

ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES



**ASSESSMENT OF INTERNAL CONTROL PRACTICE OVER FIXED
ASSETS: A CASE STUDY ON ST. MARY'S UNIVERSITY**

BY
WONDWOSEN SHIMELIS

DECEMBER, 2021 G. C
ADDIS ABABA
ETHIOPIA

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ID NO. SGS/0569/2007A**

**THESIS SUBMITTED TO ST. MARY UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF ACCOUNTING
AND FINANCE**

**SMU
DECEMBER, 2021
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ETHIOPIA**

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APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

Advisor

Signature

External Examiner

Signature

Internal Examiner

Signature

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ACRONYMS

SMU- St. Mary's University

CODL – College Of Open and Distance Learning

AAU - Association of African Universities

IGNOU - Indira Gandhi National Open University

AfriQAN - African Quality Assurance Network

ICDE - International Council for Open and Distance Education

INQAAHE - International Network for Quality Assurance Agencies in Higher Education

PUCMM - Pontifica Universidad Catolica Madrey Maestra

COSO - Commission of the committee of sponsoring organizations

AIS - Accounting Information Systems

CEIQA- Center for Educational Improvement and Quality Assurance

ICS – Internal Control System

DECLARATION

I designed the declaration that this senior essay is my original work prepared under the guidance of Dr. Abebaw Kassie. All source of material used for the manuscript have been individual acknowledged.

Name: - Wondwosen Shimelis

Place of Submission: - St. Mary's University

Date of Submission:-_____

Signature: - _____

ABSTRACT

*Internal control is a priority for detecting asset misuse and ensuring operational efficiency of the organization with rules and regulations. Any organization needs assurance that an organization's internal controls are achieving the goal. **Purpose:** The purpose of the study is to evaluate the performance and effectiveness of the system that design to control fixed assets in the institution. The findings of the study revealed that there are measures put in place by the SMU to enhance fixed assets handling system in the institution. The measurement put in place is management oversight responsibility for internal control whereby control policies and procedures are being adhered to.*

***Method:** The study exploited information by the help of primary data from questionnaire and observational analysis. However, the purposive type of sampling is used in sampling. In all 45 respondents were sampled from the 112 respondents under review. The data are processed using statistical package for social science (SPSS) software version 20. The data gathered is analyzed and interpreted by the help of percentages, frequency tables, mean and standard deviation.*

***Result:** The overall result indicates that internal control on fixed assets in the university is at room of improvement but cannot be said effective. Particularly, the information and communication component of internal control is not practiced at satisfactory level in the university. Control environment is better from the rest of the internal components in the St. Mary's university there is good control environment, good control activities and inadequate flow of information and communication are practiced in the university.*

***Recommendation:** The recommendations drawn from the study was that the institution should establish internal audit units, so that there shall always be internal audit personnel ensure better fixed assets control system in the institution. In view of this, the internal audit personnel's should also be rotated at regular intervals to avoid any form of malpractices.*

Therefore, series decision are required to observe and identify those problems and appropriate measures should be taken to reduce the university's fixed assets maintenance cost and extending the retirement time of assets in order to attain the future plan and goal of the institution.

***Key words:** - Internal control*

CHAPTER ONE

Introduction

1.1. Background of the study

Internal controls are a system consisting of specific policies and procedures designed to provide management with reasonable assurance that the goals and objectives it believes important to the entity will be met. Internal Control System means all the policies and procedures (internal controls) adopted by the management of an entity to assist in achieving management's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information (John2006).

The COSO's definition of internal control emphasizes that internal control is a process or means to an end and not an end in and of itself. It is also worth noting that the process as provided by the definition is effected by individuals not merely policy manuals, documents and forms. By including the concept of reasonable assurance, the definition recognizes that the cost of an organization's internal control should not exceed the benefits to be obtained (Whittington and Pany, 2004).

Similarly (Ofori, 2011) Internal Control is defined as all the policies and procedures adopted by the directors and management of an entity to assist in achieving their objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to internal policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

Fixed assets with finite useful life will gradually lose their value over time because of age, wear or market conditions. Due to the fact to maintain the effective utilization of fixed assets claimed that a good system of internal control over fixed asset will help to detect accidental mistake that may result in the preparation of inaccurate and misleading financial information. (Horn: 2012)

Therefore, internal control on fixed assets relates primarily to the authorization for expenditure on additions for the sale of disposal of existing assets, the proper recording of fixed assets according to accounting procedures and physical custody over the fixed assets to check with the documents. (Pany and Kurt, 1995)

1.2. Background of the organization

St. Mary's, established in 1998, is a private university in Ethiopia and beyond, which strives to meet the growing demand for trained manpower. It is one of the leading higher education institutions in Ethiopia that provides quality education in various fields of studies with magnificent Dynamism to meet up the rapidly growing demands of students, the industry and the critical need for entrepreneurship in the country. The Mission of St. Mary's University is to offer conventional and distance education that is accessible to the larger society through reasonable tuition focusing on quality and standards in teaching, research and outreach services. Today, it offers an extensive range of undergraduate programs, including Tourism and Hospitality Management, Management, Marketing Management, Accounting, Information Technology, Computer Science, Rural Development, Economics and Sociology. It also runs post-graduate programs in six areas of studies: MBA, HRM, Accounting and Finance, Agri-business, Agri-economics, and Rural Development.

In addition to the links it has with a number of national and international universities. SMU is also a member of the Association of African Universities (AAU) an associate member of the International Network for Quality Assurance Agencies in Higher Education (INQAAHE), an associate member of African Quality Assurance Network (AfriQAN), and that of the International Council for Open and Distance Education (ICDE). Its partnership agreement with Indira Gandhi National Open University (IGNOU) has brought about a significant impact on access to graduate programs at national level.

For the achievements we've observed to date, the contributions of our students, past and present, have been immense. As has been the case so far, they certainly shape SMU's future for the better. SMU's Management acknowledges the joint efforts of its students, faculty members and administrative staffs who worked hard for this positive outcome, and calls for a strengthened effort from all stakeholders and the University community towards the realization of the vision of the University.

Recognizing the complexity of the current world and the multi-ethnic heritage of Ethiopia, the University has promoted from the start an atmosphere of openness, inclusiveness, tolerance, mutual respect and cooperation. (St. Mary's University web site).

1.3. Statement of the problem

Fixed assets are acquired with huge amount of capital; the responsibility of management should ensure adequate procedure in operation to safeguard the assets of the institution, since fixed asset needs more of pre-Auditing than post-Auditing to minimize the coming measurable risk in advance. However, fixed assets have an existence of high cost items that needs to be efficiently utilized in every day operations. Control over fixed assets may include acquisition, recording, usage and disposal of plant assets. This may lead the institution to waste material and money due to malpractice of plant assets are naturally high cost of items. Moreover, Plant asset handling should be required the establishment of policy, procedure to maintain strong internal control system, efficient administration and accurate records help to protect against fraud when plant assets register have lack relevant information such as date of purchase, name of the asset, purchase cost of the asset, current year depreciation, identification number, and location of the asset and inadequate human resource policies and procedures to the specific fixed assets. This may lead the institution to expose to fraud; misusing and missing of plant assets such malpractice were emerged. On the other hand, the study assessed the number of cases of SMU embezzlement and faithful in malpractice of fixed assets. This may results in loss of millions of birr through maintenance and replacement of assets. The problem of the causes in common is a serious lack of internal control on fixed assets.

Improper authorization of fixed assets, improper installation and disposal of fixed assets and low physical control of fixed assets may also result in business failure and hence it may hinder the institution's long run success. The ineffective utilization of fixed assets resources further contributes to the cause of above mentioned tangible problems on the capital assets.

Fixed asset plays an important role in the institution's objectives, the contribution of the assets are not changeable over a period of time. If fixed assets are idle and not utilized properly it affects the long term sustainability of the service delivery to customers in the institution.

Based on the preliminary study the researcher has been found the following problems on the fixed asset control practice of the SMU; on the reviewing and approval by managers before using of fixed assets, on the disposing plant assets according to its legislative framework, on the relationship between functional responsibilities and the university's fixed asset control and on the fixed asset maintenance and safeguard process.

1.4. Objective of the study

1.4.1 General objective

The general objective of the study is to examine the internal control practices on fixed assets and to assess related to the practice issue of fixed assets handling system in the university.

1.4.2 Specific objective

- To identify the various controlling activities designed and check their effectiveness.
- To assess if there is an effective information and communication systems of the organization.
- To check whether the institution monitor its control activities to provide feedback on effectiveness of the internal control practice on fixed asset or not.
- To evaluate the controlling mechanisms institution's fixed asset.
- To evaluate the risk that faces on the institution's fixed asset.

1.5. Basic Research Questions

The following are main questions that will be raised in the study:

- Does the institution have effective monitoring system its internal control over fixed asset?
- What are the strength and weakness of the internal controlling practices over fixed asset?
- Is there any appropriate exchange of information and communication technique on a fixed asset?
- What are the controlling tools established in the institution?
- What are risks that face on the institution's fixed asset?

1.6. Significance of the study

The achievement of this objective, among other factors, is predicated on the existence of effective control systems. The outcome of this study will bring to light to the management of St. Mary's university, the degree of internal controls system in the university. This would assist management of the institution to strengthen its internal control mechanism.

Finally, the study will serve as a contribution of knowledge to help future researchers on the same topic. Researchers may fall on this study as a secondary source of literature on their research work.

1.7. Delimitation/Scope of the study

The study focused on the internal control practice on fixed assets at St. Mary's university. The system contains various methods to collect the data. The main objective of the study is to assess the university's internal Control practices on fixed asset when at the time of register, inspection, depreciation and other related recording of accounting procedures. In addition to this, the study will covers the university's control environment, Risk Assessment, Accounting information and communication system, control activities, and monitoring of internal control activities in the St. Mary's university. The aim of study is to assess the performance and effectiveness of internal control practice on fixed assets and provide adequate information to the society of SMU for further investigator.

1.8. Limitation of the study

Despite the ample efforts that have been exerted, this research has never been said unchallenged with any problems. In fact, it was confronted with problems at some extents though there was exploitation of successful way outs too. The biggest challenge the researcher was faced is fully indicate the problem of internal control practice in the institution. This is mainly because of the lack of willingness by the university to give extensive data about internal control and the lack of willingness of some respondents to fill and return the questionnaires. So, in the process of data collection, the researchers have persisted on incessant follow-ups to let the questionnaires back to their original owner and of course, it had been a booming experience.

1.9. Organization of the Study

This study organized into five chapters to enable reader's attention. Each chapter is arranged accordingly. Chapter one talks about background of the study, back ground of the organization, statement of the problem, the objectives of the study, research questions, significance, as well as scope and limitations of the study.

The chapter two tries to review existing related literature concerning internal controls to acquire detail understanding on the topic. This chapter gives detailed of the definitions of internal control, objectives of internal control, type and function of internal control, composition of internal control and the definition and nature of fixed assets. Chapter three looks at the scope of the methodology, the design sampling procedure of data collection, chapter four present the analysis of data and presentation of facts, finally chapter five also presents the summary, conclusion and recommendations for the study.

CHAPTER TWO

Review of Related Literature

2.1 Meaning and Concept of Internal Control

The concept of internal control has gradually evolved over the years, with the greatest development taking place at the beginning of 1940s. As modern business increased in sizes and techniques, the adoption of methods and procedures has become inevitable in order to increase efficiency of the business activities under efficient systems of internal control enable to minimize detailed work to be undertaken by an independent auditor. Therefore, the need for the development of internal control system has become essential for both the management and the auditing activities (Batra and Bagardia, 1992)

2.2 Definition of Internal Control

Internal Control is the plane of organization and all the coordinated methods and procedure adopted with in a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency and encourage adherence to the prescribed managerial policy. And also the internal control practical process affected by an entity's board of directors, personnel, and other levels management that is designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (William, 1997)

- Effectiveness and efficiency of operations
- Reliability of financial reporting and
- Compliance with applicable law and regulations.

In general, budgetary control, internal checks and usage of other internal control mechanisms does not use only for fixed asset but also have a great role to control the whole activities of a business.

According to A. H. Millichamp (2002), Internal Control System is defined as the whole system of controls, financial and otherwise, established by the management in order to carry on the business of safeguard the assets and secure as far as possible the completeness and accuracy of the records.

He further analyzed the redefinition as follows:

- The whole system: internal control can be seen as a whole or single system. The whole is more than the sum of parts.
- Financial and otherwise: the distinction is not important. Perhaps the financial would include the use of control accounts and otherwise may include physical access restrictions to computer terminals.

- Established by Management: internal controls are established by management, either through consultant (external) or internal through internal audit.
- Ensure Adherence to Management Policies: management has express policies such as budget and the adherence of budget can be achieved through the procedures such as variance analysis.
- Safeguard Assets: allowing assets to be stolen or broken is unacceptable and procedures are always put in place to safeguard assets.
- Secure completeness: to check that transactions are duly recorded, checking that all goods leaving the factory must have a delivery note attached to it.

Besides, Alan G. Hevesi (2005) also defined internal control as the integration of the activities, plans, attitudes, policies, and efforts of the people of an organization working together to provide reasonable assurance that the organization will achieve its objectives and mission.

All the above definitions of internal control systems have identified the main objectives of internal controls to be the assurance that organizational resources will be put to economic, efficient and effective use in order to achieve the objectives for which the organization was set up.

