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Internal Audit Practices and Financial Performance of Public Institutions in Rwanda: A Case of Rwanda Social Security Board

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Abstract

This study investigated effect of internal audit practices on the financial performance of public institutions in Rwanda with reference to Rwanda Social Security Board. The study used both descriptive and correlational research design. The target population 148 using census approach all respondents were considered as the sample size. The study used simple random sampling method. The study employed primary data obtained using questionnaires first pilot tested to ensure they were valid and reliable. Secondary data was obtained from Rwanda Social Security Board. The collected data was analyzed using descriptive statistics such as means, standard deviation and frequencies and inferential statistics such as correlation and regression with help from statistical product and service solution. Results from the first objective show that the tenure was strongly agreed by 44.7%, ensured of the qualification as strongly agreed by 30.1%, for tenure influence, there was a positive significant correlation between tenure and compliance with policies ($r=.320^{**}$, $p\text{-value}=0.001$), reliability and integrity of information ($r=0.0317$, $p\text{-value}=0.001$). There was positive significant correlation between qualification and compliance with policies ($r=0.408^{*}$, $p\text{-value}=0.048$), qualification and cost relative to the intended results ($r=0.716$, $p\text{-value}=0.000$). Results to the second objective felt unrestricted adopted by strongly agreement with 54.4%, and 40.8% strongly agreed with the fact that involvement in budget. There were significant correlations found between unrestricted access organizational and compliance with policies ($r=0.424^{**}$, $p\text{-value}=0.000$), compliance with policies (0.740**, $p\text{-value}=0.000$), compliance with policies reliability and integrity of information (0.484**, $p\text{-value}=0.000$). To the third objective, the study found segregation of duties as agreed by 36.9%, using password evidenced that 53.4% strongly agreed, 44.7% strongly agreed with security for authorization and approvals. Results indicated, significant correlations were established between the segregation of duties and compliance with policies ($r=0.244^{**}$, $p\text{-value}=0.013$). Significant positive correlations were found between physical control and reliability and integrity of information ($r=0.253^{**}$, $p\text{-value}=0.010$), physical control and cost relative to the intended results ($r=.796^{*}$, $p\text{-value}=0.000$) and not correlation found between physical control and cost relative to the intended results ($r=-0.127^{*}$, $p\text{-value}=0.203$). The researcher

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recommends that the management should focus on the supporting internal audit with adequate budgetary allocations, the management should ensure that the auditors are recruited in their right proportion to reduce shortage of staff members in these organizations for effectiveness. Similar studies should be simulated in other institutions with the view of establishing the factors affecting the effectiveness of staff members in public institutions.

Keywords: *Internal audit practices, financial performance, public institutions, Rwanda Social Security Board, Rwanda*

1. Introduction

Several public institutions in Rwanda have reported many cases of failures as a result of reasons not yet uncovered (Thottoli, 2021). Most of public institutions were packed with critical reporting on not functioning well (Sije, 2017). Other reports insist on the lack of compliance with policies, lack of integrity of information, lack of equity (Office of the Auditor General, 2022).

Besides, the office of the auditor general audit reports for the fiscal years 2021 to 2012 have not shown any improvement on the financial performance to most of the institutions. The key problems pinpointed by office of auditor general reports are in the areas of revenue management, irregularities in expenditure management, inadequate payroll controls and weak internal control system. Such and other problems point to the inadequacy of audit practices used by those institutions (which is the proof of the inadequate performance of Internal Audit Unit) leading to irregularities in financial performance in public institution.

Despite the government efforts to improve the efficacy of audit systems in the public institution through staff capacity building and reorganization of Internal Audit practices, the key emerging questions are how effective the public institution audit department in are managing the public funds.

Previous studies such as Newman and Comfort, (2018), Nyamokami and Muturi (2018), and Odhiambo (2018) did not focused on internal audit committee, independence, risk management and internal control within public institutions in Rwanda, henceforth an information gap. This study investigated the effectiveness of existing audit practices in Rwanda Social Security Board and propose mechanism to minimize mismanagement of public fund in public institution.

1.1 Objectives of the study

1.1.1 General objective

The main purpose of this study was to investigate the effect of internal audit practices on financial performance of public institutions in Rwanda with reference to Rwanda Social Security Board.

1.1.2 Specific objectives

- i. To assess the effect of audit committees on financial performance of Rwanda Social Security Board.
- ii. To ascertain effect of internal auditor's independence on financial performance of Rwanda Social Security Board

- iii. To analyze the effect of internal controls on financial performance of Rwanda Social Security Board.

1.1.3 Research Hypotheses

H1: Audit committees has a statistically significant effect on financial performance of Rwanda Social Security Board.

H2: Internal auditor's independence has a statistically significant effect on financial performance of Rwanda Social Security Board

H3: Internal controls have a statistically significant effect on financial performance of Rwanda Social Security Board.

2.1 Empirical review

2.1.1 Effect of Internal Audit Committee on Performance of Public Institutions

Hariadi (2020) did a study to assess the extent of the dependence of the work of internal auditor by the external auditors. An examination was done on the reliance the work of internal audit administering questionnaire to 119 external auditors. The study suggests that there is need for increasing the interaction of management, internal and external audit function and firm board of directors since these four are the main components of corporate governance and that internal auditing is a resource that serves as the components of corporate governance. Therefore, firms seeking to augment the effectiveness of its corporate governance ought to strengthen its internal audit function while improving the coordination between internal and external audit. The study additionally discovered that, work performance for internal audit is an imperative determinant of the degree at which both internal and external auditors work together. Nearly all the firms listed in securities exchange have audit committees' responsibilities of which they differ in scope. This however did link the internal audit performance to overall financial performance of the firm (Prakoso, 2020).

In a research conducted by Journeault, *et al.*,(2021), it gives significance aspect the role of audit committee and board of directors, they provides an oversight the overall accounting process and set the ethical tone that should be followed by the members of an organization. Internal audit plays an essential role of ensuring that transparency of financial reporting and other practices that are applicable to Public Institutions (Journeault, *et al.*, 2021).

Research that was conducted in Australia indicated that having clear deed assists the audit committee as well as others to comprehend its roles and is an important tool of internal audit, Karaman, *et al.*, (2020). The criteria of selection of committee members is an essential element to robustness, as the membership of the committee will be as good as its audit committee. The management of Public Institutions comprises of audit committee of the board making them have qualities that are necessary to deliver the mandate. Nevertheless, for a definite audit committee function, there are some mandatory skills and characteristics which are required; this includes the following, independence from management, appropriate accounting and financial skills, sufficient energy for more work and professional skepticism (Nerantzidis, *et al.*, 2022).

