



# **Assessing the Moderating Effect of Government Policy in the relationship between Internal Control Environment and Financial Performance of Banks in Ghana**

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## **ABSTRACT**

The aim of this study was to examine the moderating effect of Government Policy in the relationship between internal control environment and bank performance in Ghana. The study made use of 154 respondents, selected from 5 banks, a quantitative research approach was adopted in this study, data collected using structured questionnaires, the data was analyzed using inferential statistical methods such as correlations and Hierarchical regression analysis. The study found that there was a fairly strong significant correlation between internal control environment and government policy. It was further observed that there was no significant moderating effect of government policy in the relationship between internal control environment and financial performance of banks in Ghana. The study recommends that the management of banks should strengthen the control environment by reviewing the existing policies and procedures adopted by the banks in safeguarding assets and properties, there is also the need to continuously review the existing control policies, procedures and activities performed to ensure that they have not outlived their usefulness and also strengthen mechanisms to ensure the banks are well positioned to function in the midst of changing Government policies.

**Keywords:** Internal control systems, Internal control, Internal control Environment, Government Policy, Financial Performance

## **1. INTRODUCTION**

The control environment, as established by most organization's, sets the tone of an institution and affect the control consciousness of its people. Management attitude should be committed to ethical business practices and to following the established control procedures. This is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include: Integrity and ethical values; the commitment to competence; leadership philosophy and operating style; and the way management assigns authority and responsibility, and organizes and develops its people (Thornton, 2004).

COSO (2013) indicated that control environment creates a frame of mind within which internal control systems (ICS) can function at all levels in the institution. The control environment is the one of the five components of the COSO framework and it is composed of the following five principles Integrity and ethical values, Board of director's independency from management and oversight of internal controls, Organization structure, Attracting, develop, and retain quality employees, Management's control philosophy and risk appetitive COSO (2013).

Government policy refers to the series of actions taken by the government which has the purpose of altering a situation from one form to another. Policies are used by Governments to control or manage a number of issues which comprise operation of law and regulations, taxes, interest rates and market control.

These tools of the government can directly or indirectly impact the financial performance of organizations (Salamon, 2002).

According to Ahmed & Ng'anga (2019), internal control environment sets the tone for or basis for carrying out internal control activities across all organizations. Therefore organizations need to develop their internal controls with complete emphasis on the internal control environment ensuring that the right activities are put in place to ensure the protection of assets and enhancing of the profit potential of these organizations. Similarly, Ahmed & Ng'anga, (2019) stated that monitoring in organizations is an essential activity that needs close attention if organizations would like to see an increase in the financial performance of their organizations. This implies that weak monitoring activities and processes have the potential of opening up the system for financial malfeasance that are likely to affect the financial stability of the organization. In the study by Ahmed & Ng'anga, (2019) they pointed out that one key aspect of risk assessment in organizations is the ability for management to be able to identify risk and control risk, this is essential as a weak risk control system set the avenue for misappropriation and misuse of funds which affects the financial performance of these institutions. In managing the financial performance of organizations, these organizations need to adopt an effective and efficient information communication systems to ensure that timely information is generated and reported for necessary action to be taken (Ahmed & Ng'anga, 2019). Organizations need to communicate or report to shareholders of the institution on the nature of activities and performance to create trust and confidence (Ahmed & Ng'anga, 2019).

Financial performance in relation to global macro-financial vulnerabilities remained broadly subdued in spite of a slowdown in global economic growth. In 2019, heightened uncertainties emerging from geopolitical factors including the US-China trade tensions and prolonged Brexit negotiations slowed down economic activities and dampened global economic growth. Improvement in global financing conditions induced by an accommodative monetary policy stance, in most advanced economies, moderated downside risks to global growth and financial stability (BoG, 2019)

