
	Total	3631.620	191			

a. Dependent Variable: FP
b. Predictors: (Constant), CA
Source: Field data (2020)

Table 10 presented the ANOVA result of the linear regression analysis for research objective three. The table specifically presented the F score and sig. value in relation to the objective. The F-stat's sig. value should be < 0.05 to indicate that the predictor variable plays a better role in describing any alteration in the study's endogenous construct (Creswell, 2014). This means that, whether a substantial association exists between the variables or not is statistically determined by the F-stat's sig. value. It could be deduced that, the F-stat of 65.512 with mean square of 931.130 had a sig. value of 0.000. This result implies that, a significant linear relationship between CA and FP existed. Thus, a variation in CA could significantly cause a variation FP variable. Therefore, the correlation between CA and FP was statistically significant.

Finally, Table 11 indicated the regression's coefficient and showed the standardised and unstandardised coefficients to actually describe the cause-and-effect relationship between BA and CL.

Table 11: Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	19.679	1.386		14.195	.000
	CA	.587	.073	.506	8.094	.000

a. Dependent Variable: FP
Source: Field data (2020)

The beta coefficients (B) of unstandardised and standardised were discussed using Cohen's (1992) rule of thumb. With a constant term of 19.679, the beta value of 0.587 with sig. value of 0.00<0.05 under the unstandardized coefficient column explains that CA had a moderate effect on FP. This means that there is a statistically significant positive and moderate effect of CA on FP. In terms of the standardised beta of 0.506, CA shows a statistically significant and moderate predictive effect on FP. This result implies that for any change in FP, CA statistically predicts about 50.6 percent. Thus, any unit increase in financial performance of the private health institutions, control activities predict a unit increase in the former.

Findings from the study have largely been supported by previous related literature. According to Rosman et al. (2016), for instance, ICP including control activities significantly affect the overall performance of non-profit organisations in Malaysia in terms of financial and non-financial performance. Zhou et al. (2016) similarly concluded that ICP including control activity plays tremendous and highly significant roles in improving financial performance of most companies in developing economies. Adegboyegun et al. (2020) also found control activities to significantly and positively promote the operating performance of the SMEs studied.

Effect of Information and Communication on Financial Performance

Objective four analysed the influence of information and communication (independent variable) on financial performance (dependent variable) at private health institutions within the Tamale metropolis, Ghana. To attain this objective, the study adopted the linear regression analytical tool and as such presented three tables comprising Model Summary, ANOVA and Coefficient score respectively. Table 12 presented the model summary by specifically reporting the R and (R^2) results. The R value represents the relationship that exists between information and communication (IC) and financial performance (FP). From the table, R had a score of 0.514; demonstrating a positive connection between IC and FP. Also, the R^2 provides the regression's determination coefficient to show amount of change in FP that statistically accounted for by IC.

Table 12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.514[a]	.264	.260	3.750

a. Predictors: (Constant), CI
Source: Field data (2020)

From Table 12, an R^2 of 0.264 was produced indicating that for any change in FP, IC linearly accounts for about 26.4 percent of it. Simply put, IC statistically accounts for about 26.4 percent of any variation in FP; implying that other variables account for the remaining 63.6 percent of the overall change. Therefore, for any change in FP of the private health facilities within the Tamale metropolis, about 26.4 percent of it is linearly accounted for by IC. The model summary report was further explained using the ANOVA output. The ANOVA output presents the sig. value of the F-stat to show whether a statistically substantial connection exists between IC and FP. The output was shown in Table 13.

Table 13: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	959.509	1	959.509	68.226	.000[b]
	Residual	2672.111	190	14.064		
	Total	3631.620	191			

a. Dependent Variable: FP
b. Predictors: (Constant), CI
Source: Field data (2020)

From Table 13, an F-stat of 68.226 reported a sig. value of 0.00<0.05 to designate that a statistically substantial link exists between IC and FP at the private health institutions understudy. This result means that IC could play a crucial role in explaining any change in FP. This is simply because a significant association exists between the two variables understudy. This result provided grounds for the analysis of the coefficient output. Note that, the coefficient output reports the extent to which one variable statistically influences the other and this can only be achieved if a correlation exists between those variables.

Table 14, therefore, presented the coefficient score in two basic themes: unstandardised and standardised coefficients.