In a study that was conducted in USA on Public Institutions, Orazalin and Mahmood (2018) found out that the chairman of the audit committee has special and precise roles relative to setting of agendas and making sure that the audit committee is effective and more often operational. This is achieved to allocation of special and more specific agenda to deliberate on and managing the members' interaction. The finding affirms to the fact that the committee has

the responsibility of overseeing the financial and reporting process in Public Institutions. These study findings are in agreement with that of Orazalin and Mahmood (2018) that the financial sustainability and financial performance are seen as the combined possibility that the external auditor discover the misstatement in books of accounts and disclose material facts to stakeholders of the said books of accounts. The good compositions of audit committee minimize the cost of hiring third party to oversee the operation and going concern of the entity. In the same rejoinder a study that were conducted by Tauringana (2021) in New York City posits that agency problem usually exist because managers who cannot predict the behavior of agents because of their access to asymmetric information conflict of interest among the management. The researcher highlighted the existence of agency problems because of competing goals but further recommended that the owner interests should take precedence and the audit committee ought to comprehend the cornerstones as well as the specific practices useful in the in implementation of good corporate governance (Jacob, *et al.*, 2022).

According to a study that was conducted by Madawaki, *et al.*, (2022) in republic of South Africa Public Institutions on the audit committee independents, the study used a total 112 Public Institutions the area of concern was on the effectiveness of resources management in Public Institutions. Study results show the existence of noteworthy correlation amid audit committee and firm financial performance of Public Institutions. Further recommendation that the audit committee should have a clear term of reference and have a clear mandate on their responsibilities, the management should therefore strive to establish transparent and effective audit committee (Bananuka, & Nkundabanyanga, 2022).

In a study by Adeosun, *et al.*, (2021), noting that committee of five members are appropriate in achieving financial performance. This study agrees with earlier researchers that audit committee plays a critical role in enhancing good performance. In particular, members of audit committee must possess aptitude and skills that are beyond commonality with budget summaries. They should have the option to comprehend the guidelines, and, all the more critically, the rules that support the readiness of budget reports (ALbawwat, *et al.*, 2021)

They should be set up to contribute the time important to comprehend why basic 19 accounting strategies are picked, how they are applied and fulfill themselves that the final product reasonably mirrors their comprehension (Omondi, 2012). These statements attest to the way that, in deciding the arrangement of the review council, it is essential to offset formal capabilities with the thought of individual characteristics and significant experience. In certain conditions, it might be progressively fitting for the audit committee to look for advice from experts whenever they are in need of it instead of attempting to uphold certain expertise inside the committee audit always (Anggreni,*et al.* 2021)

2.1.2 Effect of Internal Audit Independence on Performance of Public Institutions

Betti, *et al.* (2021) conducted research in Nigeria on how internal audit function relates to financial performance for tertiary institutions. The study made use of primary data sources that was designed in a semi-structure and interviews in assessing the tertiary institutions record for performance related data. Data was then analysed using simple percentages, correlations and Zscore. It was revealed that the internal audit staffs were not adequate and that they do not execute their role with independence as they were influenced by top management who were the initiators of all the activities in the institutions (Drábková, & Martin. 2022)

In a study by Agyei-Mensah (2019) to examine the elements that have contributed to internal audit function being effective in the public sector. The study studied auditor competency, objectivity and management support as the study elements. The targeted group were the internal audit staff who were seconded from the National Audit Department which were 636

and represented 56% of all the auditors working in Malaysia where a sample of 330 were used as the sample. Primary data was employed in attaining the aims of the study. It was discovered that, there is a positive and noteworthy relation that exists among auditor competency, management support and objectivity to the effectiveness of internal audit function. However, this research provides a number of gaps since, it was conducted in public sector and also that the study targeted internal auditor who may not give an objective response to the questionnaire. Additionally, the study operationalize internal audit as auditor competency, objectivity and management support, this study will use audit committee, internal controls, auditors' independence and risk management as the study variables (Amidjaya,& Widagdo, 2019)

Wanyama (2018) conducted a study entitled internal audit functions and its relationship with financial performance of Rift valley bottler. The study objectives included risk management, internal controls and governance and how they relate to financial performance of Rift valley bottler. The study was correlational in nature using both closed and open-ended questionnaires targeting a population of 40 staffs drawn from various departments. The data for the study was analysed for descriptive results in forms of means and variations and also regression and correlations were done to measure association of the two variables. The findings from this study revealed that the internal auditing aspect led to the firm attaining its set goals (Bananuka, *et al.*, 2018).

A study carried out by Buallay and Al-Ajmi (2019) on the auditor's autonomy used descriptive research with a sample size of 345 respondents. The study intended to review external auditors, pertinence and size of the audit committee. The study found the role on access to internal audit department and its efficiency (De Villiers, & Sharma, 2020). In internal audit function, recommend that this autonomy would be extended to non-intervention with internal audit activities within an institution, benefit declared, constant meeting, manager's character, skilled personnel and existence of auditing department. . (Newman & Comfort, 2018).

Nyamokami and Muturi (2018) focus on internal auditor's autonomy and integrity of members in fulfilling their duties. In addition, the Institute of Internal Auditors (2010), institution autonomy was the self-reliance from element that would affect the ability of internal audit to conduct its duties. According to Van Peurse (2012) there is a statistically significant correlation between managers' character and internal audit efficiency. Special focus was its autonomy in order to preserve their duties. In this regards, manager's involvement may affect positively or negative the level of internal audit efficiency (Odhiambo, 2018).

However, audit may be permitted to have accessibility on all forms of audit information like workers, assets, rules and regulations and many other factors (Hariadi, 2020). This would be permitted all accessibility to resource, verification of resources, workers and payment lists. Moreover, lack of autonomy led to poor performance and efficiency. Thus, Prakoso (2020) argued that internal auditor's autonomy stimulates its efficiency and evidence dthat autonomy statistically impacts on internal audit efficiency.