Favourable macro-financial developments reduced vulnerabilities stemming from the domestic economy. Domestic output remained strong at 6.5 percent in 2019, while headline inflation continued to decline. In the review period, a balance of payments surplus was also observed as a result of a narrowing of the current account deficit. This is expected to support stability of the local currency the Cedi and lead to improvements in the Gross International Reserves. On credit developments, the Credit-to-GDP gap was below its potential level, indicating that the economy has the capacity to absorb more credit without a significant build-up of risks. The banking sector remained sound and robust to severe stress test scenarios, featuring significant increases in credit impairments, extreme movement in interest and exchange rates, and liquidity pressures. Also risk emanating from cross-border exposures remained contained. The broad level of risk containment in the banking sector was underpinned by strong capital and liquidity positions, placement of offshore funds with stable institutions and improvement in asset quality, earnings and efficiency. Going forward, favourable economic prospects in the near term and the gradual phase in of Basel II/III are expected to firm up gains achieved through the banking sector reforms (BoG, 2019)

The performance of the insurance sector broadly improved in 2019, with the outlook for premium growth, risk retention and insurance penetration remaining positive. Policy reforms and a favourable operational environment improved premium income, assets and capital positions. Despite these improvements, persistent underwriting losses and declining investment yields continued to affect profitability. In the near to medium term, the introduction of the new minimum capital regime is expected to improve efficiencies through consolidation. In addition, insurance penetration is expected to improve on the back of a broad-based introduction of innovative insurance products and comprehensive policy reforms aimed at strengthening the insurance industry. Driven by strong growth in private pension funds, the pensions sector continued to expand in spite of emerging vulnerabilities from weak investment outturns, weakened contribution growth and rising benefit payout. Notwithstanding these vulnerabilities, the pensions sector exhibits a strong potential for growth in the medium to long term as policy measures are targeted at increasing contributions flows and inclusion (BoG, 2019)

In the capital market, the performance of the stock exchange declined in the period under review posing a risk to large equity holders such as the public pension fund. The declining performance reflects the reductions in the size, access, and efficiency dimensions of the stock market. Despite these developments, capital flight remained low as foreign investors increased their presence on the domestic capital market, partly due to restored banking sector stability and favourable macroeconomic prospects. The financial sector also continued to witness policy reforms aimed at safeguarding financial and macroeconomic stability. The reforms included the resolution of insolvent institutions, increase in minimum capital requirements, enhancement of supervisory regimes, establishment of a regulatory forum for Anti-Money Laundering and Combatting the Financing of Terrorism, establishment of a Financial Stability Advisory Council, and operationalization of the Ghana Deposit Protection Corporation, among others (BoG, 2019)

### **1.2 Problem Statement**

Internal control environment plays a key role in ensuring that the right activities are done in an organization leading to protection of assets and resources, enhancing the financial performance of institutions. Organizations having weak internal control environment have experienced dwindling financial performance.

The Ghanaian Banking sector is a key sector that controls the financial sector by providing needed financial and corporate advisory support for individuals and business organizations and also providing financial inclusion. In recent years the sector gone through a lot of challenges, with some banks unable to meet up with the minimum capital requirements, this led to the consolidation of some banks and the absorption of some banks by the Ghana commercial bank with other banks downgraded to savings and loans etc. Aside this, the bank of Ghana had to come to the support of the banks with 10.98 billion Cedis which is equivalent to 2.1 billion dollars, (Bank of Ghana, 2018). This raises concerns on the about the nature of government policies and how these policies affect the banks and also the sustainability of the operations of these banks and calls for for studies to analyse the nature and strenght of the effect of government policies and hae it affects the fiancial performance of banks in Ghana and seek to provide a recommendation on the way forward.

Previous studies conducted on internal audit with emphasis on internal control environment such as the study by Ahmed & Ng'anga, (2019) was conducted in the local government which is in a different context other than the banking sector. The study is further limited as it only focused on county government agencies and did not consider all other institutions in Kenya, Also, the study was conducted in Kenya which is an African country but does not fit into the Ghanaian context as the control environments are different in terms of rules, regulations and banking laws. The study although on internal audit was not moderated by Government policy leading to a knowledge gap that needs to be filled.