Table 14: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	18.352	1.517		12.097	.000
	CI	.663	.080	.514	8.260	.000

a. Dependent Variable: FP
Source: Field data (2020)

Table 14, in terms of its constant term had a score of 18.352 with a sig. value of 0.000. With reference to the unstandardised coefficient, the table reported a score of 0.663 which designated a significant positive and moderate effect of IC on FP. For prediction purposes, the study reported the standardised coefficient score. The regression analysis produced a standardised coefficient of 0.514 and this indicates that information and communication statistically predict about 51.4 percent of change in financial performance. This outcome implies that IC plays a moderate part in contributing to improving FP at the private health institutions understudy. Thus, for any unit increase in FP, IC also increases by 51.4 percent; indicating the importance of information and communication to improving the financial performance levels of the private health institutions within the Tamale metropolis of Ghana.

This finding was supported by related studies by Akimana (2019) and Adegboyegun et al. (2020). For instance, Akimana (2019) similarly found internal controls notably information and communication to significantly promote SME performance. Adegboyegun et al. (2020) concluded that was found to significantly and positively impact on operating performance of the SMEs studied. However, these studies focused on SMEs; thus, limiting its generalisation across all research including this study. regardless, obtaining positive significant relationships, as found in this study, is an indication that information and communication significantly contribute to financial performance.

Effect of Monitoring on Financial Performance

Objective four analysed the influence of monitoring (independent variable) on financial performance (dependent variable) at private health institutions within the Tamale metropolis, Ghana. To attain this objective, the study adopted the linear regression analytical tool and as such presented three tables comprising Model Summary, ANOVA and Coefficient score respectively. Table 15 presented the model summary by specifically reporting the R and (R^2) results. The R value represents the relationship that exists between monitoring (M) and financial performance (FP). From the table, R had a score of 0.485; demonstrating a positive connection between M and FP. Also, the R^2 provides the regression's determination coefficient to show amount of change in FP that statistically accounted for by M.

Table 15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.485[a]	.236	.232	3.828

a. Predictors: (Constant), M
Source: Field data (2020)

From Table 15, an R^2 of 0.236 was produced indicating that for any change in FP, M linearly accounts for about 23.6 percent of it. Simply put, M statistically accounts for about 23.6 percent of any variation in FP; implying that other variables account for the remaining 66.4 percent of the overall change. Therefore, for any change in financial performance, about 23.6 percent of it is linearly accounted for by monitoring, a vital internal control practice. The model summary report was further explained using the ANOVA output. The ANOVA output presents the sig. value of the F-stat to show whether a statistically substantial connection exists between M and FP. The output was shown in Table 16.

Table 16: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	854.142	1	854.142	58.274	.000[b]
	Residual	2770.245	189	14.657		
	Total	3624.387	190			

a. Dependent Variable: FP
b. Predictors: (Constant), M
Source: Field data (2020)

From Table 16, an F-stat of 58.274 reported a sig. value of 0.00<0.05 to designate that a statistically substantial link exists between M and FP at the private health institutions understudy. This result means that M could play a crucial role in explaining any change in FP. This is simply because a significant association exists between the two variables understudy. This result provided grounds for the analysis of the coefficient output. Note that, the coefficient output reports the extent to which one variable statistically influences the other and this can only be achieved if a correlation exists between those variables.

Table 17, therefore, presented the coefficient score in two basic themes: unstandardised and standardised coefficients.

Table 17: Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	19.867	1.445		13.745	.000
	M	.577	.076	.485	7.634	.000

a. Dependent Variable: FP
Source: Field data (2020)

Table 17, in terms of its constant term had a score of 19.867 with a sig. value of 0.000. With reference to the unstandardised coefficient, the table reported a score of 0.577 which designated a significant positive and moderate effect of M on FP. For prediction purposes, this study finally reported the standardised coefficient score. The regression analysis produced a standardised coefficient of 0.485 and this indicates that monitoring statistically predict about 48.5 percent of change in financial performance. This outcome implies that M plays a weak part in contributing to improving FP at the private health institutions understudy. Thus, for any unit increase in FP, M also increases by 48.5 percent; indicating the contributions of monitoring to improving the financial performance levels of the private health institutions within the Tamale metropolis of Ghana.