2.1.3 Effect of Internal Controls on Performance of Public Institutions

Adeola, *et al.*, (2021) performed a study to investigate on internal control and its relation to financial performance. The study targeted a population of 4233 SACCOs registered in Kenya and used only the chief executive officers and senior managers. The data sources were both primary and secondary in the current study research. It was established that internal controls were positively and significantly correlated with the deposit taking financial performance. Additionally, the study found out that if the internal controls were not there, they would be poorly performing. This study therefore yielded a gap for study that used a very small sample size which may not yield representative findings. Similarly, the sampling technique applied

may have suffered sampling biases since it was probability sampling technique (Alam, *et al.*, 2019).

Anh, *et al.*, (2020) did a study to assess risk-based internal audit effects on financial performance in commercial State Corporation in Kenya. Variables for the study were risk management, planning, standards and capacity of the internal audit. The study targeted 53 commercial state corporations and used primary data collected with the aid of self-administered structured and unstructured questionnaires. The study found a linear and significant correlation amid practices of internal audit, internal audit planning and risk management and financial performance (Appiah, *et al.*, 2020).

In a study that was conducted by Arun, *et al.*, (2020) on internal control and its effect on financial performance. The study was on the public water companies that are in Kenya and its variables covered the determination of the effect of segregation of duties, to assess the effect of cash reconciliations, to examine effect of inventory audits and cost management on financial performance. The study targeted chief internal auditors who were 65 in number and adopted purposive sampling. The study found that internal controls were significantly and positively related to financial performance of public water companies in Kenya (Cevahir & Çalıyurt, 2021).

Chalmers *et al.*,(2019) did a study on internal audit and performances of commercial banks in Kenya. The study conceptualized internal audit as professional competency, independence practices and internal control for the internal audit units. Finance managers were selected to participate in the study and the researcher used descriptive research design in nature and employed primary data which was collected with the help of questionnaires. It was established that all the variables showed a positive and significant relation to financial performance of the banks. It was recommended that the management in an effort to report good performance ought to institute an effective internal audit practices as depicted from the study findings (Fries, *et al.*, 2021).

In a study conducted by Gyimah and Adeola (2021) that was based on internal audit function and how it affected on financial performance of tertiary institution. The study found out that the institutions strictly adhere to budgetary control rule and procedure provided for in the annual departmental budget and that the control are in instituted to exclude paying for expenses that is beyond the allocated funds. Additionally, the study finding established that the activities under internal control influenced the financial performance of Cross River State College of Education did not exit.

In a similar study by Hess (2021) focusing on the internal control system and the relation it has with financial performance. The research was based on health institutions in Ghana and in applying an ordered logistic regression model for a sample of fifty respondents. Primary data for both internal control and financial performance was used. It was revealed that the relationship is positive between the two elements of the study -internal controls and financial performance (Hess, 2021).

The research findings of Hinson, *et al.*, (2022) felt that internal audit personnel alternative was crucial in improving their autonomy and to ameliorate its efficiency. The study evidenced that internal audit personnel who were in touch with management couldn't assume their responsibilities adequately. The study demonstrated a clear effect of communication and efficiency of internal audit. The above study evidenced that adequate audit members was deemed to enhance the level of performance, and adequacy for public institutions. It means that the audit members necessitate to fortify the level of assuming auditing duties and responsibilities to draw suggestions to realize its mission (Hinson, *et al.*, 2022).

2.2 Research Gap

From the literature reviewed, some of the studies found internal control practices influencing financial performance like the case of Drábková, and Martin (2022) while others on the other hand established a negative relationship, Agyei-Mensah (2019) whereas other noted a lack of effect between the two elements in enterprises. This has yielded in a mixed reaction and has made it difficult to understand the effect of internal audit practices especially the effect of audit committee, auditor's independence, risk management and internal control on financial performance. Several studies on the other hand were conducted in developed countries or countries where regulatory requirements differ from those applicable (Thottoli, 2021). This has left a gap on what effect does the internal audit practices have on performance of public institutions in Rwanda in which this study seeks to investigate.

3. Materials and Methods

The research design used in this study is a combination of descriptive and correlation research design with a mixed approach. The descriptive design was employed to describe the quality of internal audit practices used by the Rwanda Social Security Board (RSSB) and the performance of public institutions. The study utilized a survey method to collect data from a sample of the population using a questionnaire. Additionally, it employed a correlation research design to analyze the relationship between internal audit practices and the performance of public institutions.

The target population for this study was comprised of 148 staff members of RSSB. The sample consisted of 109 staff members, including 8 directors, 25 managers, and 84 junior staff members who completed the questionnaire to provide the required information. The sampling technique used in this study was a census approach, where all 148 staff members were included in the sample due to the small population size. Furthermore, a stratified sampling technique was applied to ensure representation from different units within the organization.

Data collection involved the use of primary and secondary data sources. The primary data was collected through questionnaires distributed to the selected staff members of RSSB. The researcher obtained an introductory letter from Mount Kenya University School of Business and Economics to gain authorization from RSSB management for data collection. Secondary data, such as textbooks, census reports, archival records, and reports, were also utilized.

The data collection instruments consisted of a self-administered questionnaire with clear and concise questions. Data collection methods included documentation and the questionnaire technique. The questionnaire was designed to gather information on the impact of internal audit qualities in RSSB and its role in operational adequacy and reliability.

The reliability and validity of the research instruments were ensured through discussions with the supervisor and experts in the field, as well as through a pilot study. The pilot study involved pre-testing the questionnaire and interview guide with the Rwanda Agricultural Board (RAB), a related public institution. The questionnaire was pre-tested on 15 individuals, representing 10% of the sample size, to ensure clarity of items and the effectiveness of instructions.

Data analysis was conducted using SPSS version 27.0. Descriptive statistics such as mean, standard deviation, graphs, percentages, and frequencies were employed to summarize the data and describe the distribution of scores and measurements. Inferential statistics, including correlational regression and multiple regression analysis, were used to assess the relationship and effect of independent variables on the dependent variable, which was the performance of public institutions.

Ethical considerations were given high importance throughout the research process. The researcher obtained recommendation letters and permission from relevant authorities, ensured the privacy and confidentiality of respondents, and obtained informed consent from participants. Respondents were assured that their information would be used solely for academic purposes, and they had the right to withdraw from the research process..