In other related studies, Kinyua, (2016) examined the moderation effect of government policy on the relationship between Internal Control system and Financial Performance of Companies Quoted in the Nairobi Securities Exchange. The researcher used 38 companies of of 62 companies listed on the nairobi stock exchange. The study focused on companies listed on the Kenyan stock exchange without specifically considering the banking sector or the Ghanaian context. The study included corporate governance in as part of the independent variables, this changes the orientation of the study, making the findings in applicable to the current study hence leaving a knowledge gap that needs to be filled.

In another study, Mbilla, Nyead, Gbegble, & Ayimpoya, (2020) studied the Impact of Monitoring, Information and Communication on Banks Performance in Ghana. Although the study was done considering banks in Ghana, the study failed to consider all five internal control dimensions, this study only considered two of the dimensions which are information and communication and monitoring, the study failed to consider all banks in the Ghanaian banking sector, the study did not further moderate government policy creating a knowledge gap that needs to be filled.

From the knowledge and contextual gaps identified in the previous studies, there is a need for further studies that seeks to moderate the effect of Government policy in the relationship between internal control environment and financial performance.

### 1.3 Objectives of the study

The objective of the study were;

- i. To determine the effect of internal control environment on the financial performance of banks in Ghana.
- ii. To examine the effect of government policy on the financial performance of banks in Ghana.
- iii. To assess the effect of government policy in the relationship between internal control environment and Financial performance of banks in Ghana

### 1.4 Research questions

The research is guided by the following research questions;

- i. To what extent does control environment affect the financial performance of banks in Ghana?
- ii. What is the extent of effect of control activities on the performance of banks in Ghana?
- iii. What is the extent of the effects of internal control environment and control activities on the performance of banks in Ghana

### 1.5 Research Hypothesis

The study is guided by the hypothesis;

*H0<sub>1</sub>*: There is no significant effect of internal control environment on the Financial performance of banks in Ghana.

*H0<sub>2</sub>*: There is no significant effect of government Policy on the Financial performance of banks in Ghana.

*H0<sub>3</sub>*: There is no significant moderating effect of government Policy in the relationship between internal control environment and Financial performance of banks in Ghana.

### 1.6 Literature Review

The internal controls are established by the organization's administration, they set the tone of an Institution and affects the control consciousness of its people. Management attitude should be committed to ethical business practices and to following the established control procedures. This is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include: Integrity and ethical values; the commitment to competence; leadership philosophy and operating style; and the way management assigns authority and responsibility, and organizes and develops its people (Thornton, 2004).

#### Agency Theory

This theory has its origin in the principles of the Modern Corporation. It is based on the idea that players in a firm can be categorized into two groups: the principals who are the owners of the firm and the agents who manage the firm (Jensen & Meckling, 1976; Eisenhardt, 1998). The agency theory explains that a principal-agent relationship leads to conflict which can then result in extra costs associated with resolving the conflict between principals and agents (Jensen & Meckling, 1976; Eisenhardt, 1998). It has been argued that agency theory has been the most dominant issue in corporate governance and principal-agent theory is generally considered the starting point of this debate. Agency theory hypothesizes that in the modern corporation, in which share ownership is widely held, managerial actions depart from those required to maximize shareholder returns (Mallin, 2007). This theory is adopted because, from the agency theory perspective, non-executive directors and independent directors contribute to effective corporate governance by exercising control over senior managers' decision-making. After all, they are seen as the check and balance mechanism to enhance the board's effectiveness.