This finding was supported by related studies by Lagat (2018), for instance, who concluded that a change in financial performance could be significantly predicted by ICS including monitoring among state-owned sugar firms in Kenya. They, therefore, concluded that ensuring regular monitoring plays a vital role in promoting high financial performance. Akimana (2019) similarly found internal controls comprising risk assessment, monitoring and control activities to significantly promote SME performance.

Chapter Summary

This section discussed all the outcomes of the study's five objectives. The objectives were first analysed using linear regression tool and discussed extensively. Related literature was used to support all the study's findings in order to strengthen them and also improve generalisability. The study found internal control practices such as monitoring, control environment, information and communication, risk audit and control activities to significantly affect the financial performance of private health facilities within the Tamale metropolis of Ghana. The next chapter presented the concluding sections of this study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter included a summary, conclusions and recommendations from the report. It proceeded with a few recommendations for further study.

This study purposely analysed the influence of internal control practices on the financial performance of private health institutions within the Tamale metropolis of Ghana. The ensuing specific objectives were developed to:

1. investigate how control environment influences financial performance of private health institutions in the Tamale metropolis;
2. analyse the influence of risk audit on financial performance of private health institutions in the Tamale metropolis;
3. examine how control activities influence financial performance of private health institutions in the Tamale metropolis;
4. investigate the influence of information and communication on financial performance of private health institutions in the Tamale metropolis;
5. analyse the effect of monitoring on financial performance of private health institutions in the Tamale metropolis.

This research achieved its goal by relying on the quantitative approach, explanatory design while obtaining primary data from 197 randomly sampled health workers through structured questionnaires. This research was underpinned by the agency theory due to its direct relatedness to the research objectives. A valid data set of 192 with a response rate of 97.46 percent was used to address the study's objectives. This data was actually processed through IBM

SPSS Statistics (version 26) of which analysis was carried out using the linear regression technique.

Summary of Key Findings

The study presented the results and discussion in Chapter four and below were the main findings.

Research objective one, for instance, examined how control environment affects financial performance of the private health institutions understudy. It was revealed that control environment significantly and positively improves financial performance. The result implies, the private health facilities witness improvements in their financial performance levels due to their adoption of control environment. As such, control environment is a good predictor of these institutions’ financial performance. Therefore, private health institutions would experience increased financial performance if they have adequate control over their work environment.

In terms of research objective two, the study examined how risk audit affect financial performance of the private health institutions within the Tamale metropolis. It was found that risk audit plays a significant and positive role in enhancing financial performance. The implication is that a unit rise in risk audit would champion a unit rise in financial performance; thus, financial performance is positively predicted by risk audit. Therefore, the private health institutions’ ability to frequently assess and audit possible risk events is consequential to achieving high financial performance standards.

The study also focused on examining whether control activities influence financial performance of the private health facilities understudy. The research found control activities to significantly and positively affect financial performance. This implies that these health institutions are able to experience improved financial performance when they effectively control activities within their respective workplaces. As such, health institutions which adopt relevant procedures and measures to control organisational activities are able to overcome their financial drawbacks and subsequently increase financial performance.

Research objective four tested whether information and communication significantly improve financial performance of organisations within the scope of private health institutions. This study discovered that effective information and communication promotes financial performance. This result implies that for any unit increase in proper information and communication, financial performance also increases. Therefore, financial performance was found to be positively predicted by information and communication at the private health institutions understudy.

Finally, the study specifically addressed the effect of monitoring on financial performance of private health facilities within the Tamale metropolis of Ghana. After rigorous analysis, monitoring had a significant and positive effect on financial performance. This implies that continuous monitoring is associated with ensuring better financial performance of the health institutions in focus. Thus, monitoring is an important predictor of financial performance of private health institution in Ghana especially those within the Tamale metropolis. Simply put, monitoring generally focuses on assessing the overall performance (i.e., financial and non-financial) of internal controls in order to ensure their effective operation.

Conclusions

With respect to the study's key findings, the following conclusions were hereby drawn:

First, the study found control environment to significantly promote financial performance of private health institutions within the Tamale metropolis. This outcome was buttressed by previous empirical findings which concluded that control environment in terms of developing and implementing relevant policies, practices, strategies and sound organisational culture plays a key role in improving financial and overall performance of organisations which adopts it. Thus, the more private health institutions have better control over their business environments, the better their financial performance levels. Conclusively, a change in financial performance is moderately and positively predicted by a change in control environment strategies implemented among the private health facilities under investigation.