4. Presentation of findings

Table 1: Level of Performance in Rwanda Social Security Board

| Performance in Rwanda Social Security Board, Rwanda | SD % | D % | NS % | A % | SA % | Total Mean | Std |
|---|------|------|------|------|------|------------|-------|
| Compliance with policies | 3.9 | 5.8 | 16.5 | 33.0 | 40.8 | 4.009 | 1.080 |
| Reliability and integrity of information | 21.4 | 15.5 | 3.9 | 26.2 | 33.0 | 3.339 | 1.581 |
| Cost relative to the intended results | 11.7 | 19.4 | 31.1 | 17.5 | 21.4 | 4.016 | 1.276 |

Source: Primary Data (2023)

Findings in Table 1 evidenced that 40.8% with a mean of 4.0097 and standard deviation equal to 1.080 have a strong agreement on the statement that the compliance of the compliance with policies has been efficient. Further, 33.0% of participants, with the mean of 3.3398, standard deviation= 1.581 strongly confirmed with reliability and integrity of information, while 21.4% of respondents, with a mean of 4.016 and standard deviation 1.276 strongly agreed with the increase of equity. Qualitative data show that audit standards affect positively the Performance in Rwanda Social Security Board, Rwanda. The Rwanda Social Security Board auditor says:

“In the bank, we have tried to respect audit standard which changed dramatically our operational efficiency especially in term of increasing compliance with policies, reliability and integrity of information, equity, and cost relative to the intended results.

However, before assess the statistical significance of each independent variables, the audit standards refer to the target of the statistical analysis in this section was to look into the efficiency variable.

4.3.1 Effect of Audit Committee on Performance of Rwanda Social Security Board.

The first objective was to assess effect of Audit Committee on Performance of Rwanda Social Security Board. It is very important to start with assessing the level of adoption of Audit Committee. The range was strongly agreed (5) and strongly disagree (1). The score of strongly agree and agree were considered to give the variable that is highly applied equivalent to a mean score of 3.5 to 5.0 on the constant Likert scale. The scores of moderate applicable were taken to stand form of variable that has moderate application equivalent to 2.5 to 3.5 on constant Likert scale. The score of both low and not sure were considered to stand for variables of low application and not sure equivalent to 0.24 on constant Likert scale. The sdv deviation of >0.9 means positive variation on application of variables.

Table 1: Application of Audit Committee at Rwanda Social Security Board, Rwanda.

| Audit Committee | SD % | D % | NS % | Ae % | A % | Standard Mean | Deviation |
|-----------------|------|-----|------|------|-----|---------------|-----------|
|-----------------|------|-----|------|------|-----|---------------|-----------|

| | | | | | | | |
|---|------|------|------|------|------|--------|-------|
| RSSB has effectively applied the tenure in its activities | 2.9 | 3.9 | 12.6 | 35.9 | 44.7 | 4.1553 | 0.987 |
| RSSB has effectively applied the qualification in its activities time | 16.5 | 20.4 | 15.5 | 17.5 | 30.1 | 3.2427 | 1.485 |
| Experience its activities | 16.5 | 12.6 | 26.2 | 29.1 | 15.5 | 3.1456 | 1.301 |
| | 36.9 | 3.9 | 18.4 | 18.4 | 28.2 | 2.9125 | 1.669 |

Source: Primary Data (2023)

Results in Table 2 answers the question on the application of audit committee at Rwanda Social Security Board in Rwanda. Results in Table 4.2 shows that the tenure was strongly agreed by 44.7% of respondents with a mean of mean of 4.1553 and standard deviation of 0.987. In this regard, a clear discrepancy was found. For moderate responses, Rwanda Social Security Board has ensured the qualification as strongly agreed by 30.1% of respondents with a mean of 3.2427) and standard deviation of 1.485, was a component for audit committee standard at the Rwanda Social Security Board.

For the reporting structure, 29.1% of respondents with a mean of 3.1456 and standard deviation of 1.301 agreed that the time was respected by the Rwanda Social Security Board. Finally, if the Rwanda Social Security Board ensured the experience was strongly agreed by 28.2% of respondents with a mean of 2.9125 and standard deviation of 1.669.

The study assessed the effect of audit committee on performance of Rwanda Social Security Board in term of compliance with policies, reliability and integrity of information, and cost relative to the intended results. The Pearson correlation analysis and inferential statistics were adopted to introduce the relationship between study variables.

Table 2 Correlation Analysis between Audit Committee and Performance of RSSB.

| | | Compliance with Reliability and integrity of information | Cost relative to the intended results. |
|---------------|---------------------|--|--|
| Tenure | Pearson Correlation | .320** | -.819** |
| | Sig. (2-tailed) | .001 | .000 |
| | N | 140 | 140 |
| Qualification | Pearson Correlation | .408** | -.716** |
| | Sig. (2-tailed) | .000 | .950 |
| | N | 140 | 140 |
| Time | Pearson Correlation | -.657** | .072 |
| | Sig. (2-tailed) | .000 | .470 |
| | N | 140 | 140 |
| Experience | Pearson Correlation | -.407** | .311** |
| | Sig. (2-tailed) | .000 | .001 |
| | N | 140 | 140 |
| | N | 140 | 140 |

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data (2023)

Findings presented in Table 3 reveal correlation between variables. For tenure influence, there was a positive significant correlation between tenure and compliance with policies ($r=.320^{**}$, $p\text{-value}=0.001$), tenure influence and Reliability and integrity of information ($r=0.0317$, $p\text{-value}=0.001$). Finally, a correlation was found between tenure and cost relative to the intended results (0.817^{**} , $p\text{-value}=0.000$). These correlations were statistically significant since the p value was <0.05 implying that the increase in compliance with policies, reliability and integrity of information, and cost relative to the intended results and vice versa.

For qualification, there were positive significant correlation between qualification and compliance with policies ($r=0.408^{*}$, $p\text{-value}=0.048$), qualification and cost relative to the intended results ($r 0.716$, $p\text{-value}=0.000$). These were statistically associated since p value was <0.05 suggesting that increase in qualification leads to increase in cost relative to the intended results and vice versa. Contrary to insignificant correlation between qualification and Reliability and integrity of information ($r=0.006$, $p\text{-value}=0.950$). This correlation is insignificant since that the p value was >0.05 implying that the rise of qualification of internal auditors and other employees did not affect reliability and integrity of information and vice versa.