#### Stewardship theory

The stewardship theory of corporate governance holds that, because people can be trusted to act in the public good in general and in the interests of their shareholders in particular, it makes sense to create management and authority structures that, because they provide unified command and facilitate autonomous decision making which enables companies to act quickly and decisively to market opportunities. This approach leads, for instance, to the combination of the roles of CEO and board chairperson and for audit committees to be either non-existent or lightweight. Stewardship theory assumes that managers are honest, and motivated more by intrinsic rewards than extrinsic rewards, and self-

motivated to maximize collective interests (Nicholson and Kiel, 2003; Davis-et al., 2003). The stewardship theory is adopted for this study because it strongly argues that managers and boards of directors are good stewards of a firm and they should be given utmost trust.

### **Institutional Theory**

Institutional theory is one of the dominant perspectives within organisations and management theory (Greenwood et al., 2008); it has been widely utilized to assess the practical influence of Corporate Governance codes (Solomon, 2013). Beasley et al. (2009) explain that institutional theory is uniquely positioned to contribute to researchers' knowledge of Corporate Governance (CG) because of the insights it offers into the nature of authority and control structures. For example, Beasley et al. (2009) argue that institutional theory confirms that governance structures are often primarily symbolic/ceremonial; their legitimacy is paramount, but the formal processes are only loosely coupled with true monitoring. This theory is adopted because there is a consensus among researchers that institutional theory offers a useful lens for investigating the role and activities of Internal Audit, particularly when used in conjunction with agency theory.

### **Empirical Studies**

Ejoh and Ejom (2014) conducted a study on the effect of internal control activities on the performance of tertiary institutions in Nigeria, the researcher distributed 75 questionnaires, the data collected was analysed using Zscore, the study found out that there was significant relationship between control activities and financial performance of tertiary institutions in Ghana. The study was done in the context of tertiary institutions and not the banking sector which is the context of this current study, the study further did consider the Ghanaian context which presents a different sets of corporate governance directives and banking rules. The study failed to examine the moderating effect of government policy in the relationship between the independent and dependent variables creating a research Gaps that need to be filled.

In another study and Ahmed & Ng'anga, (2019) examined the effect of Internal Control Practices and Financial Performance of County Governments in the Coastal Region of Kenya. The study adopted a descriptive research design. The target population of the study was 115 respondents made up of internal audit staff of the county government, the study was carried out using primary data, the data was collected using questionnaires. Analysis of the data was both descriptive and inferential analysis. The study found a positive and significant effect between risk assessment, monitoring, control environment, information and communication on financial performance. The study concluded that the risk identification and mitigation play the most significant role in influencing the financial performance of the County governments. The study recommended that the management of Counties should put in place cost-effective measures for timely risk identification and effective risk mitigation to ensure that their financial performance is not impacted negatively. The study by Ahmed & Ng'anga, (2019) was conducted in the local government which is in a different sector other than the banking sector, the study did not also consider control activities, but considered only four out of the five internal control activities, hence limiting the study from the assessment of control activities which is also a key component of the internal control activities. The study failed to examine the moderating effect of government policy in the relationship between the independent and dependent variables creating a research Gaps that need to be filled. The study is further limited as it only focused on county government agencies and did not consider all other institutions in Kenya. Similarly, the study was conducted in Kenya which is an African country but does not fit into the Ghanaian context as the environments are different in terms of rules, regulations and banking laws.