The term internal control encompasses all the methods, procedures and arrangements adopted within an organization to ensure as far as possible the safeguarding of assets, the completeness, accuracy and liability of the accounting records and the promotion of operational efficiency and adherence to management policies (Okai, 1996).

2.3 Objective of internal control system

The system of internal controls intended not only to maintain an adequate method of processing accounting data but also to safeguard the company against possible financial loss due to fraud or error. The controls which are established should be designed to ensure that:-

- The company receives and process in its accounting records, all the income or revenue to which it is entitled
- All expenditure is properly authorized and payments are only made for good or service which have or will be received
- All assets are properly recorded and safeguarded
- All liabilities are properly recorded and provision is made for known or expected losses
- The accounting records provide a reliable basis for the preparation of the financial statements.
- Errors and irregularities in processing accounting information will be disclosed. Summarize and report financial statement of fixed asset. (William, 1997)

2.4 Types of Internal control

Internal control can be classified in to two categories accounting and administrative controls. Duttachowdhury (1998) states that, accounting control comprise all methods, procedure, and records that are concerned directly to safe guarding of assets and reliability of the financial records whereas, administrative controls include all the methods and procedures that are concerned with operational efficiency and adherence to managerial policies.

2.5 Functions of Internal Control

Internal controls are designed to perform different functions. Some of them are preventive, detective and corrective controls (Sawyer and Diffenhofer, 1996; 134)

2.6 Types of Control Systems

2.6.1 Preventive Controls

The preventive controls are installed to prevent undesirable results before they happen. Thus, they can avoid errors and greatly reduce cost of corrections. Preventive controls include hiring of trust worthy and competent people, segregation of duties to prevent international wrong doing, proper authorization to prevent improper use of organization resources proper record keeping and physical control over assets to prevent their improper use.

2.6.2 Detective Control

Are designed to identity the undesirable results when they do happen these controls are more expensive than preventive controls but they are very important. First, they measure the effectiveness of the preventive controls. Second, some errors cannot be effectively controlled through a system of prevention; they must be detected when they occur detective controls include reviews and comparisons of documents.

2.6.3 Corrective Controls

Are designed to ensure corrective action is taken to reverse the undesirable out comes or to check that they don't occur again, detection of errors is values if the identified error remains uncorrected or can be permitted to recur, therefore , the management must develop systems to correct undesirable conditions and prevent recurrence(Barth and Clinch: 1998).

2.7 Composition/Components of Internal Controls

Internal control varies differently from organization to organization depending on numerous issues, which include the scope, nature of operation, and mission of the organization. The internal control of the university differs from the internal control of a community college. In addition, internal control of a hospital differs from that of a communication company. However, whatever the size, nature of operations, and objectives might be, certain features are common to the internal control of all organizations.

According to Whittington and Pany (2004), internal controls of any organization include the controlling the environment, process of risk calculation, accounting system important to consistent financial reporting, control activities as well as monitoring those activities.

2.7.1 Control Environments

The control environment is the foundation on which an effective system of internal control is built and operated in an organization that strives to (1) achieve its strategic objectives, (2) provide reliable financial reporting to internal and external stakeholders, (3) operate its business efficiently and effectively, (4) comply with all applicable laws and regulations, and (5) safeguard its assets. Part of the blame for the 2008 financial crisis and other prominent failures of the 21st century can be appropriately attributed to failures in the control environment. Control environment factors include the integrity, ethical values and competence of the entity's people; management's philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its people; and the attention and direction provided by the board of directors. (John, 2011)

2.7.2 Risk Assessments

As stressed in the definition, internal control can provide only reasonable assurance that the objectives of the organization are being achieved. Risk assessment is as a component of internal control, plays a key role in the selection of the appropriate control activities to undertake. It is the process of identifying and analyzing relevant risks to the achievement of the entity's objectives and determining the appropriate response. Consequently, setting objectives is a precondition to risk assessment. Objectives must be defined before management can identify the risks to their achievement and take the necessary actions to manage those risks. That means having in place an ongoing process for evaluating and addressing the impact of risks in a cost effective way and having staff with the appropriate skills to identify and assess the potential risks. Internal control activities are a response to risk in that they are designed to contain the uncertainty of outcome that has been identified. (Jesse, 2012)

2.7.3 Control Activities

Control activities are providing instructions designed could be effective implementation of various policies and procedures. Control activities can help enterprises to ensure that it has already took measures to reduce a loss according to realization the goal of the enterprise. From the point of daily business activities, control activities including authorized management. It refers to that the manager decentralize powers his subordinate to make them have the right to address the problem and make a choice and share corresponding responsibility. This refers to define the authority and responsibility according to the principle of combining functions of department and it's characteristic. Business process is the procedure of all the business. An operation procedure is to say how to operate of every matter in detail. (Brian, 2013).

There are the policies and procedures that help ensure that management directives are carried correctly and in a timely fashion. These involve control activities such as performance reviews, information processing, physical controls, and segregation of duties, these activities are implemented by management to ensure accomplishment of organizational objectives and the mitigations of risk. The control activities are the instructions, rules, methods and decisions established over various activities by management to prevent or reduce risks that affect the organization in achieving its objectives. Control activities occur at all levels and functions of the entity. They include a wide range of activities such as approvals, authorizations, verifications, reconciliation, performing reviews, maintenance of security and the creation and maintenance of related records which provide evidence of execution of these activities as well as appropriate documentation. (Ofori, 2011).

2.7.4 Accounting Information and Communication System

Information and communication system capture, process and report information to be used by parties both within and outside the organization.

Organizations accounting information system consists of the methods and records established to identify, assemble, analyze, classify, record and report an entities transactions and to maintain accountability for the related assets.

Accordingly, an accounting information system should:

- identify and record all valid transactions
- describe on a timely bases the transactions in sufficient details to permit proper classification of transactions for financial reporting
- measures the value of transactions in a manner that permit recording the proper monetary value in the financial statement

- determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period
- present properly the transactions and related disclosures in the financial statements

In addition to this the typical system of journals, ledger, and other record keeping device an accounting information system should include a chart of accounts and a manual of accounting policies and procedures as aides for communication of policies.

2.7.5 Monitoring

Monitoring is a process that assesses the quality of the internal control structure over time. It is important to monitor the internal control structure to determine whether it is operating as intended and whether any modification are necessary. Monitoring can be achieved either by performing ongoing activities which includes regularly performed supervisory and management activities such as continuous monitoring of customers complaints or by separate evaluations of monitoring activities that are performed on a non-routine basis such as periodic audit by the internal auditors. (Whittington and Pany, 1995).

2.8 Internal Control Evaluation

DiNapoli (1999) defined evaluation is the process management uses to assess whether an organization's operations are effective in achieving its mission. The purposes of evaluation are to provide management with a reasonable assurance that; the organization's systems of internal control are functioning effectively; and they can identify both risks to the organization and opportunities for improvement.

According to Louwers (2002) the five components of internal control are considered to be the criteria for evaluating a financial reporting control and the bases for the auditors' assessment a control risks in term of;

- Understanding a client's financial reporting controls and documenting that understanding,
- Preliminarily assessing the control risk, and
- Testing the controls, reassessing control risk, and using that assessment to plan the remainder of the audit work.

2.8.1 Effectiveness of Internal Control

A judgment as to whether an entity's internal control is effective is based on considering the extent to which the components are present and operating effectively. Effective functioning of all the components provides reasonable assurance as to achievement of one or more of the three categories of objectives.

Internal control may be judged effective for each of the three categories of internal control objectives if the board of directors and management have reasonable assurance that:

- They understand the extent to which they entity's operations objectives are being achieved.
- Published financial statements are being prepared reliably,
- Applicable laws and regulations are being complies with.

Effectiveness of internal control depends on the presence of all the components of internal control working together. No two entities are likely to have the same internal control system.

Nevertheless, even though entities may not respond to similar risks in the same way, the basic components contributing to an entity's being in control need to be satisfied.

For the financial reporting objective there is a more detailed criterion, namely, the material weakness concept. A material weakness is defined as follows:

A condition in which the design or operation of one or more components of internal control does not reduce to a relatively low level the risk that errors or irregularities in amount that would be material to the financial statements may occur and not be detected and corrected within a timely period by employees the normal course of performing their assigned duties.

2.8.2 Understand and document the client's Internal Control

A major goal on audits is to be efficient. This means performing the work in minimum time and with minimum cost while still doing high-quality work to obtain sufficient, competent avoidance. The allocation of work times between control-evaluation and year-end audit work is a lost-benefit trade-off. Generally, the more auditors know about good controls, the less substantive test year-end work they need to do. However, auditors do not necessarily need to determine the actual quality of a company's internal control. They only need to know enough to plan the other work. They can obtain only a minimum understanding of a client's control, assess a high control risk, and perform extensive substantive balance-audit work.

2.8.3 Obtaining an Understanding

This gives auditors an overall acquaintance with the control environment and management's risk assessment, the flow of transactions through the accounting system, and the design of the client's activities. After the audit team gains an understanding of the control environment of the accounting system. That is the flow of transaction. This review should produce general knowledge along the following lines.

- The various classes of significant accounting transaction.
- The types of material errors and fraud that could occur
- Methods, by which each significant class of transactions is; authorized and initiated, documented and recorded, Processed in the accounting system and places in financial reports and disclosures.

Auditors obtain an understanding of internal controls from several sources of information. Minimum requirements for a good control oriented accounting system include a chart of accounts and some written detritions and instructions about measuring and classifying transactions.

2.8.4 Document the Internal Control Understanding

Working papers documentation of a decision to assess risk can consist only of a memorandum of that fact. However for future reference in next year's audit, the memorandum should contain an explanation of the effectiveness-related or efficiency-related reasons. Working paper documentation is required and should include records showing the audit team's understanding of the control. This can be summarized in the form of questionnaires, narratives and flowcharts.

Internal Control Questionnaires: The most efficient means of gathering evidence about the control structure is to conduct a formal interview with knowledgeable managers, using the checklist type of internal control questionnaire. The questionnaire is organized under headings that identify the control environment questions and the questions related to each of the seven control objectives. All questionnaires are not organized like this, so auditors need to know the general transaction control objectives in order to know whether the questionnaire is complete. Internal control questionnaires are designed to help the audit team obtain evidence about the control environment and about the accounting and control activities that are considered good error checking routines. Answers to the questions, however should not be taken as final and

definitive evidence about how well control actually functions.

Do native descriptions. One way to tailor these inequity procedures to a particular company is to write a narrative description of each important control subsystem. Such a narrative would simply describe all the environmental elements, the accounting system, and the control activities. The narrative description may efficient in audits of very small businesses.

2.8.5 Assess the control risk

After obtaining an understanding of control and designing a preliminary audit program, the audit team should be able to make a preliminary assessment of the control risk. One way to make the assessment is to analyze the control strengths and weaknesses. Strengths are specific features of good general and application controls. Weaknesses are the lack of controls in particular areas. The auditor's findings and preliminary conclusions should be written up for the working papers files. Strengths and weaknesses should be documented in a working paper sometimes called a bridge working paper, so called because it corrects the control evaluation to subsequent and it procedures.

2.8.6 Perform Test of Controls audit Procedures and Reassess Control Risk

When auditors reach third phase of an evaluation of internal control, they will have identified specific controls on which risk could be assessed very low. To reduce the final risk assessment to a low level, auditors must determine:

- the required degree of company compliance with the control policies and procedures and
- the actual degree of company compliance. The required degree of compliance is the auditor decision criterion for good control performance. Knowing that compliance cannot realistically be expected to be perfect, auditors might decide, for example that evidence of using bills of lading to validate sales invoices is sufficient to assess a low control risk for the audit of accounts receivable.

2.8.7 Perform Test of controls audits procedures

At this stage the auditors can perform test of controls procedures to determine how well the company's controls actually functioned during the period under audit. A test of controls audit procedure is a two part statement. Part one is an identification of the data population from which a sample of items will be selected for audit. Part two is an expression of an action taken to produce relevant evidence. In general, the action is to determine whether the selected item correspond to a standard and determine whether the selected items agree with information in another data population. Some test of control procedures involves re-performance. The

auditors perform again the arithmetic calculations and the comparisons the company people were supposed to have performed. Test of controls procedures, when performed should be applied to samples of transactions and control activities executed throughout the period under audit. The reason for this requirement is that the conclusions about controls will be generalized at the whole period under audit.

2.8.8 Re-assess the Control Risk

Final control risk assessment is complicated. In the sampling modules you will find explanations of sampling methods for performing test of controls procedures. However for an advanced peace at the result, recognized that the final evaluation of a company's internal control is the assessment of the control risk (CR) related to each assertion. Control risk is the element in the audit risk model. $AR = IR * CR * DR$, where AR is defined as audit Risk, IR as Inherent risk and DR as detection risk. These assessments are an auditors expression for the effectiveness of internal control for preventing, detecting and of internal control for preventing, detecting and correcting specific errors and gauds in management's final statement assertions. Each of these final control risk assessments can be qualitative or quantitative.

An assessment of control risk should be coordinated with the final audit plan. The final account balance audit plan includes the specification of substantive audit procedures to detect material misstatements in account balances and foot notes disclosures.