Results on time felt significant correlation between time and compliance with policies ($r=0.657^{**}$, $p\text{-value}=0.000$), and reliability and integrity of information ($r=0.510$, $p\text{-value}=0.000$). However, insignificant relationship was found between time and cost relative to the intended results ($r=0.072$, $p\text{-value}= 0. 470$).This was insignificant since the p value was >0.05

implying that a change on applying a time did not affect automatically cost relative to the intended results.

Results on the correlation between experience and dependent variables, there were significant correlations between experience and compliance with policies increase ($r=.407^{**}$, $p\text{-value}=0.000$), reliability and integrity of information, and cost relative to the intended results ($r=.538$, $p\text{-value} 0.000$). There was positive correlation since the p value was less than 0.05 implying that the experience did not affect compliance with policies, reliability and integrity of information, and cost relative to the intended results. An interview with the Rwanda Social Security Board internal auditor, argues “*the audit committee as auditing standard is very important in term of improving compliance with policies, reliability and integrity of information, and cost relative to the intended results*”.

Table 3 Regression Coefficients between audit committee and Compliance with policies

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|-------|---------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 5.328 | .527 | | 10.112 | .000 |
| | Tenure | .045 | .117 | .041 | .387 | .699 |
| | Qualification | .042 | .081 | .058 | .520 | .604 |
| | Time | -.472 | .081 | -.569 | -5.799 | .000 |
| | Experience | -.054 | .060 | -.084 | -.911 | .365 |

a. Dependent Variable: Compliance with policies

Source: Primary Data (2023)

Results presented in Table 4.4 shows the regression coefficients of the audit committee was statistically significant in explaining compliance with policies in Rwanda Social Security Board. It showed that tenure was not statistically significant to compliance with policies in Rwanda Social Security Board ($B=.041$, $p\text{-value}=0.669$). Results shown that qualification not statistically affecting compliance with policies ($B=-0.058$, $p\text{-value}=.604$), time was statistically affecting compliance with policies ($B=-0.569$, $p\text{-value}=.000$). Finally, experience not can cause a change in compliance with policies by 0.084.

Table 4 Coefficients of Effect between Audit committee and Reliability and integrity of information

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|-------|---------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 5.556 | .677 | | 8.209 | .000 |
| | Tenure | .721 | .150 | .450 | 4.815 | .000 |
| | Qualification | -.715 | .104 | -.671 | -6.845 | .000 |
| | Time | -.675 | .105 | -.555 | -6.452 | .000 |
| | Experience | -.265 | .077 | -.280 | -3.462 | .001 |

a. Dependent Variable: Reliability and integrity of information

Results presented in Table 5 indicates the regression coefficients of the reliability and integrity of information. It felt that Tenure was statistically significant to reliability and integrity of information ($B=.450$, $p\text{-value}=0.000$). Results shown that qualification was statistically affecting reliability and integrity of information ($B=-.671$, $p\text{-value}=0.000$). Therefore, results shown that time is statistically affecting reliability and integrity of information ($B=0.280$, $p\text{-value}=.001$).

Table 5 Coefficients of Effect between audit committee and Cost relative to the intended results

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | Sig. |
|-------|---------------|-----------------------------|------------|---------------------------|---------|------|
| | | B | Std. Error | Beta | t | |
| 1 | (Constant) | 9.007 | .306 | | 29.387 | .000 |
| | Tenure | -.744 | .068 | -.568 | -10.973 | .000 |
| | Qualification | -.475 | .047 | -.545 | -10.047 | .000 |
| | Time | -.494 | .047 | -.497 | -10.435 | .000 |
| | Experience | .122 | .035 | .158 | 3.531 | .001 |

a. Dependent Variable: Cost relative to the intended results

Source: Primary Data (2023)

Results presented in Table 6 shows the regression coefficients of the freedom tenure in explaining cost relative to the intended results. It showed that qualification was statistically significant to cost relative to the intended results ($B=0.568$, $p\text{-value}=0.000$). Results shown that time was statistically affecting cost relative to the intended results ($B=-.545$, $p\text{-value}=0.000$). Results shown that time was statistically affecting cost relative to the intended results ($B=0.497$, $p\text{-value}=0.000$). Finally, experience was affecting cost relative to the intended results ($B=0.158$, $p\text{-value}=0.001$). In this regard, audit independence helped to establish objectives to performance of RSSB.

4.3.2 Effect of Auditor's Independence on Performance in Rwanda Social Security Board.

In this section, the researcher sought to assess effect of Auditor's Independence on Performance in Rwanda Social Security Board. The Auditor's Independence was determined using unrestricted access organizational, reporting relationship, and involvement in budget, and free interference. The respondents were consequently probed to state the extent to which they approved with the statements regarding the contingency on a scale of toughly disagree and strongly agree. The range of respondents was strongly agreed (5) to strongly disagree (1). The findings analysis are tabulated in Table 7.

Table 6 Extent to which Audit Independence is applied at Rwanda Social Security Board.

| Contingency standards adopted | Strongly Disagree | Disagree | Not Sure | Agree | Strongly Agree | Mean | Std |
|------------------------------------|-------------------|----------|----------|-------|----------------|--------|-------|
| | % | % | % | % | % | | |
| Unrestricted access organizational | 6.8 | 7.8 | 6.8 | 24.3 | 54.4 | 4.1165 | 1.239 |
| Reporting relationship | 6.8 | 7.8 | 2.9 | 45.6 | 36.9 | 3.980 | 1.154 |
| Involvement in budget | 10.7 | 8.7 | 1.1 | 38.8 | 40.8 | 3.902 | 1.317 |

Source: Primary Data (2023)

Table 7, results demonstrated that Rwanda Social Security Board has the unrestricted adopted. This was strongly agreed by 54.4% of respondents with a mean of 4.1165) and standard deviation of 1.239. The reporting relationship was strongly agreed by 36.9 % of respondents with a moderate mean of 3.980. Finally, 40.8% of respondents strongly agreed with the fact that involvement in budget in Rwanda Social Security Board was applied and has a good structure and appropriate size with a mean of 3.902 and standard deviation of 1.317.