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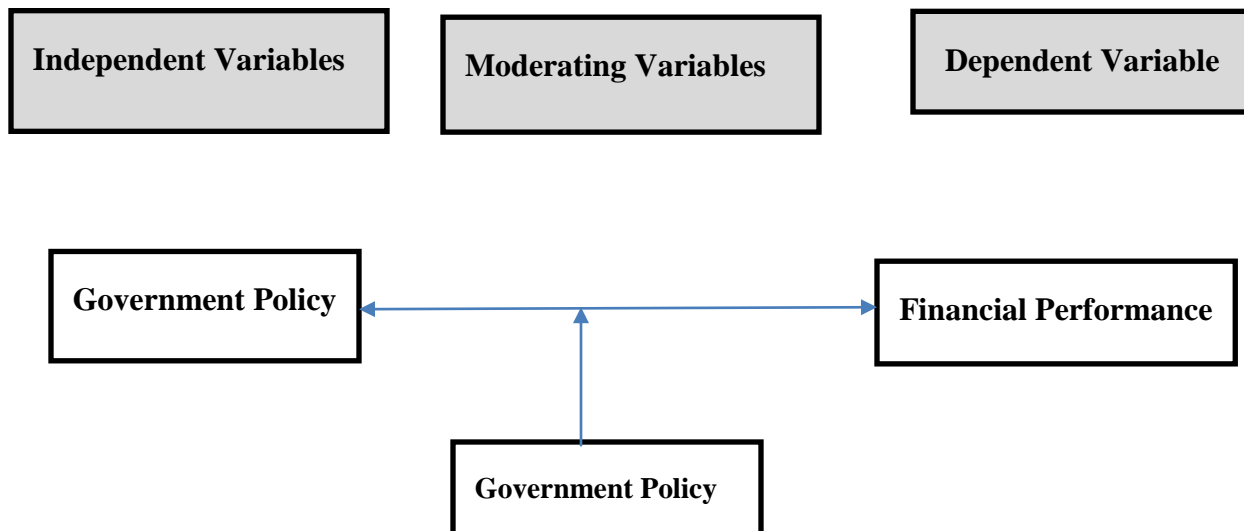
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Collins, (2014) examined the effect of internal control on the financial performance of microfinance institutions in Kisumu central constituency, Kenya. The specific objectives included; to determine the extent of internal control systems application; to assess the adequacy and effectiveness of the established control activities, and to determine the relationship between the internal control and financial performance of microfinance institutions. The independent variable was internal control (Control Environment, Control Activities and Information and communication) and the dependent variable was financial performance (Liquidity). Descriptive and correlation research design was adopted and a case study was done on the chosen institutions. Convenience sampling technique was used and a total of 7 institutions were chosen from a total population of 18 micro-finance institutions and a total of 35 respondents (five respondents per institution; 2 midlevel managers and 3 staff members) chosen purposively for this study. Questionnaires were used to collect primary data and data collected analyzed using correlation and presented through tables. Findings revealed that there is a positive relationship between internal control. The study recommends that the institutions should tighten controls to tend towards a 100% debt collection. The study further points out that keen attention should be paid to adopt more efficient management information systems. The study was carried out in Kenya which is a different context other than Ghana. The study was further conducted on Microfinance institutions which is also different from the context of this study which is the banking sector.

Mire, (2016) assessed the Effects of Internal Control System on the Organizational Performance of Remittance Companies in Mogadishu-Somalia. The study adopted quantitative research with the specific research design being descriptive. The population of the study was the classified remittance companies located in Bakara market, and there were 15 remittance companies in the Bakara market, the employees who worked in 15 remittance companies were 402 employees. The sampling technique used was purposive sampling. Primary data was collected by use of questionnaires which were administered through drop and pick method. Data screening was done to identify any missing data and was further tested for reliability and normality. Data was analyzed using the SPSS version. The study recommended that there is need for the remittance companies in Mogadishu to increase their control environment; risk assessment and control activity as it was founded that these variables positively affects the organizational performance of remittance companies in Mogadishu. The study failed to consider all five internal control variables, the study also used customer satisfaction and employee satisfaction as dependent variables without considering return on assets, the study did not also focus on the baking sector.

### **Conceptual Framework**

The study is grounded on the Committee of Sponsoring Organizations of Tread Way Commission (COSO) Model introduced by COSO committee in 1992 and modified in 2013. Through a comprehensive review of literature: Mire, (2016); Collins, (2014); Mbilla, Nyeadi, Gbegble, & Ayimpoya, (2020); Ahmed & Ng'anga, (2019) the study identified independent variable; Control Environment (CE), whilst Kinyua (2016) moderated Government Policy(GP). For the purpose of this study the researchers focus on internal control environment. Conceptual framework of the study is as follows;