2.9 Limitations Of Internal Controls

No matter how well internal controls are designed, they can only provide reasonable assurance that objectives have been achieved. Some limitations are inherent in all internal control systems (Mercer University – United States of America (Georgia)). These include:

2.9.1 Judgment

The effectiveness of controls will be limited by decisions made with human judgment under pressures to conduct business based on the information at hand. According to Lannoye (1999) Effective internal control may be limited by the realities of human judgment. Decisions are often made within a limited time frame, without the benefit of complete information, and under time pressures of conducting agency business. These judgment decisions may affect achievement of objectives, with or without good internal control. Internal control may become ineffective with management fails to minimize the occurrence of errors for example misunderstanding instructions, carelessness, distraction, fatigue, or mistakes.

2.9.2 Breakdowns

Even well designed internal controls can break down. Employees sometimes misunderstand instructions or simply make mistakes. Errors may also result from new technology and the complexity of computerized information systems.

2.9.3 Management Override

High level personnel may be able to override prescribed policies and procedures for personal gain or advantage. This should not be confused with management intervention, which represents management actions to depart from prescribed policies and procedures for legitimate purposes. With Lannoye, management may override or disregard prescribed policies, procedures, and controls for improper purposes. Override practices include misrepresentations to state officials, staff from the central control agencies, auditors or others. Management override must not be confused with management intervention (i.e. the departure from prescribed policies and procedures for legitimate purposes). Intervention may be required in order to process non-standard transactions that otherwise would be handled inappropriately by the internal control system. A provision for intervention is needed in all internal control systems since no system anticipates every condition.

2.9.4 Collusion

Control systems can be circumvented by employee collusion. Individuals acting collectively can alter financial data or other management information in a manner that cannot be identified by control systems. The effectiveness of segregation of duties lies in individuals' performing only their assigned tasks or in the performance of one person being checked by another. There is always a risk that collusion between individuals will destroy the effectiveness of segregation of duties. For example an individual received cash receipts from customer can collude with the one who records these receipts in the customers' records in order to steal cash from the entity (Williams 2000).

2.10 Definition of Fixed Asset

A fixed Asset is tangible asset that are used in the operations of a company and have a useful life of more than one accounting periods. (A.Kassu, A.Girma& H.Nasser (2005E.C)

2.11 Natures of Plant Assets/ Fixed Assets

The terms plant assets; plant and equipment; property, plant and equipment; or fixed assets often are used to describe the entire complex of tangible assets used by a business enterprise in its operations active use in operations distinguishes these assets from other tangible assets, which are reported as investments, land held as a prospective building site, for example is an investment, when a building is constructed on the land and is in service, the land is reclassified as a plant asset. A characteristic common to all plant assets is that they yield services over many years. Plant assets other than land have a limited economic life; consequently, the cost of plant assets must be allocated as depreciation expense to the accounting period receiving benefit from their use. (Barth and Beaver: 1998).

Generally, an asset can be considered as a plant asset for the purpose of accounting if it fulfills the following criteria:

- It should be capable of providing services for more than a year
- It must be tangible, that is the asset must have a physical existence
- It must be held for use in the operations of a business, not for resale purpose.

2.12 Cost of Plant Assets

The cost of a plant asset includes all the necessary expenditures incurred to acquire the plant asset and to get it in place ready for operation. Costs associated with plant assets are incurred at the time of acquisition until they are ready for use and subsequent to acquisition. In the coming two subsections, we examine acquisition costs and costs subsequent to acquisition of plant asset.

2.13 Acquisition Costs of Plant Assets

Initial expenditures that are included in the cost of plant assets are called capital expenditures. These are expenditures that are expected to produce economic benefits for relatively longer time period. There are several capital expenditures incurred during the acquisition of plant assets and included as cost of plant assets. To better understand the historical cost principle as applied to plant assets. Let's consider what is included in the cost of some specific plant assets. (A.Kassu, &A.Girma (2005E.C)

2.14 Depreciation of plant Assets

Depreciation is defined as the process of allocating the cost of a fixed asset to expense in the accounting periods that benefit from its use. Depreciation does not measure the physical deterioration of fixed asset. It simply reflects the cost using the plant asset. Depreciation is the measure of the wearing out consumption or other loss in value of a fixed asset whether arising from use inflation of time or obsolescence through technology and market changes (W. Robert Hnechel 1998)

Nature of Depreciation

As time passes all plant assets but land will lose their capacity to yield services. The decrease in the usefulness of a plant asset with passage of time is termed as depreciation. There are two types of depreciation, physical and functional depreciation.

Physical depreciation: - Refers to depreciation arising from physical deterioration. It is mainly caused by wear and tear from the repeated use of the asset.

Functional Depreciation: - On the other hand, occurs when plant assets become inadequate, not sufficient to meet the increased demand of production and becomes obsolete, the product it produces is no longer demanded because another more technologically advanced and better quality asset capable of producing at a greater cost reduction has arrived at market.

2.15 Factors Determining Periodic Depreciation Charges

It has been discussed that periodic cost expiration of a plant-asset is made by recording adjusting entry for depreciation. The amount of this periodic depreciation charge is a function of three factors, original cost, estimated salvage value and estimated useful life.

Original Cost: - is the acquisition cost of a plant asset. Sometimes, it is referred as initial cost.

Salvage value: - the expelled value of a plant asset at the end of its useful life. Terms like residual value, serge value,

Recoverable cost, and trade in value are used to refer to salvage value. The difference between the original cost and estimated residual value is called depreciable value. This amount is prorated over the estimated useful life of the asset.

Useful Life: - Refers to the length of time (usually stated in years) for which the asset is expected to provide useful services before retirement. Sometimes, useful life can be stated in terms of productive capacities such as number of hours, units of output or miles depending on the case. Useful life is also known as economic life.

2.16 Methods of Depreciation

There are different methods for computing periodic depreciation .The following for methods are most common in application:

- Straight - line method of depreciation
- Double declining method of depreciation
- Sum of years digit methods of depreciation
- Units of production methods of depreciation

Straight -line Method of Depreciation

Results equal periodic depreciation charges over the life of the plant asset. This method is more appropriate to depreciate those plant assets whose amount of usage doesn't significantly vary from period to period.

$$\text{Annual depreciation} = \frac{\text{Original Cost} - \text{Estimated Salvage Value}}{\text{Estimated Useful life (in years)}}$$

Double Declining Balance Method

It yields a periodic depreciation that declines period over period. The annual depreciation is determined by multiplying the double declining depreciation rate (twice of the straight line rate) by the book value of the asset at the beginning of each period over the life of the asset.

The annual depreciation, under this method, declines because the double declining depreciation rate is applied to successively smaller book values. In the first period of the assets service, the book value at the beginning is the same as the original cost.

$$\text{Declining Depreciation rate} = 2 \times \text{Straight line rate}$$

Sum of Year's digit Method

Yield depreciation charges that decline steadily over the life of the asset. The annual depreciation charges are computed using the following formula,

$$\text{Annual Depreciation} = \text{Depreciation Factor} \times \text{Depreciable Value}$$

The depreciable charge of each year over the life of the asset declines because a successively smaller depreciation factor is applied to the depreciable value. Depreciation factor for each year over the life of the asset is computed as follows.

$$\text{Depreciation Factor} = \frac{\text{the number of remaining years}}{\text{Of life at the beginning of each year}}$$

The sum of the digits of each year over the life of the asset

Composite Depreciation Method

It is the most widely used method of computing group depreciation. The grouping of the assets can be made based on similarity as to function, size of cost, length of life estimates or some other traits. The cost bases of the assets against which the composite depreciation rate is applied may not employ as to the additions and retirements occurring during the year.

$$\text{Depreciation Expense} = \text{composite depreciation rate} \times \text{cost base for depreciation}$$

$$\text{Cost base for depreciation} = \frac{\text{Beginning balance} + \text{Ending balance}}{\text{Estimated Useful life (in years)}}$$

2.17 Disposal of plant Assets

Disposal of plant assets refers to the termination or retirement of plant assets form. Disposal of plant assets is one of the three main issues of accounting for plant assets namely; Acquisition, Depreciation and disposal. There are three important accounting issues related to the disposal or retirement of plant assets:

- To update the balance of the Accumulated Depreciation account related to the plant asset being disposed.
- To remove from the ledger all the accounts associated with the disposed plant asset.
- To determine any gain or loss to the recognized from disposal of plant asset.

Plant asset can be disposed from business operations through disordering, selling, and exchanging with other assets. Let's examine each way of disposal.

2.18 Sales of plant Asset

Businesses sale plant assets for number of reasons like because they no longer need the asset to meet their cash shortages for operating activities or other special purposes. When a plant asset is sold, one the following three things could happen.

- Selling price of the plant asset is greater than its book value in which case again is recognized
- Selling price of the plant asset is equal to its book value where no gain or loss is recognized.
- Selling price of the plant asset is less than its book value and a loss is recognized.

2.19 Exchange of plant Assets

Business, sometime, exchange their old plant Assets with now one. Based on the market prices of the old and new assets, the seller requires an additional payment from the purchasers. The value of the old assets which will be deducted from the list price of the new to determine addition payment is commonly known as the trade-in allowance on the old asset.

The additional payment is identified as boot. When a business exchanges an old plant asset for a similar plant asset, one of the following could happen:

Gain /Loss = Trade in allowance - Book Value.

- If trade-in allowance is greater than book value then the difference is gain.
- If trade- in allowance is less than book Value then the difference is loss. (A.Kassu, A.Girma& H.Nasser (2005E.C)

2.20 Internal Control over Fixed Asset

Internal control over fixed asset relates primarily to the authorization for expenditure on addition for the sale or disposal of existing assets the proper rewarding of fixed asset in accounting and other records and the physical custody over the asset themselves (Duttachodhury Dhruva, 1988)

Register of fixed Asset

Every enterprise should maintain a detailed fixed Asset recorded in the form of a register of fixed assets, which should be maintained independently of the balances there no should be periodically agreed with the relevant control account in the nominal ledger. The advantages of maintaining a register of fixed assets are that full details of each asset are recorded so as to facilitate physical verification to provide on independent check on the accuracy, of the account recording, to enable computed and to ensure that fixed asset accounts are correctly adjusted to eliminate the cost and accumulated depreciation of individual assets gold or scrapped (Lallnigam and Sharma, 1992)

In any large business company`s should have variable in maintaining register of its fixed assets in order to control and identify those assets which have been acquired for permanent use in the business. Fixed asset register should contain the following information in respect of each fixed asset:-

- ✓ Date of purchase, with reference to the authority given
- ✓ Name and address of supplier and cost
- ✓ Location, brief description and identifying member
- ✓ Rate of depreciation to be applied
- ✓ Dates on which the assets has been physical verified in order to ensure that it is still in use at its specified location

Why fixed asset register

Different researchers have seen at different perspectives in commonly for the purpose of facilitates periodical verification of fixed assets, facilitates the correct computation of depreciation provided on particularly in the case of disposal of assets. In the absence of information by such a register it would be difficult to calculate on disposal of assets the correct balancing charge or allowance for tax purpose, assist in ensuring that additions and disposals of fixed assets are properly accounted for in the book of the company, it assists in ensuring that there is proper control over fixed assets and assists in arriving at insurance valuation and insurance claim.

Account Records

Control over the correct accounts recording of fixed assets is subject to the same considerations as apply to any other transaction. It is how over important that adequate procedures exist to property differentiate between expenditure of a capital and revenue nature particularly in connection with major repairs and when own labor and materials are being used on constrictions in progress subsequent inspection exist to record usually be received through stores and the control procedures over stores receipts will therefore not necessary be applied. (A. Hail, James, 1985)

Physical Verification

The cost staff should physically verify fixed assets from time to time in order to confirm and continued to exist the entire asset recorded in the register of fixed assets. If will normally be equate for counting to be carried out on a cyclical bass so that the assets are covered say, once in every two years.

However, the nature and frequency of the check will depend up on the nature of the assets check assets which are easy to misappropriate such as furniture, office equipment and motor-vehicles should be checked frequently other assets such as heavy plant need only occasionally. (O.Ray Whitting& Kurt Pany (1995))

2.21 Empirical Review of the study

The study entitle on internal control practice over fixed Assets in the case of St. Mary's university has not been done in university yet. However different researchers have studied on internal control at different business organization. The empirical section is review from various studies in the areas of internal controls as follows:

Despite rare studies on internal control in Ethiopia, several investigations were made in world to evaluate internal control of businesses and governmental institutions. Accordingly Ronald (2011) evaluated internal Control Weaknesses in Local Government. Towns and villages account for more than 1,400 municipal government entities in New York State constituted in the study. The study focused on the internal control issues identified in an extensive, ongoing series of audits of towns and villages undertaken by the New York State Comptroller's Office. All towns and villages audit reports issued by the office were examined. These general internal control audits were used to identify towns and villages with internal control weaknesses. The budgets of the towns reviewed were limited to an examination of the annual budget for the following year, reviewing the reasonableness of projected revenues and expenditures, the proper use of accumulated fund balance, and general financial condition of the municipality (especially deficit issues).