Table 7: Correlation Analysis Independence and Performance in Rwanda Social Security Board

| | | Compliance with policies | Reliability integrity information | and Cost relative of the intended results |
|------------------------------------|---------------------|--------------------------|-----------------------------------|---|
| Unrestricted access organizational | Pearson Correlation | .424** | | .740** |
| | Sig. (2-tailed) | .000 | | .000 |
| | N | 140 | | 140 |
| Reporting relationship | Pearson Correlation | .425** | | .514** |
| | Sig. (2-tailed) | .000 | | .000 |
| | N | 140 | | 140 |
| Involvement in budget. | Pearson Correlation | .407** | | .665** |
| | Sig. (2-tailed) | .000 | | .000 |
| | N | 140 | | 140 |

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data (2023)

As indicated in Table 8, there were significant correlations found between unrestricted access organizational and compliance with policies ($r=0.424^{**}$, $p\text{-value}=0.000$), unrestricted access

organizational in budget and compliance with policies (0.740**, p-value= 0.000), unrestricted access organizational in budget and Compliance with policies reliability and integrity of information (0.484**, p-value=0.000). These relationships were statistically significant, since the p value was <0.05 proposing that a change in unrestricted access organizational in budget increased the compliance with policies, reliability and integrity of information, cost relative to the intended results and vice versa.

For reporting relationship with policies (r=0.425**, p-value=0.000), reliability and integrity of information (r=0.514*, p-value=0.000), and cost relative to the intended results (r=0.608, p-value= 0.000) were positively correlated since the p value was <0.05 proposing that a change in reporting relationship did not affect Performance in Rwanda Social Security Board.

There is a significant correlation found between involvement in budget and compliance with policies (r=-0.407**, p=0.000), reliability and integrity of information (r=0.665**, p-value=0.000), and cost relative to the intended results (r=0.401**, p-value=0.000). Significant positive correlations were found since the p value was 0.05 proposing that a change in involvement in budget improved compliance with policies, reliability and integrity of information, and cost relative to the intended results and the vice versa.

Table 8: Coefficients of Audit Independence and Compliance with policies

| Model | | Unstandardized | | Standardized | | Sig. |
|-------|------------------------------------|----------------|------------|--------------|-------|------|
| | | B | Std. Error | Beta | t | |
| 1 | (Constant) | 1.757 | .569 | | 3.089 | .003 |
| | Unrestricted access organizational | .147 | .111 | .169 | 1.328 | .187 |
| | Reporting relationship | .173 | .135 | .185 | 1.283 | .202 |
| | Involvement in budget | .324 | .115 | .395 | 2.808 | .006 |

a. Dependent Variable: Compliance with policies

Source: Primary Data (2023)

Results show the regression of independent variables are insignificantly associated with compliance with policies. It demonstrated that voluntary unrestricted access organizational is insignificantly correlated ccompliance with policies (b=0.169, p-value =0.187). This implies that a change reporting relationship did not affect compliance with policies. Involvement in budget was insignificantly correlated with ccompliance with policies (b=0.185, p-value =0.202). It denotes that involvement in budget did not affect compliance with policies.

Table 9 Coefficients of Effect between Audit independence and Reliability and integrity of information

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|-------|------------------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | -2.339 | .439 | | -5.333 | .000 |
| | Unrestricted access organizational | .885 | .085 | .693 | 10.359 | .000 |
| | Reporting relationship | -.112 | .104 | -.082 | -1.076 | .285 |
| | Involvement in budget | .594 | .089 | .495 | 6.683 | .000 |

a. Dependent Variable: Reliability and integrity of information

Source: Primary Data (2023)

Regression analysis with unrestricted access organizational was significantly affecting the reliability and integrity of information with a level of significance of 0.000 where an increase in unrestricted access organizational automatically affect the reliability and integrity of information by 0.693 units. Regression analysis with reporting relationship was not significantly affecting reliability and integrity of information with a level of significance of 0.285 where an increase in involvement in budget did not lead automatically to reliability and integrity of information by 0.082 units. However, the involvement in budget affects the reliability and integrity of information since b was 0.495 with a p value of 0.000.

Table 10 Coefficient of Effect of Audit Independence and cost relative to the intended results

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|-------|------------------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 1.348 | .198 | | 6.823 | .000 |
| | Unrestricted access organizational | -.123 | .038 | -.118 | -3.198 | .002 |
| | Reporting relationship | -.146 | .047 | -.130 | -3.114 | .002 |
| | Involvement in budget | -.139 | .040 | -.141 | -3.458 | .001 |

a. Dependent Variable: Cost relative to the intended results

Source: Primary (2023)

Regression analysis with unrestricted access organizational was significantly affecting cost relative to the intended results by 0.002 where an increase in unrestricted access organizational affect automatically cost relative to the intended results by 0.118 units. Regression analysis with reporting relationship was significantly affecting cost relative to the intended results with a level of significance of 0.002 where an increase in reporting relationship lead automatically to cost relative to the intended results by 0.130 units. There is significance between involvement in budget with cost relative to the intended results with a level of significance of 0.001 where involvement in budget affect cost relative to the intended results by 0.028 units.

4.3.3 Effect of Internal Control Duties on Performance of Rwanda Social Security Board

In this subdivision the study pursued to determine the effect of internal control duties on performance of Rwanda Social Security Board. The findings were analysed and tabulated in Table 12.

Table 11: Internal Control Duties at Rwanda Social Security Board

| Internal Control Duties | Strongly Disagree | Disagree | Not Sure | Agree | Strongly Agree | Mean | Sdv |
|-----------------------------|-------------------|----------|----------|-------|----------------|-------|-------|
| | % | % | % | % | % | | |
| Segregation of duties | 10.7 | 14.6 | 9.7 | 36.9 | 28.2 | 3.372 | 1.325 |
| Using password | 5.8 | 7.8 | 6.8 | 26.2 | 53.4 | 4.135 | 1.632 |
| Physical control | 9.7 | 9.7 | 8.7 | 44.7 | 28.2 | 3.728 | 1.169 |
| Authorization and Approvals | 11.7 | 11.7 | 15.5 | 33.0 | 28.2 | 3.543 | 1.326 |

Source: Primary Data (2023)

Results in Table 12, results found that RSSB is concentrating on segregation of duties as agreed by 36.9% of respondents with a mean of 3.372 and standard deviation of 1.325. Results on whether the Rwanda Social Security Board is concentrating on using password evidenced that 53.4% of respondents strongly agreed with the statement with a mean of 4.13559 and standard deviation of 1.632. However, 44.7% of respondents with a mean of 3.728 and standard deviation of 1.169 strongly agreed that the Rwanda Social Security for authorization and Approvals as indicated by 33.0%, with a mean of 3.543 and standard deviation of 1.326.