The study also found risk audit to significantly improve financial performance of private health facilities within the Tamale metropolis. This research's finding has been supported by related literature which revealed that risk audit is related with assessing and analysing the occurrence and severity of possible risk events within any organisational setting. Firms' ability to properly audit or evaluate possible risks would help them to devise relevant strategies to avoid and or control its occurrence and thereby reducing financial constraints. The study, therefore, concluded that risk audit is important for private health institutions which aim at improving their financial performance levels.

Also, control activities were found to significantly promote financial performance of private health facilities within the Tamale metropolis, Ghana.

The finding is specifically supported by previous empirical studies which argued that control activities serve as key predictors of financial performance of organisations globally. Previous studies have further argued that control activities are associated with developing policies aimed at promoting fraud detection, risk management in order to improve organisational development. It was, therefore, concluded that control activities highly influence financial performance outcomes of the institutions understudy.

Further, this research found information and communication to significantly ensure better financial performance of the private health institutions. Previous related studies have supported this finding by suggesting that information and communication is a key dimension of internal control practice and it supports the other components. Proper communication aids smooth information flow which makes it possible for management and employees to carry out assigned tasks in the most effective manner. The study, therefore, concluded that information and communication aim at achieving better financial performance of private health institutions within the Tamale metropolis of Ghana.

Finally, this research found monitoring to significantly improve financial performance of private health institutions within the Tamale metropolis of Ghana. This finding has been supported by empirical evidences which opined that monitoring allows organisations to measure the quality of internal controls through ongoing evaluation. They added that organisations which fail to regularly monitor their operational activities are liable to failure by exhibiting poor financial performance. It was, therefore, concluded that monitoring is a key internal control practice that aims at promoting financial performance of private health institutions within the Tamale metropolis of Ghana.

Recommendations

Based on the conclusions drawn, this research provided these recommendations per each objective:

The study found out control environment as a major determinant of financial performance of private health institutions within the Tamale metropolis. As such, the study suggested that management of the private health institutions should continuously strengthen existing policies, practices, structures and strategies in order to ensure better financial performance levels. This can be achieved by constantly reviewing control environment systems while allocating adequate resources into its development. Frequently developing innovative policies and strategies, for instance, would help the firms to effectively and efficiently control activities within their environments regardless of changing situations and this would eventually help them to meet performance targets.

The study also concluded that risk audit is a key predictor of financial performance of private health institutions in Ghana. It was, therefore, recommended that management of these health institutions should develop a comprehensive risk audit plan and subsequently include it in their corporate plan. This can be achieved by employing and frequently providing training packages to qualified risk officers to help them develop and regularly revise the risk audit or assessment plan. Also, the risk officers should be equipped with modernised technology to help them in executing their plans. Risks are inevitable in any business setting, thus, failure to properly assess risks could have severe rippling effects on any firm's financial standings.

The study further recommended that management of the private health institutions should establish clear and comprehensive policies and strategies which aim at achieving set organisational goals within specified time frames. Also, proper and strict measures should be established to ensure effective fraud management, proper information processing, physical control and performance reviews. Implementing these control activities efficiently and effectively would consequently allow these health institutions to address their financial issues and consequently achieve better financial performance levels.

This research also resolved that information and communication is key to promoting financial performance of these private health institutions. It was, therefore, proposed that management ought to pay much devotion to ensuring proper and effective information sharing while building better communication channels within their institutions. This can be achieved by acquiring modernised technologies and tools that aim at promoting better information exchange between or among employees and their management. Also, management should ensure the development of clear communication lines and channels to promote information sharing while building resilient financial performance levels.

The study finally found monitoring to significantly improve financial performance of private health institutions in Ghana notably those within the Tamale metropolis. This research recommended that private health institutions should develop innovative strategies and comprehensive plans aimed at properly monitoring business activities and the other internal control practices. Proper monitoring practices would enable management of the respective health institutions to foresee and detect possible performance constraints and address them on time. Failure to implement proper monitoring systems and strategies could promote high financial risk-related events and have negative rippling effects on their financial performance.