Endashaw Zeleke (2015) studied on Internal Control and Its Contributions to Organizational Efficiency and Effectiveness On of Yes Brands Food And Beverage Plc to the study if there is appropriate on the basis of Control Environment of Internal Control Systems the result shows a 100% agreement that all the respondents agreed that there an internal control system at Yes Brands Food and Beverage PLC. According to the study of Endashaw Zeleke on Information and Communication of Internal Control Systems the result shows that 100% of the respondents agreed that they receive relevant information regarding legislation, regulatory developments economic changes, or external factors that may affect the organization. They also agreed that key information about the organization's operations are identified and regularly reported. Customers' complaints are taking seriously and investigated upon. (Endashaw 2015)

Endashaw has final concluded that the periodic review internal control system in the organization that provides relevant and credible information that can use to target assistance and inform future assessments. Periodic review activities were conceived to have significant effects on the objectives of the organization.

The study of Baez, Mary, (2004) on New fixed assets management process design for Pontifica Universidad Catolica Madrey Maestra (PUCMM), they provided vivid explanations about the inadequately fixed assets management PUCMM that has carried out PUCMM's inefficient practices regarding fixed asset management are a direct result of poor planning and the absence of clear policies, procedures and/ or controls. The inventory and storage, as well as the recording and reporting of fixed assets transactions, are some of PUCMM's major weaknesses in regards to the management of its property, to the point that there is few to none information in this regard. Moreover, the lack of a maintenance and repair module, along with clear definitions and procedures of what constitute the disposition of damaged, obsolete or unneeded fixed assets, represents another area that needs major improvements and/ or restructure.

Baez, Mary, (2004) concluded that, all processes, procedures and controls regarding the management of fixed have been very inefficient As a result; PUCMM does not have a fixed assets management process that can provide reliable, precise, up-to-date, and fast information about the institution's property. Furthermore, PUCMM does not know what are its fixed assets and their current condition, or how well these items are maintained.

N.damenenu Koranteng Douglas (2011) the studied on internal control and its contributions to organizational efficiency and effectiveness case of Ecobank Ghana limited, the findings confirmed the assertion of the Tread way commission of the committee of sponsoring organizations (COSO), that it is management responsibility to set up the internal control system and that the internal

auditor's role is to evaluate the effectiveness or otherwise of the system. Therefore the internal auditor often plays a significant monitoring role, but their offices are at the head office and visit the branches on monthly bases. This in a way makes the influence of the internal control systems rest mostly on the internal audit unit. But for a control system to be described as effective, control policies and procedures must not be under the influence of one person. When such a thing happens that individual can easily override the controls. It also came out that no one individual has influence over control activities/decisions in the Ecobank Ghana Limited and this confirmed the assertion of the COSO that it is management's responsibility to set up the internal control system and that the internal auditor's role is only to advice.

The studied of Douglas (2011) revealed that there are internal control systems in Ecobank Ghana Limited in particular and the banking sector in general. However, the effectiveness of the internal controls could not be described very effective since monitoring is less effective. In that the internal audit unit whose responsibility is to ensure compliance only visits the branches once a month.

Another study by Sri Marlina Ekayanti , Ahmad Rifa'i, And M. Irwan (2018) on the Determinants Effectiveness Fixed Asset Management of District Government on the Island of Lombok in Indonesia, the study provides a hint that the quality of human resources local apparatus positive and significant impact on the effectiveness of fixed asset management, meaning that the higher the quality of human resources as personnel management of fixed assets, it can be ascertained more effective fixed asset management in East Lombok and North Lombok government; asset management information system and significant positive effect on the effectiveness of fixed asset management, means the better application of asset management information system, then certainly more effective fixed asset management in East Lombok regency government and North Lombok; and the government's internal control systems and a significant positive impact on the effectiveness of fixed asset management, means the better the internal control system of government will further improve the effectiveness of the management of fixed assets owned by the Government of East Lombok and North Lombok. While the organizational commitment but not significant positive effect on the effectiveness of fixed asset management.

Mawanda (2008) conducted a research on effects of internal control systems on financial performance in institution of higher learning Uganda. In his study he investigated and sought to establish the relationship between internal control systems and financial performance in an Institution of higher learning in Uganda. Internal controls were looked at from the perspective of Control Environment, Internal Audit and Control Activities whereas Financial performance focused on Liquidity, Accountability and Reporting as the measures of Financial performance. The

Researcher set out to establish the causes of persistent poor financial performance from the perspective of internal controls. The study established a significant relationship between internal control system and financial performance.

The investigation recommends competence profiling in the Internal Audit department which should be based on what the University expects the internal audit to do and what appropriate number staff would be required to do this job. The study therefore acknowledged role of internal audit department to establish internal controls which have an effect on the financial performance of organizations. Mawanda (2008)

Research studied by Naziru Suleiman (2017) on Internal Audit and the Effectiveness and Efficiency of Operations in Hospitals the Study shows that internal control and internal audit of public institutions and organizations is increasingly becoming a necessity due to high incidences of frauds, errors and irregularities. Evidences abound, which indicate that public functions are carried out in Nigeria, amidst corruption, which is very prevalent and that transparency is almost lacking. Hence, the necessity of facility to ensure that public funds achieve the purpose for which they are meant for particularly in the health sector. Essentially the study is set to determine the perception of respondents on the role of internal audit in achieving the objectives of Federal Hospitals in Kano State in the area of effectiveness and efficiency of operations.

The study by Naziru Suleiman (2017) was followed by the analyses and interpretations of the results. As a whole, the respondents' perception show that internal audit in Federal hospitals in Kano State plays a significant role in the attainment of the objectives of internal control system of these hospitals specifically on the effectiveness and efficiency of operations. Conversely, the study establishes that there are no statistically significant difference in the respondents' views between and across the respondents' departments and hospitals.

Furthermore, the presentation, analysis and interpretation of the results obtained from the data generated from the responses have led to the following findings from the study:

- (a) Internal audit departments in Federal Hospitals in Kano State do not seem to properly appraise the economy with which their resources are employed through adequate review of all activities.
- (b) In spite of the positive impact of internal audit departments on the effectiveness of the internal control system of federal hospitals in Kano state, the present staff strength and the level of independence of the department as perceived by the respondents are inadequate to ensure the continued optimal performance level of operations.

(c) There are indications as perceived by the respondents that management seldom override some of the internal control procedures. This will have the effects of affecting the effectiveness and efficiency of operations of these hospitals.

(d) One of the three hospitals studied is found not to have an internal audit section.

However, from the above findings the following recommendations are offered:

(a) Internal audit in the Federal Hospitals in Kano State should continue to ensure that the objectives of internal control system are achieved, so that the populace would adequately benefit from the services rendered by the hospitals. In discharging their duties, internal auditors in these hospitals should properly evaluate the entire internal control processes.

(b) There should be proper and adequate review of all activities by the internal audit to allow for appraisal of the economy and efficiency with which resources are employed.

(c) The number of staff in the internal audit should be adequate, such that their staff strength will enable the departments meet up with the volume, challenges and complexities of the work involved. Similarly, the level of independence of internal audit should be such that will allow the smooth conduct of its responsibilities.

(d) Management of these hospitals should give the internal audit the maximum support and cooperation to carry out their responsibilities. No one should be allowed to override any established control procedure. In order to achieve this, the management has to live by example by not promoting or encouraging any activity that would circumvent any of the control procedures. Audit queries and reports should be considered seriously and defaulters sanctioned accordingly.

(e) There is the need for all the hospitals to have a strong and functional internal audit department. The hospital without one should as a matter of necessity establish it.

The study justified by Mrs.S.Kumuthinidevi (2016) on Effectiveness of the Internal Control System in the Private Banks of Trincomalee, justified the study in the consideration of control activities variable, it is in moderately supportive level in the effectiveness of internal control system and 87% of respondents are accepting that control activities within the bank is in moderate supportive level. Control activities should be an integral part of the daily activities of bank; it includes operational performances, information processing, physical controls, and segregation of duties while in the consideration of self-assessment variable, it is fallen under moderately supportive in the effectiveness of internal control system. There 95% of respondents has accepted that self-assessment is in the moderately supportive category. Self-assessment is a review of banking activities it includes continuous assessment, documentation and verification.

In the overall analysis given by Mr .S.Kumuthinidevi (2016), all variables are moderately supportive in the effectiveness of internal control. That is five independent variables are moderately supportive in the effectiveness of internal control. And all respondents have accepted that independent variables are in the moderate level.

A study by Roth and Espersen (2003) on the situation of internal control in companies introduced the components of an internal control (control environment, evaluating risks, control activities, information and communication and supervising) as an advocator for a company to achieve its goals as well as its own progressive procedures. The results suggest (a) Recognizing an internal control system and the role of corporate relationship; (b) Propagating self-control systems, (c) Identifying risk factors; and (d) Preventing incidents of fraud and financial mistakes. Abu-Musa (2004) examined the existence and adequacy of implemented security controls in the Egyptian Banking Sector (EBS). The results revealed that the computer departments paid relatively more attention to technical security controls, while internal audit departments emphasized more on the behavioral and organizational security controls. The study also provided valuable empirical results regarding inadequacies of implemented Accounting Information Systems (AIS) security controls, and introduced some suggestions to strengthen and improve the security controls in the EBS.

Sartini and Wardiwiyono(2012) conducted an exploratory study on Internal control system for Islamic micro financing This paper aimed to evaluating the implementation of internal control system for Islamic micro financing. It also aims to investigate the implementation of an internal control system for financing activities practiced by Baitul Maal wat Tamwil (BMT), a special micro finance organization; in Indonesia system for Islamic financing is formulated.

Primary data that relate to the implementation of an internal control system for financing activities were obtained through a direct survey using questionnaires.

The data are then analyzed using descriptive statistic and qualitative analysis to find the implementations of the internal control system. BMTs in Indonesia have implemented an internal control system for their financing activities. The rank of the implementation is: information and communication; monitoring; control environment; risk assessment; and control activities. This study also indicates that the implementation of authorization and consultation to the Shariah Supervisory Board was low.

Palfi and Muresan (2009) examined the importance of a well-organized system of internal control in the banking sector. The analysis of the survey revealed that continuous collaboration based on periodical meetings, between all structures of bank, characterizes an effective internal audit department. Joseph and Victoria (2012) examined the effectiveness of internal control systems of

listed firms in Ghana. The study used annual reports of a sample of 33 firms listed on the Ghana Stock Exchange. In measuring the level of internal control effectiveness, 23 items relating to internal control categorized under control environment, information and communication, risk assessment, control activities and monitoring were operated and the effectiveness score was determined based on the items. Overall internal control system showed an average level of effectiveness in this study, which implied an overall low level of effectiveness. Of the five categories assessed under internal control system, control environment showed a higher level of effectiveness.

Summary and Acknowledge Gap

In general the literature indicates that institution should invest heavily on the internal control and used to improve the quality of their internal control systems specifically on fixed assets. The devotion of resources, knowledge, time and human power is needed for a number of reasons, notably: good internal control is good business by itself. It helps institution ensure that operating, financial and compliance objectives are met.

The common elements/frameworks are control environment, control activities, risk assessment, information and communications and monitoring. Control environment is the atmosphere or the stone at the top of internal control system (ICS). Control activities are policies and procedures used to operate the internal control system on fixed. Identifying risks caused by failure of internal control and an inherent risk of the system also a standard of ICS. A flow of communication by financial reports and accounting system plays role in effective internal control.

Monitoring is done continuously by external auditors, internal auditors and management; to review and evaluate the effectiveness of internal control, if corrective actions are required.

Internal control is not takes place without limitation. Obviously ICS cannot guarantee an absolutely free of errors and fraud performances. The system is designed and operated by people, who can cause failure of internal control by inherent nature of errors or an intentional collusion.

The empirical literature indicated that; though internal control is reasonably a preventive shield of fraud and misappropriation of stewards of resources specially plant assets, several reported cases of multibillion dollar fraud and reporting scandals over the world have so far refueled public policy debates on internal control, that internal control become an issue of considerable interest to policy makers and management to avoid those fraud. Therefore it is not in doubt that studies and continuous improvements of ICS are needed in private organization and in the country in summative to achieve the planned objective. The context in Ethiopia doesn't appear adequate in exploring internal control on fixed assets effectiveness of the government units, private organization and not for profit organizations.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents the activities and processes that were undertaken to gather data for the research work. It gives full details of how data are collected and processed for this research work. The discussions are centered on the following: Research design, Population under study, sampling frame, sampling techniques, data collection method and method of data analysis. This chapter presents the activities and process that were undertaken to gather data for the research work.

3.2 Research Design

The survey is method for collecting information or data as reported by individuals. Surveys are questionnaires (or serious questionnaires) that are administered to research participants who answers the questions themselves. Since the participants are providing the information it is referred to as self-report data.

3.3 Research Approach

The study utilized the descriptive survey method which has distributing questionnaire in order to achieve the required outcome of the study and mixed research approach of both quantitative and qualitative for data collection and descriptive statistics are used.

3.4 Population under the Study

According to Melson et.al (2007), the population of the study is the collection of all possible individuals, object or measurement of interest. The target population of the study is the employee working in the university. The populations which are involved in the research both academician and administrative staff of the university`s employees. The study is focused on the head office (green campus), undergraduate program, and testing center but excluded distance education regional centers employees.

3.5 Sampling frame

In selecting the respondents, purposive sampling techniques were used to select from the different categories of personnel. In the case of the purposive sampling also known as judgmental sampling, the researcher picks the sample that could be delivering the best information in order to satisfy the research objectives and response of the questions. Among the total number of sample of employees` 60% respondents were taken from the academician and the remaining 40% were taken from

administrative staff that is employees` who are working in green campus in the selected office, undergraduate campus in the selected office, and testing center are categorized under academician while employees` who are working in Production, Finance (CODL& Head office), Material distributions, Budget office, Store (in head office and undergraduate program), and HRM are categorized under administrative staff. The population taken as the sample is varies depends up on which staffs probably have more information in the areas of internal control that can be useful for the study.