Table 12: Correlation Analysis between Internal Control Duties and Performance of RSSB

| | | Segregation of duties | Using password | Physical control | Authorization and Approvals |
|---------------------------------------|--------------------------|-----------------------|----------------|------------------|-----------------------------|
| Compliance policies | with Pearson Correlation | -.244* | .393** | .127 | .181 |
| | Sig. (2-tailed) | .013 | .000 | .203 | .067 |
| | N | 140 | 140 | 140 | 140 |
| Reliability and integrity information | and Pearson Correlation | -.332** | .395** | .253** | .061 |
| | Sig. (2-tailed) | .001 | .000 | .010 | .543 |
| | N | 140 | 140 | 140 | 140 |
| Cost relative to the intended results | Pearson Correlation | -.270** | -.813** | -.796** | -.044 |
| | Sig. (2-tailed) | .006 | .000 | .000 | .656 |
| | N | 140 | 140 | 140 | 140 |

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary Data (2023)

Results in Table 13 indicated, significant correlations were established between the segregation of duties and compliance with policies ($r=0.244^{**}$, $p\text{-value}=0.013$), the total segregation of duties Authorization and Approvals and reliability and integrity of information ($r=0.322^*$, $p\text{-value}=0.001$) and the segregation of duties and cost relative to the intended ($r=0.270^*$, $p\text{-value}=0.006$). All the correlations were statistically significant provided that the p value was <0.05 suggesting that a change in the segregation of duties improve compliance with policies, reliability, and integrity of information, and cost relative to the intended results and vice versa.

Results on using password show statistically positive correlations with compliance with policies ($r=0.393^{**}$, $p\text{-value}=0.000$), reliability and integrity of information ($r=0.395^{**}$, $p\text{-value}=0.000$), and cost relative to the intended results ($r=0.813$, $p\text{-value}=0.000$). All were statistically correlated significantly since the p value was <0.05 implying that a change in using password improve compliance with policies, reliability and integrity of information, and cost relative to the intended results and vice versa.

Significant positive correlations were found between physical control and reliability and integrity of information ($r=0.253^{**}$, $p\text{-value}=0.010$), physical control and cost relative to the intended results ($r=0.796^*$, $p\text{-value}=0.000$) and not correlation found between physical control and cost relative to the intended results ($r=-0.127^*$, $p\text{-value}=0.203$).

Finally, the only significant correlations were found between authorization and approvals and compliance with policies ($r=0.181^*$, $p\text{-value}=0.063$), but insignificant relationship was found between authorization and approvals and reliability and integrity of information ($r=0.061^*$, $p\text{-value}=0.543$) and authorization and approvals and cost relative to the intended results ($r=-0.44^*$, $p\text{-value}=0.656$).

Table 13 Coefficients of Regression between Internal Control Duties and Compliance with policies

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|-------|-----------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 3.093 | .444 | | 6.961 | .000 |
| | Segregation of duties | .225 | .066 | -.276 | -3.390 | .001 |
| | Using password | .781 | .124 | .866 | 6.311 | .000 |
| | Physical control | .513 | .120 | -.588 | -4.285 | .000 |
| | Authorization and Approvals | .113 | .067 | .139 | 1.699 | .093 |

a. Dependent Variable: Compliance with policies

Source: Primary Data (2023)

Results in Table 14, shows the regression of the segregation of duties and compliance with policies were statistically affecting each other. It demonstrated that segregation of duties was affecting compliance with policies ($b=0.276$, $p\text{-value}=0.001$). This implies that a change in segregation of duties affects compliance with policies. Using password was significantly affecting compliance with policies ($b=0.866$, $p\text{-value}=0.000$), meaning that the using password was affecting compliance with policies. The physical control was positively affecting compliance with policies ($b=0.588$, $p\text{-value}=0.000$) and finally, authorization and approvals

was affecting compliance with policies ($b=0.139$, $p\text{-value}=0.093$), meaning that it is more likely to improve the level of compliance with policies in Rwanda Social Security Board.

Table 14 Coefficients of Effect between Internal Control Duties and Reliability and integrity of information

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | Sig. |
|-------|-----------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | t | |
| 1 | (Constant) | 2.716 | .681 | | 3.991 | .000 |
| | Segregation of duties | -.432 | .102 | -.362 | -4.248 | .000 |
| | Using password | .787 | .190 | .596 | 4.153 | .000 |
| | Physical control | -.290 | .183 | -.227 | -1.582 | .117 |
| | Authorization and Approvals | -.003 | .102 | -.002 | -.028 | .978 |

a. Dependent Variable: Reliability and integrity of information

Source: Primary Data (2023)

Results presented in Table 15 indicates that the segregation of duties affecting reliability and integrity of information with a level of significance of 0.000 where an increase in the segregation of duties by 0.362 units. There significant impact between the using passwords with a level of significance of 0.000 where using password affect the reliability and integrity of information by 0.596 units.

Moreover, the physical control was not significantly affecting reliability and integrity of information with a level of significance of 0.117 where an increase in physical control did not lead to reliability and integrity of information by 0.227 units. There is no significance between authorization and approvals with reliability and integrity of information with a level of significance of 0.978 where authorization and approvals did not affect reliability and integrity of information by 0.28 units.

Table 15 Coefficient of Effect between Internal Control Duties and Cost relative to the intended results

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | Sig. |
|-------|-----------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | t | |
| 1 | (Constant) | 7.622 | .312 | | 24.448 | .000 |
| | Segregation of duties | -.239 | .047 | -.245 | -5.137 | .000 |
| | Using password | -.493 | .087 | -.456 | -5.680 | .000 |
| | Physical control | -.453 | .084 | -.433 | -5.392 | .000 |
| | Authorization and Approvals | .038 | .047 | .039 | .813 | .418 |

a. Dependent Variable: Cost relative to the intended results

Source: Primary Data (2023)

<https://doi.org/10.53819/81018102t2168>

Therefore, the segregation of duties was significantly affecting cost relative to the intended results with a level of significance of 0.000 where an increase in the segregation of duties automatically affect cost relative to the intended results by 0.245 units. There is significance between using password and cost relative to the intended results with a level of significance of 0.000 where a physical control affects cost relative to the intended results by 0.456 units.