### Researchers Conceptual Framework

#### 1.7 RESEARCH METHODOLOGY

The research design for this study was a descriptive survey design, this was used by the researchers to describe the moderating effect of Government policy in the relationship between internal control environment and financial performance of banks in Ghana, A quantitative research approach was used. This use of this design is considered suitable because it allows the researcher to produce data through the use of standardized data collection procedures based on structured research instrument(s) and well-defined study concepts and variables. The study made use of a sample of 154 respondents. In the conduct of this study, the sample size is considered adequate because it is in line with the assertions by Hair, Sarstedt, Ringle, & Mena, (2011) who supported that in conducting a survey study, a sample of 100 is considered enough to produce the statistical strength of the study. Again, the sample size chosen was based on recognized sample sizes required for given population size. The study made use of purposive sampling technique in selecting the banks for the study. The respondents included Managers, Account officers, Auditors and Chief Executive Officers of the respective Banks. The analysis was done using inferential analysis in the form of correlation and hierarchical regression analysis.

#### 1.8 RESULTS AND DISCUSSIONS

This section discusses the analysis from the data collected, as follows;

##### **Test of the relationship between variables**

To test the significant relationship between the independent variables, a correlation analysis was done. The results of the analysis have been captured and presented in the table below;

**Table 1 – Correlations**

		Correlations	
		Internal Control Environment	Government Policy
Internal Control Environment	Pearson Correlation	1	.175*
	Sig. (2-tailed)		.030
	N	154	154
Public Policy	Pearson Correlation	.175*	1
	Sig. (2-tailed)	.030	
	N	154	154

\*. Correlation is significant at the 0.05 level (2-tailed).

The Pearson’s *r* for the correlation between Internal Control environment and Government Policy (0.175, P-value < 0.05) which is close to 0 with a significant value of 0.30 which is less than 0.05. This shows a significantly weak relationship between internal control environment and Government Policy, meaning that changes in one variable are weakly correlated with changes in the second variable. The study results are in support of the study done by Collins, (2014) who examined the effect of internal control on the financial performance of microfinance institutions in Kisumu central constituency, Kenya, and found a positive relationship between internal control and financial performance.

**Moderating effects of Government Policy in the relationship between internal control environment and financial performance of banks in Ghana.**

In other to test the moderating effect of government policy in the relationship between internal control environment and financial performance, regression was done to ascertain the effect. The hierrarchical regression results is captured below;

**Table 2 - Model Summary**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F	df1	df2	
1	.128 <sup>a</sup>	.016	.003	2.72217	.016	1.259	2	151	.287
2	.130 <sup>b</sup>	.017	-.003	2.73057	.000	.073	1	150	.788

a. Predictors: (Constant), Government Policy, Internal Control Environment

b. Predictors: (Constant), Government Policy, Internal Control Environment, ICEXGPOL

From the model summary, it is observed that the independent variables in moadel 1, explain 0.016% of the changes or variations in the dependent variable which is financial performance, by this, it means there are other variables other than the independent variables that account for 1.6% of variations or changes in the financial performance of the banks. It is further observed that the independent variables in model 2, explain 0.017% of the changes or variations in the dependent variable which is financial performance, by this, it means there are other variables other than the independent variables that account for 1.7% of variations or changes in the financial performance of the banks. It is further observed that there is no



significant change in the require change value indicating that the combined effect of the two independent variables does not contribute to any change in financial performance.

**Table 3 - ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.666	2	9.333	1.259	.287 <sup>b</sup>
	Residual	1118.945	151	7.410		
	Total	1137.610	153			
2	Regression	19.208	3	6.403	.859	.464 <sup>c</sup>
	Residual	1118.402	150	7.456		
	Total	1137.610	153			

a. Dependent Variable: Performance

b. Predictors: (Constant), Government Policy, Internal Control Environment

c. Predictors: (Constant), Government Policy, Internal Control Environment, ICE x GPOL

From the ANOVA results, for model 1 that the significance value of 0.287<sup>b</sup> which is greater than 0.05, indicates that the model is statistically not significant in predicting how the independent variable studied influenced the financial performance of banks in Ghana. It was further observed that from the ANOVA results, for model 2 that the significance value of 0.464<sup>c</sup> which is greater than 0.05, indicates that the model is statistically not significant in predicting how the independent variable studied influenced the financial performance of banks in Ghana.