Table 1: sampling of respondents

Status of employee	Offices	Employee number from each office	Sampling taken
Academician	Green campus at different office	30	12
	Undergraduate program at different office	25	10
	Testing center	12	5
Administrative staff	Production	8	3
	Finance (CODL& head office)	15	5
	Material distributions	11	2
	Budget office	2	2
	Store (in head office and undergraduate program)	4	4
	HRM	5	2
Total number of employee and sample		112	45

Source my own survey/2021

3.6 Sample size and sampling technique

The sample size is an important feature of any empirical study in which the goal is to make inference about a population from a sample. In practice, the sample size used in a study is determined based on the expense of data collection, and the need to have sufficient statistical power. To address the challenge of access to the complete population, representative sample are thus prescribed and accepted in any scientific study. The study has a sample size of 45 respondents were drawn from a target population in selected office of 112 employees` of the university. This sample size has been arrived at by taking 40% of the total population in each selected office employees`.

Therefore, the researcher could be used purposive sampling techniques in selected respondents with an option of replacing those who didn't wish to respond.

3.7 Method of Data Collection

Data are collected using both primary and secondary data collection techniques. Primary data is gathered basically through closed questionnaire and open end questionnaire. The questionnaire also developed in both Amharic and English for a clear understanding of what the researcher ask, obtain accurate information, and to minimalize the obstacles of language problems of the respondents when providing their own response. The questionnaire for study is adapted from combination of instruments developed by COSO (2013) and Bureau of Financial Monitoring and Accountability Florida Department of Economic Opportunity (2015). The secondary data was collected from text book, particularly COSO internal control integrated framework, journals, other publication on internal control and the institution internal control manuals and procedures which published by CEIQA. Questionnaire is a serious of questions asked to individual to obtain statistically useful information about the area of the study. When properly constructed and responsibly administered questionnaire become a vital instrument by which statement can be made by specific group or people or entire population and interviews are a very common research tool in the social science and as such attract a great deal of commentary(university of Wisconsin Madison 2010).

3.8 Methodology for Data Analysis

In order to evaluate effectiveness of internal control, respondents were gives response to indicate their degree of agreement or disagreement with each of the 27 close end and 5 open end questions on a six point likert response scale are ranged from strong agree (scored as 6), agree (scored as 5), partially agree (scored as 4), no information (scored as 3), disagree (scored as 2), strongly disagree (scored as 1). The expected mean value for an effective internal control component is 6 or close to 6. However the analysis is based on the mean response of the respondents is closed to this expected value. For all questions a positive mean response more than 3 statistically suggest agreement with the statement/ question a positive mean response less than 3 implies disagreement and a mean closed to 3 indicate indifferent or offsetting differences. All of the questions are coded in such a way that a positive mean response of 4 and greater display that this component of internal control system adequately contributed to the effectiveness of internal control in the company, while a positive mean response less than 4 revels that this component of internal control system not adequately contributed to effectiveness of the internal control Joseph as cited in (Selam, 2016). Even through the mean

response between 3 and 4 indicate the agreement with the statement, the interpretation, implies the areas are the room for improvement of the internal control system.

Data obtained from the respondents was analyzed using the statistical package for the social Science (SPSS) software programme version 20. The result was presented using statistical tool such as frequency table, mean, and standard deviation. Descriptive statistics were used to analyze the data.

With the application of the stated techniques and methodologies the data has been organized in such a way that meaningful presentation is possible. Based on the answer obtained from the respondent the data has been grouped with the categories as summarized on the questionnaire.

CHAPTER FOUR

4. Data Analysis, Results and Discussion

This chapter analyzed the response received from the respondents. The data was analyzed using table percentage mean and standard deviation. The chapter is organized in to two broad sections. Section 4.1 presents level of agreement test of the respondent result (closed end) and section 4.2 presents Open end questionnaires.

4.1 Survey result

This sections presents the result and analyzes the data collected using structured questionnaire from sample of 45 employees` it`s only 42 questionnaire were collected and the remaining 3 questionnaires were unreturned so that the data presented on the basis of the existing or collected questionnaire from the employees` of the institution. This section ware categorized as 4.1.1 respondents profile and 4.1.2 survey result on internal control system related with fixed assets

4.1.1 Respondent profile

The main research tool to gather from the respondents` are a questionnaire and the first section intended to gather data on the profile of the respondents. Frequency tables were prepared and used during analysis the data gathered from the respondents.

Under mentioned table: 2, out of 42 respondents 54.8% were male and 45.2% were female. The gender distribution showed that both male and female were represented in the study. And the age group 18 -30 years had 52.4% which were the most represented in the study and 31-40 years group had 35.7%. In addition to the table indicated below, both age groups 41-50, 51-60, and More than 61years of the respondents were not most represented in the study the percentage is 7.1%, 2.4%, and 2.4% respectively. The analysis of educational attainment of the respondents revealed that the majority of respondents 42.9% have first degree, 26.2% had diploma and 19.0% have masters as professional.

The experience is one of the competences to understand internal control in the institution. The more experienced employees expected to have the more they understand about internal control and execute them in better way. The majority of the respondents have less than 5 years of the service in the institution have 45.2%, between 5-10 years of service have 35.7%, between 11-15 years of service have 14.3%, and more than 15 years` service have 4.8% respectively in the institution. This indicates that the employees` working in the key areas of internal control system are well experienced in both to respond the questionnaire with better understanding level and implement the internal control system in practice.

In general the overall respondents` profile indicates that the participants have good stability, well experienced and expected to have better understood level about the internal control system in the institution.

Table 2: Respondents Profile

		Frequency	Percent	Valid percent	Cumulative percent
Gender distribution of respondents	Male	23	54.8	54.8	54.8
	Female	19	45.2	45.2	100
Age distribution of respondents	18 -30	22	52.4	52.4	52.4
	31-40	15	35.7	35.7	88.1
	41-50	3	7.1	7.1	95.2
	51-60	1	2.4	2.4	97.6
	More than 61	1	2.4	2.4	100.0
Educational qualification	10 or 12 complete	3	7.1	7.1	7.1
	Certificate	2	4.8	4.8	11.9
	Diploma	11	26.2	26.2	38.1
	Degree	18	42.9	42.9	81.0
	Masters	8	19.0	19.0	100
	PHD	-	-	-	-
Year of service of respondents	Less than 5 years	19	45.2	45.2	45.2
	5-10	15	35.7	35.7	81.0
	11-15	6	14.3	14.3	95.2
	More than 15	2	4.8	4.8	100.0

Source: survey data and own computation/2021

4.1.2 Analysis of the findings of the study

4.1.2.1 Means of achieving internal control

For the purpose of financial statement audit, the policies and procedures used by an entity are helps to achieve the goal of the entity`s internal control. Internal control structures varies significantly from one organization to the next, depending up on the factors that the size, nature of operation and objective of the organization for which the structure was designed (Whittington and pany, 1995) Therefore, the finding of the study is focused on the means of achieving internal control structure of the five components/ elements such as control environment, Risk assessment, the accounting information and communication systems, the control activities and mentioning of fixed assets in the institution.

4.1.2.2 Control Environment

The control environment sets the tone of an organization which influences the control consciousness of the people. It may be viewed as the foundation for the other components of internal control. In a particular firm's environment is representative of its management's and board of directors' attitude awareness and actions in relation to the overall internal control systems of the company. In this case, the control environments of the institution are presented as follows:

Table 3: control environment

Control environment	Respondent result									
	No. of respo.	Strongly Agree	Agree	Partially Agree	No Info.	Disagree	Strongly disagree	Mean	Std. Deviation	
The university's fixed asset safeguard from external environment.	42	N ^o	5	9	11	6	5	6	3.62	1.607
		%	11.9	21.4	26.2	14.3	11.9	14.3		
The university has a inadequate human resource for the controlling activities related fixed asset	42	N ^o	5	9	9	3	8	8	3.67	1.493
		%	11.9	21.4	21.4	7.1	19.0	19.0		
Only authorized employees and volunteers are allocated keys to the organization's buildings and offices	42	N ^o	6	11	8	5	5	7	3.74	1.639
		%	14.3	26.2	19.0	11.9	11.9	16.7		
Rental properties and leases are in the name of the organization and not in the name of individual directors or employees	42	N ^o	5	13	7	7	5	5	3.69	1.689
		%	11.9	31.0	16.7	16.7	11.9	11.9		
Valid N (list wise)	42							14.72		
Overall mean								3.68		

Source survey data & owed computation/ 2021

Under the control environment there are four basic questions are arises to test the effectiveness of the component as shown from the above table: 3 for the respondents. Among the total number of 42 respondents, the majority of the response argue that the institution's fixed asset are protected from external environment, 26.2%(11) of the respondents answered partially agree which implies that some assets are safeguarded from external environment not at all, 14.3% (6) of the response indicated has no information and the remaining response shows that disagree and strongly disagree respectively. Regarding the external treat on the institution fixed assets showed that most of the assets are safeguarded from the external environment. Particularly, the office use portable Assets are under the control of individual employees, directors and department Heads in recording with following the formal procedure of asset controlling techniques. In addition to that the some movable assets are like requirement in providing service of cars are administered and directions given by the Property and General Service Office in consulting with the office of the president. The authorized person of the office has recoded necessary information like date, time and reason of services when the cares assigned in providing service. In general, on the basses of the majority response the institution has not effective availability of protection mechanisms but we can say at the improvement stage for the problems that comes from the external environment and it requires more and more in the future.

Concerning, the issue that the institution assign educated and trained man power or not with the good available number of employees to facilitate control activities especially on fixed assets, the response result shows that similar reflection are given with the first item and 21.4% said that partially agree which implies it has inadequate human resource but not at all sections, 7.1% of the response indicate that it has no information and the remaining value shows that disagree and strongly disagree each respectively. Hence, institution has also adequate number of employees in the engagement of controlling activities of assets. The office and teaching rooms' keys were given to the authorized employees who has guarantee for the responsibility of the office and teaching rooms properties. The main campus building office and teaching rooms were kept with cameras from each corner of the floor. Some properties like truck, Scavatot, Dozer, and other machinery were leased in the name of the institution rather than in the name of Director or management body. Therefore, keeping those procedural flows indicated that most of the assets are manageable by the institution and the possibility of lost assets, miss-using for personal use and frauds made will be low. Therefore, the SMU follows effective internal control system on fixed assets and also has good organizational structure as well.

4.1.2.3 Risk Assessment

Not a single business firm on the face of the globe is totally the ability to resist the outcomes of risk. Risk by its very nature is state of the world and it is hard for business firms to install controls for very possible treat. Hence, risk assessment enables business firms to identify organizational risks, analyze the deviation of risks interims of cost and like hood of occurrence. Risk assessment also assists companies to come up with control mechanisms whose benefits over weight there cost.

Table 4: Risk Assessment

Risk Assessment	Respondent result									
	No. of respo.		Strongly Agree	Agree	Partially Agree	No Info.	Disagree	Strongly disagree	Mean	Std. Deviation
All fixed assets must have insurance coverage	42	N ^o	6	10	6	14	3	3	3.31	1.944
		%	14.3	23.8	14.3	33.3	7.1	7.1		
An appropriate level of insurance cover is in place to cover fixed assets	42	N ^o	5	8	8	9	8	4	3.40	1.697
		%	11.9	19.0	19.0	21.4	19.0	9.5		
The organization's buildings and offices are secured after office hours	42	N ^o	10	10	12	4	4	2	4.24	1.527
		%	23.8	23.8	28.6	9.5	9.5	4.8		
Access to the organization's buildings and offices after office hours is for authorized employees and volunteers only	42	N ^o	4	10	8	7	8	5	3.50	1.612
		%	9.5	23.8	19.0	16.7	19.0	11.9		
Valid N (list wise)	42								14.45	
Overall mean									3.61	

Source survey data & owed computation /2021

Under the risk assessment, the researcher trying to find out the condition of assets and the feeling of the respondents in order to measure the level of risks of the fixed assets as shown in the above table 4. Among the total number of respondents, the greater number of respondent result reveal that the main fixed assets that is truck and machinery has full insurance coverage but not at all example assets which have less cost value are manageable by the university itself. By its` nature, fixed assets

needs insurance coverage to minimize high institutional cost caused either from natural or man-made uncontrollable disasters if it has happened.

The majority of assets which have high market value assets that is trucks have appropriate level of third parties insurance coverage. The building office rooms were secured after office hours unless employees may have special work after office hours which have taking responsibility to the office properties. The institution`s building office are locked immediately after the office hours by the authorized employees. In addition to that, nobody can access the organization`s building offices without the permission of the authorized employees who has responsible to a particular office.