Moreover, physical control was significantly affecting cost relative to the intended results with a level of significance of 0.000 where an increase in physical controlled automatically to cost relative to the intended results by 0.433 units. Finally, authorization and approvals did not affect cost relative to the intended results since $b=0.039$ with a p value of 0.418.

4.4 Discussion of Findings

The discussion of key findings was done in order to provide scientific explanation of the findings. In this section the researcher compared the results with previous literature. The researcher explained plausible reasons on whether the findings were in agreement or in contradiction with previous literature.

4.4.1 Effect of the effect of Audit Committee on Performance of Rwanda Social Security Board.

The researcher discussed and contrasted the study findings previous empirical studies conducted on the effect of independency on performance in Rwanda Social Security Board. In this regard in order to have a good knowledge on the effect of independency on performance in Rwanda Social Security Board, the following idea emanate from the study.

The findings that the staff members operated totally independent without interference are in agreement with Odia (2014) who argued that organizational independence permits the audit unit to carry out work without meddling by the entity under audit. The findings that internal audit contributed towards the development of the organization is in support of Okoli (2012) who noted that internal audit must contribute significantly to management, while still reporting on the status to the audit committee. The findings that staff members have free access to all departments and employees in the county agree with Seol, *et al.*, (2011) that audit should be conducted with complete and unlimited access to all forms of audit proof like staffs, possessions, policies and techniques of internal control systems, key material necessary for audit work. However, audit may be permitted to have accessibility on all forms of audit information like workers, assets, rules and regulations and many other factors (Njui, 2012).

4.4.2 Effect of Audit Independence on Performance in Rwanda Social Security Board.

The second objectives of the study were to ascertain effect of audit independence on performance in Rwanda Social Security Board. These results relate to some of the previous researches such as Channa and Faguet (2012) who asserted that the impact of internal audit department would be awarded by all persons. Staff member's auditors necessitate the linkage with managers in their everyday responsibilities and function.

Inferential statistics did not contradict the findings of Bazerman (2010) by assessing the role of internal audit with centralized and decentralized local entities through personnel willingness. Consequently, shortage of managers in term of number affects negatively the level of efficiency by discouraging the auditing process.

The findings did no contradict the observation of Alzeban, and Sawan (2013) who recommended that the staff members must publish a report on clear preparation, nature and evidences from previous auditing activities and supplying institutional autonomy for auditing

work (Cohen & Savag, 2010). Consequently, it is their duties to adopt suggestions and its assistance for attaining efficiency.

4.4.3 Effect of Internal Control Duties on performance in Rwanda Social Security Board.

The third objective of the study was to establish effect of internal control on performance in Rwanda Social Security Board. The findings from the present study did not contradict the work of the research findings of Dawuda (2010) felt that internal audit personnel alternative was crucial in improving their autonomy and to ameliorate its efficiency. The study evidenced that internal audit personnel who were in touch with management weren't able to assume their responsibilities adequately. Enofa, *et al.* (2013), additionally, argued that the level of skills of auditors and their experience can increase auditing quality.

Turley and Fadzil, *et al.*, (2012), demonstrated a clear effect of communication and efficiency of internal audit. Mihret *et al.* (2021) evidenced that in-service capacity building would enhance internal auditor's efficiency. According to Cohen and Savay (2010), internal audit was more like to influence its efficiency.

According to Dada (2011) evidenced that adequate audit members was deemed to enhance the level of performance, and adequacy for local government entities. However, internal audit necessitates to be integral elements in order to stimulate the best and suitable administration. Hammad, *et al.* (2012) a clear link was found for the success of any institution. It means that the audit members necessitate to fortify the level of assuming auditing duties and responsibilities in order to draw suggestions to realize its mission (Carnevale, 2013).

A research of Channa, and Faguet (2012) was regulated according to Bishop *et al.*(2001), when he argued that internal auditing was deemed to enhance the level of good governance in any institution. A research Cohen and Sayag (2010) evidenced that the auditing would enhance the level of autonomous, possessing necessary knowledge and profession and commitment to impact good performance. Thus, it is very pertinent for auditors to have assignment of following up to good management, internal audit, evaluation of reporting system (Fadzil, et al., 2012)..

5.1 Conclusion

In conclusion, the findings related to the first objective of the study indicate that audit committee practices, such as the length of tenure, level of qualification, time used, and experience of internal auditors, were implemented at the Rwanda Social Security Board (RSSB). The results reveal several significant positive correlations. Regarding tenure, there was a positive significant correlation between tenure and compliance with policies, as well as tenure influence and reliability/integrity of information. Additionally, a correlation was found between tenure and cost relative to the intended results. In terms of qualification, positive significant correlations were observed between qualification and compliance with policies, as well as qualification and cost relative to the intended results.

Moving on to the second objective, the researcher concludes that auditor independence practices were applied at the RSSB through factors such as unrestricted access to the organization, reporting relationship, involvement in budget, and lack of interference. The findings show several significant correlations, including unrestricted access organizational and compliance with policies, unrestricted access organizational in budget and compliance with policies and reliability/integrity of information. Moreover, there was a significant correlation

between involvement in budget and compliance with policies, reliability/integrity of information, and cost relative to the intended results.

Regarding the third objective, the researcher concludes that internal control duties were implemented at the RSSB, with segregation of duties, the use of passwords, physical control, and authorization and approvals being the most applied practices. The results indicate significant correlations between segregation of duties and compliance with policies, total segregation of duties/authorization and approvals and reliability/integrity of information, and segregation of duties and cost relative to the intended results. Similarly, using passwords showed statistically significant positive correlations with compliance with policies, reliability/integrity of information, and cost relative to the intended results. Significant positive correlations were found between physical control and reliability/integrity of information, as well as physical control and cost relative to the intended results.

5.2 Recommendations

Based on the study's findings, several recommendations are proposed. Firstly, management should focus on providing support to staff members, particularly in adopting audit reports to assess auditor effectiveness and enhance fraud detection. Adequate budgetary allocations should be allocated to the internal audit department to support their operations. Secondly, management should ensure the recruitment of auditors in the appropriate proportion to minimize staff shortages. Staff development should be prioritized through seminars and workshops to enhance audit skills. Thirdly, management should grant more autonomy to the internal audit by reducing interferences, providing necessary documentation, and allowing access to offices and documents. Sufficient budgetary allocation should also be ensured for the internal audit's autonomy. Lastly, management should promote collaboration between the audit committee and staff members to ensure the well-being of the internal audit function.

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