Suggestions for Further Research

This research gave very beneficial information into how internal control practices promote better financial performance of private health institutions in Ghana notably those within the Tamale metropolis. As such, this research's outcomes were limited to the opinions and suggestions of health workers within this metropolis; affecting generalisation of findings across the entire private health institutions in Ghana. Further research can therefore adopt a broad-based approach by expanding the existing scope to include both private and public health facilities across the country and/or other developing economies. Also, potential researchers investigate the effect of internal control systems on the quality of healthcare services of the private health institutions in order to expand current studies.

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APPENDIX

QUESTIONNAIRE

Dear Respondent,

I am conducting research on **“Internal control practices and financial performance of Private Health Institutions within the Tamale metropolis, Ghana”.** Your participation is essential to the success of this study. Your experience and opinions are significant to the research and your involvement is crucial to the study’s success. You are hereby assured that your information will be held with the strictest confidence and will only be used for academic purposes only.

Please respond as you deem fit with a tick [√].

Section A: DEMOGRAPHIC CHARACTERISTICS

1. Sex: Male [ ] Female [ ]
2. Age:

   18-30 years [ ] 31-40 years [ ]

   41-50 years [ ] Above 50 [ ]
3. Level of Education:

   Diploma/College Certificate [ ] 1st Degree [ ]

   Masters [ ] Doctoral Degree [ ]

   Other (Please specify) ……………….
4. Working experience

   < 3 years [ ] 3-6 years [ ] 6 -10 years [ ] Over 10 years [ ]

Section B: INTERNAL CONTROL PRACTICES

For each of the following statements, please check the response that best expresses the extent to which you agree with that statement. **The options available range from 1 to 5; where 1= Strong Agreement, and 5= Highest Agreement.**

ITEMS	1	2	3	4	5
Control Environment					
CEa. I am committed to the operations of my institution					
CEb. I act with great degree of integrity in executing all activities in my institution					
CEc. The firm takes appropriate measures to correct or solve problems in my institution					
CEd. Ethical values are upheld in all management decisions					

CEe. Management roles are executed with integrity					
Control Activities					
CAa. The institution's management takes corrective actions to address operational issues					
CAb. My institution has clear separation of roles					
CAc. My institution has put in place controls are in place to ensure that the firm spends within its budget					
CAd. Policies and procedures in the institution are clear and regularly reviewed					
CAe. The institution has put in place necessary systems and strategies to protect its assets					
Risk Audit					
RAa. There are clearly defined strategies and tools for assessing risks in the institution					
RAb. The institution identifies and evaluate possible risks that could affect the attainment of set objectives.					
RAc. Necessary actions are taken to mitigate any operational risk identified					
RAd. The institution has established clear criteria for ascertaining the nature, probability and severity of any risk identified					
RAe. My management frequently improve on the procedures used for auditing					
Information and Communication					
ICa. The institution has individuals who are in control of coordinating activities					
ICb. The institution's employees undergo regular training to understand current internal controls					
ICc. My institution has clearly defined structures and systems for sharing detailed information across all levels					
ICd. The institution has clear communication channels for evaluating how well guidelines and policies are implemented					
ICe. There is an effective information flow in my institution					

Monitoring					
M1. Independent processes and checks have been put in place					
M2. My institution effectively reviews of implementation of internal controls					
M3. Monitoring provides an effective tool for performance assessment					
M4. The institution assigns tasks for the timely review of audit reports and resolution of any non-compliance items.					
M5. The institution has clearly established structures and systems for ensuring effective monitoring and feedback					

Section D: MEASUREMENT OF FINANCIAL PERFORMANCE

For each of the following statements, please indicate the response that best expresses the extent to which you agree with that statement. **The ratings range from 1 to 5; where 1= Least agreement, and 5= Highest agreement.**

Statement	1	2	3	4	5
D1. My institution annually experiences improvement in its market share					
D2. The institution makes adequate growth by meeting or exceeding its targets					
D3. The institution makes enough returns on its capital invested					
D4. The profits made by the institution is enough to cover all necessary service costs					
D5. The institution is able to adapt to potential changes which could affect its financial structure					
D6. The asset base of my institution is adequate to handle possible expenditure					
D7. My institution makes adequate returns on its equity to pay dividends					
D8. My institution experiences annual growth in its overall performance expectations					

THANK YOU