4.1.2.4 Control Activities

The common internal control systems of the organization are the internal policies and procedures. The role of components of control activities in the company to ensure the internal controls activities that take the necessary action to address risks in the achievement of the entities objectives. There are potentially much such control activates which generally related to policies and procedures that predating to ascertain the existence of fixed physical control and performance reviews. Ronald (2011)

According to Ronald stressed that, the need for the development of internal control systems has become essential for every organization resource like fixed assets. In this respect, the researchers collected the data shows in table below

Table 5: Control Activities

Control activities	Respondent result									
	No. of respo.		Strongly Agree	Agree	Partially Agree	No Info.	Disagree	Strongly disagree	Mean	Std. Deviation
The institution has written policies and procedures to control a fixed asset.	42	N ^o	8	12	5	11	4	2	3.69	1.919
		%	19.0	28.6	11.9	26.2	9.5	4.8		
Currently the institution`s internal control systems have a good performance and effective on a fixed asset.	42	N ^o	4	9	12	8	6	3	3.55	1.611
		%	9.5	21.4	28.6	19.0	14.3	7.1		
Portable fixed assets are stored securely when not in use	42	N ^o	4	10	7	5	9	7	3.52	1.549
		%	9.5	23.8	16.7	11.9	21.4	16.7		
Purchases of capital items are made in accordance with the organization`s procurement policy and payment procedures	42	N ^o	8	7	10	10	4	3	3.59	1.835
		%	19.0	16.7	23.8	23.8	9.5	7.1		
Valid N (list wise)	42								14.35	
Overall mean									3.59	

Source survey data & owed computation /2021

Under the control activities, there are four key issues are arises to indicate the performance of controlling activities of the institution`s fixed assets as shown in above table: 5 of the data. Regarding the issue of policy and procedure fixed assets purchasing and safety of storage, the investigation result implies that the institution has written policy and procedure to control fixed assets. The purchased properties are stored in following the formal procedure through registration of date, type of assets, quantity, unit price and other necessary information are recorded on time during

acquisition. Practically, before purchasing, the market price assessments are takes place and the experts work out the actual price and the standard quality of fixed assets.

After purchase, the assets are assigned assets ID and tag number in the process of registration to facilitate and support controlling activities in the institution in the future use. According to the majority responses, the institution has a good internal control activity because of its governed by the institution`s policy and procedure. In addition to this, all fixed assets were purchased through the process of preparing request of purchase with the approval of higher official signature of the university. Therefore, overall controlling system has well performed but not said to be effective. The purchase of capital items are made as per the requirement and specification of the institution purchasing policy and payment procedure.

4.1.2.5 Information and Communication

Information and communication system is an essential factor for any organizational internal control activities. Because the workers are easily capture, process and reports data within and outside of the organization. An organization`s accounting information systems consists of the methods and re cords established to identify, assemble, analyze, classified recorded and report an entity`s transactions and to maintain accountability for the related assets, in this respect the data gathered are presented the table below

Table 6: Information and Communication

Information and Communication	Respondent result									
	No. of respo.	Strongly Agree	Agree	Partially Agree	No Info.	Disagree	Strongly Disagree	Mean	Stad. Deviation	
The fixed assets must have register book that contain all adequate information such as assets purchase date and number of assets purchased, location and custodian	42	N ^o	14	11	8	5	-	4	4.38	1.724
		%	33.3	26.2	19.0	11.9	-	9.5		
The university installs an appropriate exchange of information and communication system on fixed asset.	42	N ^o	2	9	9	8	11	3	3.33	1.509
		%	4.8	21.4	21.4	19.0	26.2	7.1		
The management receives a feedback from employees to improve the controlling system of fixed asset.	42	N ^o	2	7	10	9	6	8	3.09	1.559
		%	4.8	16.7	23.8	21.4	14.3	19.0		
Fixed assets are reviewed on a regular basis to ensure that they continue to be of use to the organization and are in good working condition	42	N ^o	5	10	12	7	4	4	3.69	1.630
		%	11.9	23.8	28.6	16.7	9.5	9.5		
Information and communication technology devices and other equipment provided to employees and volunteers are tracked and accounted for.	42	N ^o	5	10	13	5	6	3	3.83	1.497
		%	11.9	23.8	31.0	11.9	14.3	7.1		
Valid N (list wise)									18.32	
Overall mean									3.66	

Source survey data & owed computation /2021

Under the Information and Communication five key points were raised to test the effectiveness of the component as shown from the above table: 6, in the case of the need of registration of fixed assets, among the total number of 42 respondents, the greater number of responses indicated that the institution has a registration book of assets which contains the general information of the purchased assets. In practice, a fixed asset register is crucial for identifying the status of every long-lived asset. Without using a fixed asset register, the institution would not be able to know the up-to-date status of the asset. As the institution, after purchasing fixed assets, registration in the book of account should be expected with the necessary information such as assets purchase date, number of assets purchased, location of the assets and custodian.

Regarding information exchange in the institution, the response shows 4.8% (2) answered Strongly Agree, 21.4% (9) replied Agree, 21.4% (9) says Partially Agree while 19.0% (8) respondents have no information, 26.2% (11) replied disagree and 7.1% (3) Strongly Disagree. The statistics data indicated that the institution does not follow appropriate exchange of information in controlling fixed assets. However, as the medium of communication, both administrative and academic staff use appropriate and safe exchange mechanisms like through outlook, E-mail, face-to-face and telephoning. In the real world, information and communication is a backbone in any company in the perspective of internal control activities. The results of inappropriate exchange of information are to be exposing for fraud, errors of recording, and misuses of the organization property. With respect to the majority response indicated above, there is not enough appropriate mechanism of exchange of information to control fixed assets in the University. In addition to this, the conditions of the assets were valued/ reviewed once in a year to ensure the continuity in use of future operation.

In relation to the institution ICT device and equipment, the ICT devices controlling conditions 66.7% (28) replied all ICT devices such as Computers, printers, Digital cameras and other high capacity data storage devices are kept by the responsible employees or management unit under the document of assets transfers while 21.4% (9) response indicate that ICT devices are on the hands of without registering the necessary assets transfers. The remaining 11.9% (5) have no information on the way of controlling of the assets.

Accordingly, the majority argument indicated that the ICT electronics devices are under the control of volunteers through the passage of assets transferring documents. This implies that the conditions of the electronic devices are good and safely kept by the responsible person. However, if the properties are missing or stolen, the responsible person has an obligation to replace the assets. While in receiving feedback that comes from employees are somehow extent there is a problem of giving less attention in resolving the particular case of the problem on time.

4.1.2.6 Monitoring

Monitoring is a process that assesses the quality of the internal control structure over time. It can be achieved by performing ongoing activities or by separate evaluations. In this case, the data gathered regarding management member's in monitoring internal control over fixed asset is presented as follows.

Table 7: Monitoring

Monitoring	Respondent result									
	No. of respo.	Strongly Agree	Agree	Partially Agree	No Info.	Disagree	Strongly disagree	Mean	Std. Deviation	
The institution make annual physical counting of fixed asset to assure the current situation/ status of fixed assets	42	N ^o	12	8	8	2	6	6	4.19	1.581
		%	28.6	19.0	19.0	4.8	14.3	14.3		
The University must be done frequent follow up and assess its internal control system over fixed assets.	42	N ^o	7	7	11	3	8	6	3.81	1.502
		%	16.7	16.7	26.2	7.1	19.0	14.3		
The institution's internal control system is effective and efficient.	42	N ^o	6	12	10	5	4	5	3.88	1.596
		%	14.3	28.6	23.8	11.9	9.5	11.9		
The institution made ascertain the existence of a proper handling, recording and controlling of fixed asset on time.	42	N ^o	6	13	8	3	9	3	4.02	1.439
		%	14.3	31.0	19.0	7.1	21.4	7.1		
The internal audit staff make pre-audit and post- audit for the proper handling of fixed asset.	42	N ^o	1	7	7	11	5	11	2.79	1.539
		%	2.4	16.7	16.7	26.2	11.9	26.2		
The company's make a continuous recording of annual depreciation over the entire life of the fixed asset.	42	N ^o	5	9	7	9	3	9	3.31	1.774
		%	11.9	21.4	16.7	21.4	7.1	21.4		

Continued										
Adequate follow up or action taken by management in respect to obsolete, damaged, miss using and missing of fixed asset.	42	N ^o	7	8	9	4	8	6	3.76	1.574
		%	16.7	19.0	21.4	9.5	19.0	14.3		
The management evaluates the effectiveness of its internal control system over fixed asset.	42	N ^o	1	12	10	7	9	3	3.48	1.469
		%	2.4	28.6	23.8	16.7	21.4	7.1		
The organization has an up-to-date record of fixed assets	42	N ^o	7	11	10	5	6	3	3.95	1.577
		%	16.7	26.2	23.8	11.9	14.3	7.1		
Depreciation charges are calculated and reviewed prior to annual audits	42	N ^o	3	4	10	16	7	2	2.83	1.695
		%	7.1	9.5	23.8	38.1	16.7	4.8		
Valid N (list wise)	42								36.02	
Overall mean									3.60	

Source survey data & owed computation /2021

Regarding the situation of Monitoring activity as shown on the above table: 7, the sum total of the positive response 66.6 %(28) indicates that the institution conducted physical inventory of fixed assets which is takes place at least once in a year. However, 28.6 %(12) the response indicated that there is absence of physical inventory of fixed asset inventory control within the organization.

Making Physical inventory is to be important to assure the existence of property and also minimize the challenge of controlling fixed assets in the institution. Therefore, according to the majority response proof that the institution was conducted physical inventory during annual basis of the plan.

On the other directions, 59.6% (25) of the respondents believed that the university must be done frequent follow up and assess the effectiveness of the system that design to control fixed assets in the institution whereas 33.3 %(14) believed that the current established system is effective so that no need of checking or re-checking the controlling process and the system.

Accordingly to the majority response fraud and misusing might be made at different dimension so that the institution follow up should require further re-evaluation for the effectiveness of internal controls systems.

In relation to the levels of effectiveness and efficiency of internal control systems of the university 66.7% (28) replied the current internal control system is effective and efficient while 21.4% (9) response indicate the system is not effective and efficient so that it needs an improvement or revised the existing system that use in practices. The remaining 11.9% (5) have no information. Therefore, on the basis of the majority response the internal control system that design in the institution is effective and efficient resource utilization.

On the other way, making pre-audit and post-audit in relative to the contribution internal control effectiveness 35.8%(15) of the respondents answered the university use pre-audit and post audit to control fixed assets while 38.1% (16) replied not done pre-audit and post-audit in the institution for the handling of fixed assets. The rest 26.2% (11) indicate no information. In reality, fixed assets need more of pre-audit and post-audit to minimize the coming measurable risk in advance. Therefore, according to the responses there is a weak internal audit system in the institution and it can be find out some improvement mechanism or it needs development of employee`s skills.

Concerning with the recording of the depreciation among the total number of respondents 50% (21) of the respondents says the organization applied continues recording of annual depreciation of fixed assets while 28.5% (12) says no deprecation method are used. The rest 21.4% (9) replied no information. Based on the majority respondents, the annual depreciation of the organization is computed in the annual basis to the book value of the asset at the beginning of each period over the life of the asset.

Regarding the adequacy of follow up during obsolete, damage and missing of fixed assets that, 57.1% (24) of the respondents says the management take adequate follow up or action to the employees when the fixed assets are obsolete, damage and missing of fixed asset while 33.3% (7) of the respondents answer it is not taken an action when assets are exposed to obsolete, damage, misusing, and missing of fixed assets. The remaining 9.5% (4) have no information. This indicated that, the management has taken good action when assets are obsolete, damaged, misusing and missing of fixed asset in the organization.

In the case of effective evaluation of internal control system 54% (23) of the respondents repeal the organization evaluate the effectiveness the control system while 28.5(12) react the management do not evaluate the effectiveness of the system. The rest 16.7% (7) has no information. This implies

that, the firm is evaluating the effectiveness of the system but not gives more attention to the evaluation relative to the response of the organization employees`.

In relation to perform up to date records of fixed assets with regard to the institution accomplishment 66.7 % (28) replied up to date record of fixed assets was made where as 21.4% (9) response indicate there is no up-to-date records of fixed assets. The rest 11.9% (5) have no information.

Therefore, according to the majority response the institution execute day to day records of fixed assets and it gives more attention to handle fixed assets.

Regarding the depreciation condition of the assets, the assets depreciation is recorded until the end of useful life of an asset. The straight line method is applied in practice. Among the total respondent 40.4% (17) replied depreciations are charged and reviewed prior to the annual audits while 21.5% (9) answered it's not charged before the annual audit takes place. The remaining 38.1% (16) have no information. This implies that the researcher predicted that somehow extent it can be the depreciation is computed and reviewed before the annual audit takes place but not sure due to it has less response of the question.

4.1.2.7 Over all component of mean analysis

Recalling of statement of COSO (2013); an effective internal control has five components control environment, control actively, risk assessment, information and communication, and monitoring.

The effective function of component of internal control provides a reasonable assurance regarding the achievement of stated objective to ensure high level of organizational performance. The designed and implementation of each component of internal control affect the overall effectiveness of internal control. The survey result and analysis on this issue therefore is presented as follows:

Table 8: Mean Analysis of Overall Component

Component of internal control	Mean
Control environment	3.68
Control actively	3.61
Risk assessment	3.59
Information and communication	3.66
Monitoring	3.60

Source survey data & owed computation/ 2021

The expected mean value for an effective internal control component is 6 or close to 6. However the under mentioned analysis revealed that all of the five component mean value is less than 4, which

indicate that they are require for improvement for each internal control component. The overall component mean are as follows, the highest mean value (3.68) indicate that Control environment of internal control system is much more better than the rest of the component, then followed by mean (3.66) and (3.61) which are Information and communication and Control activity respectively. The lowest mean of the component are monitoring and risk assessment of internal control with a mean value (3.60) and (3.59) respectively.