**Table 4 - Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	18.562	2.328		7.975	.000
	Internal Control Environment	.105	.071	.121	1.479	.141
	Government Policy	-.066	.080	-.068	-.825	.411
2	(Constant)	22.142	13.472		1.644	.102
	Internal Control Environment	-.023	.479	-.027	-.048	.961
	Government Policy	-.250	.689	-.257	-.364	.717
	ICEXGPOL	.007	.024	.261	.270	.788

a. Dependent Variable: Performance

From the above regression coefficient results in model 1, as contained in table 4 above, holding internal control environment and government policy constant, the beta coefficient would 18.562 The established regression equation by the study was  $Y = 18.562 + 0.105X_1 + -0.066X_2$  Where Y = Financial Performance; X<sub>1</sub>= Internal Control Environment and X<sub>2</sub>= Government Policy.

As shown in the table above, it is observed that there is an insignificant positive effect of internal control environment on financial performance with (t=0.141, p-value > 0.05). It is further observed that there is an insignificant negative effect of Government policy on financial performance with (t=0.411, p-value > 0.05).

Again, from the above regression coefficient results in model 2 as contained in table 4, holding internal control environment, government policy and the combination of internal control environment and Government Policy Constant, the beta coefficient would 22.142. The established regression equation by the study was  $Y = 22.142 + -0.023X_1 + -0.250X_2 + 0.07X_3$  Where Y = Financial Performance; X<sub>1</sub>= Internal Control Environment, X<sub>2</sub>= Government Policy and X<sub>3</sub>= Internal Control Environment X Government Policy.

On the combined effect of internal control environment and Government policy, it is observed that the two variables combined has and insignificant effects internal control environment and Government policy on financial performance of banks in Ghana with (t=0.007, p-value > 0.05)

The study findings are in contrast with the study done by Kinyua (2016) who moderated the Effect of government policy in the relationship between of Internal Control Environment and Financial Performance of Companies Quoted in the Nairobi Securities Exchange The results and findings concluded that there was a significant association between internal control environment and financial performance.

## **1.9 CONCLUSION AND RECOMMENDATIONS**

The purpose of the study was to establish the moderating effect of Governments policy in the relationship between internal control environment and financial performance of banks in Ghana. The study results suggest the there is an insignificant moderating effects of Government policy in the relationship between internal control environment and financial performance of banks in Ghana, hence the study concludes that government policy do not play significant role in the relationship between internal control environment and financial performance of banks in Ghana. hence there is the need to pay more attention to control environment in the banks. It is important that internal control environment is strengthened to ensure that all activities are well developed, well-structured and are in line with the purpose for which they were established. The study further concludes that Government policy has not significant moderating effect in the relationship between control environment and financial performance, hence there is the need to be improved to ensure the system is fully safeguarded from and future effect from Government policy.

From the above discussions it is recommended that the management of banks strengthen the control environment, by enhancing the policies and procedures adopted by the banks in safeguarding assets and properties, there is the need to continuously review the existing policies, procedures and activities performed to ensure that they have not outlived their usefulness in the wake of changing competitions and advancement in technology and management orientation. The banks should appraise continuously the internal control environment to ensure that the activities are up to date and up to the task they are designed to perform. The banks should further appraise the control activities to ensure that all activities are properly done and are in line with company policy and banking regulations.

The study is not without limitations, the study focused on the moderating effect of government policy in the relationship between internal control environment and financial performance of banks, the study only considered one internal control variable and few banks. Future studies should expand the scope by considering the moderating effect on all internal control variables, as well as consider all banks in the banking system.

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