4.2 Open end questions responses

1. What do you observe on the strength and weakness of the internal control practice over fixed assets in the institution?

Strength:-

The respondents answered:-

The major strength are all fixed assets have ID, separate card and tag in addition to this the responsibility of assets are specify to individual.

Moreover, fixed asset acquisitions are formal ways means that it's authorized and written form for request based on budget and each fixed asset has subsidiary ledger this is used for the central purpose and valuation of fixed assets

Weakness:-

The respondent answers:-

The weakness sides of internal control fixed assets are there is no quick updating system of detail records in the general ledger for the financial reports of the university. In addition to that the purchased fixed asset is not used their proper location that means they move from location to location (office to office) without any approvals of the management. And also, most of asset there book value is null, this means not re-evaluate to calculate the life time of the fixed asset examples printing machineries' which is operated with frequent maintenance. When the assets are drawn from the store through the process of requisition, it could not be given attention in the controlling and conditions of the assets to the holder (responsible body). Likewise, assets used in operation are good way of controlling in counter the disposable assets had no monitoring systems

2. What level of risk is accepted by your institution over fixed assets?

The respondents answered:-

In relation to acceptability range of risk, when the risk is confront to the particular assets, the institution taken as immediate correction actions (responses) in that specific period of time. Furthermore, the appropriate records the retirement and disposal of the asset are approved by

management except uncontrollable incidental case like fire, earth quick and small breakdown of tools is accepted as possible and insured.

3. How do you evaluate the adequacy and effectiveness of internal control system on fixed assets in the institutions?

The respondent answered:-

In the case of the effectiveness of controlling system, the acquisitions of fixed assets are according to the formal management approval and procedures. In addition to that maintaining adequate accounting records of asset acquisition, cost disruption and physical location and accurate depreciation records had mention by the respondents.

In likewise, the institution works the physical count and compare with ledger and remark the damage and obsolesce assets in the years. And also, the Property record and the disposal of fixed assets generally, to some extent adequate for the university at its current level of operation

4. Are there any risks that face for your institution on fixed assets?

The respondent says:-

The challenges that face in the institution are the asset`s book value is zero like some printing machineries` and its work with maintenance. Their location of some fixed assets are open area such as corrugated iron, cares, construction machineries` and Wood & metals are exposed to damage of the fixed asset. In addition to that some of the machineries` are the oldest in fashion so as it needs replacement.

5. What are the external risks affects your institutions on fixed assets?

The respondent answered:-

In relation to external risk, the institution`s some fixed assets have lack of replacement component part for repairing and modification due oldest fashion. On the other way, the institution has no problem on the issue of security those assets are safely kept well organized manner and it`s supported with cameras in additions to guard. Except uncontrollable risks that comes beyond the institutions that are unexpected and natural disasters such as earth quick, fire, flood and other natural phenomena.

CHAPTER FIVE

5. Summary, Conclusions, and Recommendation

This chapter focused on the summary of findings, conclusion, and recommendation to make the research findings more valuable. The researcher utilized questionnaire and observation as the means of data collection in addition to analyze and interpreted the responses that come from the respondents.

5.1. Summary

Internal control on fixed asset can be expected to provide reasonable assurance not absolute assurance an entity's management and board because of limitation inherent in all internal control systems and needed to consider the relative cost and benefits of establishing internal control practice over fixed Asset.

Among the respondent's answers and data analyses the following major findings are outlined:-

Control environment

Under the control environment the following summary was drawn to indicate the level of effectiveness of the institution as observed:-

- ❖ As can be observed from the majority response shown under the control environment component are fixed assets be safely kept from the external environments. However, the institution has no enough availability and not defined protection mechanisms were established the problems that come from the external environment.
- ❖ The employees` are well experienced, educated and has trained man power and they are governed by the rules, regulation and policy of the institution. Regarding accessibility of the university`s offices and buildings are secured and the office keys provided the responsible person or authorized employees. In relation to the case, no properties are under risk in the component control environment.

Risk Assessment

Under the risk assessment, the following majors points are arise to indicate the level of risks of the fixed assets as shown below:-

- ❖ According to the majority of the respondents sought that all fixed assets have insurance coverage to minimize the possibility of incurred sudden cost. The main fixed assets like truck and machinery has full insurance coverage but not at all like assets which have less cost of market value had no insurance coverage because it's easily maintained and replaced by the university. When the risk is confront to the particular assets, the institution taken as immediate correction

actions (responses) in that specific period of time. Furthermore, the properly records the retirement and disposal of the asset and approved by management except accidents like fire, earth quick and small breakdown of tools is accepted as possible and insured.

- ❖ The institution problems are the some asset's book value is zero like some printing machineries' and its work with maintenance. Their location of some fixed assets are open area such as corrugated iron, cares, construction machineries' and Wood & metals are exposed to damage and some the machineries' are the oldest in fashion so as it needs replacement.

Accounting information and communication systems

Under the Information and Communication the following summary are drawn to show effectiveness of the institution as rehearsed below:-

- ❖ The majority of the responses proved that fixed assets have a register containing all relevant information and that asset liability is determined individually. In addition, the acquisition of property, plant and equipment in the formal process with approved annual budget. However, there is no quick update system for detailed records in the general ledger of a university financial report. The book value of some assets is null. This means that revaluations are not done to calculate the lifespan of a printing Machinery asset example that operates with frequent maintenance. The university does not have an appropriate information exchange mechanism to manage the university's fixed assets, staff relationships are vulnerable to information exchange, and there is no management effort to improve the university's internal control system.

Control activity

Under the control activities, the following summary are drawn to indicate the performance of controlling activities of the institution's fixed assets as rehearsed below:-

- ❖ The majority respondent sought that the institution has written policy and procedure and all fixed assets were purchased through the process of formal procedure.

Monitoring

Under the Monitoring activities the following summary are distilled to indicate the effectiveness of the monitoring in the institution as shown detailed below: -

- ❖ The internal audit activities in relation to in advance verification of legality of transaction and examination of records after registered of fixed assets are weak so as the internal audit system of the institution to be re-evaluate. In reality, fixed assets need more of pre audit than post audit to minimize the coming measurable risk in advance.

5.2 Conclusions

Among the given points of summary of finding, the researcher drawn a conclusion for further recommendation that the university have to do more. The following conclusions are draw in accordance with in the finding as observed:-

Control environment

Under the control environment the following conclusion was drawn to indicate the level of effectiveness of the institution as observed:-

As part of the control environment component, researcher concluded that all assets are safely kept away from the external environment. However, the institution does not have a well-defined protection mechanism to overcome problems from the external environment. Researchers have discovered that the assets of some location are open areas that are also exposed to rain, sunlight and rust.

Most employees are experienced, educated and trained workers and follow the rules, regulations and guidelines of the institution. University`s offices and buildings are protected, and office keys are available to responsible or authorized employees. The properties of the component control environment are not compromised in this case.

Risk Assessment

Under the risk assessment, the following majors points are arise to indicate the level of risks of the fixed assets as shown below:-

The majority argument indicated that all plant assets wanted insurance to minimize the possibility of unexpected sudden costs. Major property, plant and equipment such as trucks and machinery are fully insured, but unlike assets with low market value, they are not insured because the university can easily repair and replace them. If each asset faces risk, the university will take immediate corrective action (response) during that particular period. In addition to that, the retirement of plant asset and disposal will be approved by the higher level management unless accidents such as fires, earthquakes and small tool damage are accepted and insured as much as possible.

Again, the book values of some assets such as some printing machinery are operated with frequent maintenance. The location of some fixed assets is open areas such as corrugated iron, cars, construction machinery, wood and metal are exposed to damage. Some machines are the oldest and need to be replaced.

Accounting information and communication systems

Under the Information and Communication the following conclusion are drawn to show effectiveness of the institution as rehearsed below:-

The majority of the responses proved that fixed assets have a register containing all relevant information and that asset liability is determined individually. In addition, the acquisition of property, plant and equipment were made in the formal process with the amount of approved annual budget. However, there is no quick update system for detailed records in the general ledger of a university financial report. The book value of some assets is null. This means that revaluations are not done to calculate the lifespan of a printing machinery assets example that operates with frequent maintenance. The university does not have an appropriate information exchange mechanism to manage the university's fixed assets, staff relationships are vulnerable to information exchange, and there is no management effort to improve the university's internal control system.

Control activity

Under the control activities, the following conclusion are drawn to indicate the performance of controlling activities of the institution`s fixed assets as rehearsed below:-

The majority respondent implies that the institution has written policy and procedure and all fixed assets were purchased through the process of formal procedure.

Monitoring

Under the Monitoring activities the following conclusion are distilled to indicate the effectiveness of the monitoring in the institution as shown detailed below: -

The work of internal audit activities in relation to in advance verification of legality of transaction and examination of records after registered of fixed assets are weak so as the internal audit system of the institution to be re-evaluate. In reality, plant assets are needed more pre-audit than post-audit in order to proactively minimize the upcoming measurable risk.

5.3 Recommendation

In building good and strong internal control system can be expensive; the cost incurred would be offset by the benefit to be received from it such protection of assets and prevention of errors. The following recommendations are given which could help to establish better plant asset controlling practice in the university:-

In many organizations, most functional portable assets are exposed to fraud and they bring out in the form of disposals which are considered as depreciated assets without unexpected manner. In such case, the authorized employees should be alert and try to exercise on safe keeping technique their own plant assets through continues recording and proper follow up to protect from sophisticated ways of frauds. The purchased portable fixed asset should fix the proper location for easily administration and controlling and if its move from office to office should be made with the approve management. Although, some printing machineries should be needed re-evaluation of service life time in order to improve for facilitating better production because it's operated with frequent maintenance.

The institution controlling practices on fixed assets are well good but not effective. According to the majority of the response indicated that, the responsibilities of assets are specify to individual, fixed asset acquisitions were made in the formal process based on budget, the office`s keys are provided to responsible person, the management do not receive feedback from employees and have weak relationship between employee and management regarding exchange of information. The management should be design and implement the means of receive feedback in order to improve better attachment with employees and build up better controlling system in the institution.

Regarding the internal audit activity like in advance verification of legality of transaction and examination of records are weak so as the internal audit system of the institution should be require re-valuation of the system. The internal audit team of the university should develop structure and consistently visits to all areas of the institution in order to eliminate any hidden transactions that are affected the institution`s aims and objectives. The location of some fixed assets are open area such as corrugated iron, cares, construction machineries' and Wood & metals are exposed to damage. The institution should be care or give attention before those assets dysfunction.

The overall result indicates that internal control on fixed assets in the university is at room of improvement but not effective. Particularly, the information and communication component of internal control is not at enough level practiced in the university. Control environment is better from the rest in the universities, there is in adequate control environment, control activities and inadequate flow of information and communication in the university.

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APPENDIX

APPENDIX A- Questionnaire in English

APPENDIX B- Questionnaire in Amharic

School of graduate studies
Questionnaire to be filled by the SMU's workers

Dear respondent

The purpose of this questionnaire is to conduct a research regarding on the title Assessment of Internal Control Practice over Fixed Assets in the case of St. Mary's University. And questionnaire is also designed to gather data related with Internal Control practice over Fixed Assets at St. Mary's University. The study is undertaken for the partial fulfillment of the requirement of MBA Degree in accounting and Finance at St. Mary's university. The main objective of this survey is to evaluate the performance and the effectiveness of the system that design to control fixed assets in the institution and to reflect the actual information on the basis you responses to the reader.

Instruction:-

- ✓ Please answers the questions by putting mark/sign to all of the entire questions
- ✓ If you have any extra information in and out of my questions concerning about internal control practices related to fixed assets use the rough paper and attached with the questionnaire itself.
- ✓ No need of writing your name.

Part I: General Information➤ **Age in years:**

18-30 31-40 41-50 51-60 above 61

➤ **Gender:**

Male Female

➤ **Educational Qualification:**

12th or 10th complete Certificate Diploma First Degree Masters PHD

➤ **Work Experience**

Less than 5 years 5-10 11-15 above 15 years

Part II: Expectation

The researcher prepared this questionnaire to collect relevant data from employee`s expressions`/feelings and show your level of agreement/disagreement to each factors listed in below by putting the mark/ sign on only one of the boxes on the same row for each statement.

**1= Strongly Disagree 2= Disagree 3 = No information 4= Partially Agree 5= Agree
6 = Strongly Agree**

S.Nº	Control environment	1	2	3	4	5	6
1.	The university`s fixed asset safeguard from external environment.						
2.	The university has an inadequate human resource for the controlling activities related fixed asset						
3.	Only authorized employees and volunteers are allocated keys to the organization`s buildings and offices						
4.	Rental properties and leases are in the name of the organization and not in the name of individual directors or employees						
Risk Assessment		1	2	3	4	5	6
5.	All fixed assets must have insurance coverage						
6.	An appropriate level of insurance cover is in place to cover fixed assets						
7.	The organization`s buildings and offices are secured after office hours						
8.	Access to the organization`s buildings and offices after office hours is for authorized employees and volunteers only						
Control activities		1	2	3	4	5	6
9.	The institution has written policies and procedures to control a fixed asset.						
10.	Currently the institution`s internal control systems have a good performance and effective on a fixed asset.						
11.	Portable fixed assets are stored securely when not in use						
12.	Purchases of capital items are made in accordance with the organization`s procurement policy and payment procedures						
Information and Communication		1	2	3	4	5	6
13.	The fixed assets must have register book that contain all adequate information such as assets purchase date and number of assets purchased, location and						

	custodian						
14.	The university installs an appropriate exchange of information and communication system on fixed asset.						
15.	The management receives a feedback from employees to improve the controlling system of fixed asset.						
16.	Fixed assets are reviewed on a regular basis to ensure that they continue to be of use to the organization and are in good working condition						
17.	Information and communication technology devices and other equipment provided to employees and volunteers are tracked and accounted for.						
	Monitoring	1	2	3	4	5	6
18.	The institution make annual physical counting of fixed asset to assure the current situation/ status of fixed assets						
19.	The University does frequent follow up and assess its internal control system over fixed assets.						
20.	The institution's internal control system is effective and efficient.						
21.	The institution made ascertain the existence of a proper handling, recording and controlling of fixed asset on time.						
22.	The internal audit staff make pre-audit and post- audit for the proper handling of fixed asset.						
23.	The company's make a continuous recording of annual deprecation over the entire life of the fixed asset.						
24.	Adequate follow up or action taken by management in respect to obsolete, damaged, miss using and missing of fixed asset.						
25.	The management evaluates the effectiveness of its internal control system over fixed asset.						
26.	The organization has an up-to-date record of fixed assets						
27.	Depreciation charges are calculated and reviewed prior to annual audits						

Part III: Open ended questions

1. What do you observe on the strength and weakness of the internal control habits/procedure and practice over fixed assets in the institution?

2. What level of risk is accepted by your institution over fixed assets?

3. How do you evaluate the adequacy and effectiveness of internal control system on fixed assets in the institutions?

4. Are there any risks that face for your institution on fixed assets?

5. What are the external risks affects your institutions on fixed assets?

Thank you for your cooperation!!!!

ቅድስት ማርያም ዩኒቨርሲቲ ድህረ ምረቃ ት/ቤት

በዩኒቨርሲቲው ስራተኞች የሚሞላ

መጠይቅ

እኔ የቅድስት ማርያም ዩኒቨርሲቲ በአካውንቲንግ እና ፋይናንስ የድህረ ምረቃ ፕሮግራም ተማሪ ስሆን የመመረቂያ ጥናቴን የማደርገው በቅድስት ማርያም ዩኒቨርሲቲ ቋሚ ንብረቶች ላይ የሚደረግ የወስጥ ቁጥጥር ትግበራ ላይ የሚያተኩር የዳሰሳ ጥናት ነው። በቅድሚያ ስለትብብርዎ እያመሰገንኩ ይህን መጠይቅ በመሙላት አስፈላጊውን ትብብር እንዲያደርጉልኝ በአክብሮት እጠይቃለሁ።

መመሪያ

- ✓ እባክዎን በሚሰጡት መልስ ትክክል ይህን ምልክት ይጠቀሙ።
- ✓ በተጠየቁት ጥያቄዎች ላይ ወይም ከተጠየቁት ውጭ በቋሚ ንብረቶች ላይ የሚደረግ የወስጥ ቁጥጥር ትግበራ ላይ ተጨማሪ መረጃ ካሎት የጥያቄውን መነሻ ሀሳቡን ጠቅሰው መጨረሻ ከተሰጠዎት ባዶ ቦታ ላይ ሀሳቦችን ይግለጹ።
- ✓ ስም መጻፍ አስፈላጊ አይደለም።

እርስዎ በዚህ ጥናት በመሳተፍዎ ማንኛውም የግል መረጃዎ ለሌላ ሰነድ ወገን ተላልፎ እንደማይሰጥ እያረጋገጥኩ የእርስዎ በዚህ ጥናት በመሳተፍ የሚሰጡት መረጃ ለጥናቱ እጅግ በጣም ጠቃሚና አስፈላጊ ግብአት መሆኑን እንዲረዱልኝ በአክብሮት እገልጻለሁ።

በመጨረሻም ይህንን መጠይቅ በመሙላት ለሚያደርጉልኝ ትብብር ከልብ እያመሰገንኩ መጠይቁን ሞልተው እንደጨረሱ በተቻለ ፍጥነት እንዲመልሱልኝ በአክብሮት እጠይቃለሁ።

ክፍል 1: የግል መረጃ

ከታች ለቀረቡት መጠይቆች ከእርስዎ ጋር ተዛማጅነት ያላቸው መረጃዎች ትይዩ ባሉት ሳጥኖች ውስጥ የ “ ” ምልክት በማድረግ ምላሽዎን ይስጡ፡

- ሀ. ጾታ: ወንድ ሴት
- ለ. እድሜ: ከ18-30 ከ31-40 ከ41-50 ከ51-60 61 በላይ
- ሐ. የትምህረት ደረጃ:
 - 12 ወይም 10 የጨረሰ ሰርተፊኬት ድፕሎማ ድግሪ ማትራት
 - ዶክትሬት

መ. በዩኒቨርሲቲው ውስጥ ያሉት የቆይታ ጊዜ:

- ከ 5 አመት በታች ከ5-10አመት ከ11-15አመት ከ15አመት በላይ

ክፍል 2: የሰራተኞች ምላሽ

ይህ መጠይቅ የዚህ ጥናት ሁለተኛው ክፍል ሲሆን በእርስዎ እይታ እና አመለካከት በተቋሙ ውስጥ የሚገኙ ቋሚ ንብረቶች ላይ የሚደረግ የውስጥ ቁጥጥር ትግበራ ያለውን ነባራዊ ሁኔታ ለማወቅ ያስችል ዘንድ በመሰረታዊ የጥናቱ ጥያቄዎች ላይ ያተኩራል። ስለሆነም ከዚህ በታች በቀረቡት ሃሳቦች ላይ ምን ያህል ደረጃ እንደሚሰማሙ በእያንዳንዱ ሃሳብ ትይዩ ካሉት ባዶ ቦታዎች በአንዱ የ “ ” ምልክት በማድረግ ያረጋግጡ።

1. በጣም አልሰማማም
2. አልሰማማም
3. መረጃው የለኝም
4. በከፊል እስማማለሁ
5. እስማማለሁ
6. በጣም እስማማለሁ

ተ.ቁ	አካባቢን መቆጣጠር	1	2	3	4	5	6
1.	የተቋሙ ንብረቶች ከወጫዊም ሆነ ከአካባቢያዊ ተጽዕኖ የተጠበቁ ናቸው						
2.	በቋሚ ንብረቶች ቁጥጥር ዙሪያ ብቃት ያላቸው የሰው ሃይል አልተመደበም						
3.	የዩኒቨርሲቲው ህንጻ እና ቢሮዎች ቁልፎች በሀላፊነት ደረጃ ላይ ላሉ እና ሃላፊነት ለተሰጠው ሰራተኛ ብቻ ይሰጣል						
4.	ለኪራይ አገልግሎት የሚውሉ ንብረቶች ወል በሃላፊዎች እና ሰራተኞች ይልቅ በዩኒቨርሲቲው ስም የፈጸማል						
አደጋን ሁኔታን መገምገም		1	2	3	4	5	6
5.	በተቋሙ ውስጥ ያሉ ቋሚ ንብረቶች ሁሉም የመድሀን ዋስትና አላቸው						
6.	በተገቢው ደረጃ የዩኒቨርሲቲው ቋሚ ንብረቶች የመድን ሽፋን ተገብቶላቸዋል						
7.	የድርጅቱ ህንጻ እና ቢሮዎች ከስራ ሰዓት ወጭ ደህንነታቸው የተጠበቀ ነው						
8.	የዩኒቨርሲቲው ህንጻ እና ቢሮዎች በሀላፊነት ደረጃ ላይ ላለ እና ሃላፊነት ለተሰጠው ሰራተኛ ብቻ ከስራ ሰዓት ወጭ እንዲጠቀሙበት ይፈቀዳል						
ተግባራትን መቆጣጠር		1	2	3	4	5	6
9.	ዩኒቨርሲቲው ቋሚ ንብረቶች ለመቆጣጠር የራሱ የሆነ የተጻፈ መመሪያ እና ደንቦች ቀርቧል/አለው						

10.	አሁን ያለው የንብረት ቁጥጥር ስርዓት ስኬታማ እና ወጤታማ ነው						
11.	በቀላሉ ከቦታ ቦታ ሊዛወሩ የሚችሉ ቋሚ ንብረቶች በማንጠቀምባቸው ወቅት ደህንነታቸው በተጠበቀ ቦታ ይወላሉ						
12.	የማይንቀሳቀሱ ንብረቶች ግዥ የሚከናወነው በተቋሙ የግዥ መመሪያ እና የክፍያ ደንብ መሰረት ይፈጸማል						
የመረጃ እና ልወወጥ ሁኔታ		1	2	3	4	5	6
13.	ቋሚ ንብረቶች የራሳቸው የሆነ አስፈላጊውን መረጃ መመዘገቢያ መዘገብ ሊኖራቸው ይገባል						
14.	በዩኒቨርሲቲው ውስጥ በንብረት ጉዳዮች ላይ አስፈላጊው የመረጃ ልወወጥ ስርዓት ተዘርግቷል						
15.	በቋሚ ንብረቶች ቁጥጥር ስርዓት ላይ በአስተዳደር ላይ ያሉ ሰራተኞች ግብረ መልስ ይቀበላሉ						
16.	ቋሚ ንብረቶች አገልግሎት ከሰጡ በኋላ በምልሰት በባለሙያዎች ያሉበት ሁኔታ ታይተው ለተጨማሪ ጊዜ አገልግሎት እንዲወሉ ይደረጋል						
17.	ለመረጃ እና መገናኛ አገልግሎት የሚወሉ ንብረቶች እና መሰል መሳሪያዎች በሀላፊነት ለሰራተኛው ለስራ አገልግሎት የሚሰጥበት ሁኔታ አለ						
የቁጥጥር ሁኔታ		1	2	3	4	5	6
18.	ተቋሙ ቋሚ ንብረቶች ያሉበትን አቋምና ሁኔታ ለማወቅ አመታዊ የንብረት ቆጠራ ያከናውናል						
19.	ተቋሙ ቋሚ ንብረቶች ላይ ያላሰለሰ ክትትል እና የውስጥ ቁጥጥር ስርዓቱን መፈተሽ ይኖርበታል						
20.	አሁን ያለው የውስጥ ቁጥጥር ስርዓት ወጤታማ እና ወጪ ቆጣቢ አካሄድ ነው						
21.	ንብረቶች ያሉበት ትክክለኛ ይዘታ፣ አመዘጋገብ እና ቁጥጥር ስርዓቱ ወቅቱን ጠብቆ ይከናወናል						
22.	የውስጥ አዲተሮች የቅድመ አዲት እና ድህረ አዲት በማከናወን የንብረቶችን ይዘታ እና ሁኔታ ያረጋግጣሉ						

23.	ዩኒቨርሲቲው አመታዊ የቋሚ ንብረቶች አገልግሎት ጊዜ ቅነሳ እስከ ንብረቱ የአገልግሎት ጊዜ መጨረሻ ወቅቱን ጠብቆ ይመዘገባል						
24.	ቋሚ ንብረቶች ለብልሽት እንዳይጋለጡ፣ ከአደጋ እንዲጠበቁ፣ ያለአግባብ ለግል ጥቅም እንዳይወሉ፣ እና እንዳይጠፉ በአስተዳደር አካላት በወቅቱ ክትትል ይደረጋል						
25.	የተቋሙ የአስተዳደር አካላት በቋሚ ንብረቶች የወሰጥ የቁጥጥር ሂደት ላይ ግምገማ ያከናውናል						
26.	ተቋሙ ወቅቱን የጠበቀ ቋሚ ንብረቶች ምዝገባ ያከናውናል						
27.	ቋሚ ንብረቶች የአገልግሎት ጊዜ ቅነሳ ከአመታዊ አዲት በፊት እንደገና የሚታዩበት ሁኔታ አለ						

ክፍል 3: ነፃ መልስ መስጫ

1. ተቋሙ በቋሚ ንብረቶች ላይ በሚያደርገው የወሰጥ ቁጥጥር ትግበራ ላይ ያለው ደካማ እና ጠንካራ ኅኖችን የታዘቡት ምንድን ነው?

2. ዩኒቨርሲቲው እስከምን ደረጃ ነው በቋሚ በንብረቶች ላይ የሚታየውን አስጊ ነገሮች የሚቀበለው/የሚታገሰው?

3. በቋሚ ንብረቶች ላይ በተቋሙ ወሰጥ አሁን ያለው የወሰጥ ቁጥጥር ስርአት እንዴት ያዩታል?

4. በተቋሙ ወሰጥ አደጋ የተጋረጠባቸው/ለብልሽት የተጋለጡ ቋሚ ንብረቶች አሉ ብለው ያምናሉ? ካሉ በዝርዝር ይግለጹ።

5. የወጫዊ አደጋ የሚያሰጋቸው የተቋሙ ቋሚ ንብረቶች ይኖራሉ? ካሉ በዝርዝር ይጥቀሱ።

ሰለትብብሮዎ አመሰግናለሁ!!