Assessment of Government Internal Control Systems on Financial Reporting Quality in Ghana: A Case Study of Ghana Revenue Authority

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Abstract

Internal control systems can provide reasonable but not absolute assurance to an entity's management and board of directors that the organization's objectives will be ascertained. Internal control actions on quality financial report state positive goals more especially when all the parties involved adhere to their duties; thus making the quality of financial reporting comparable, understandable, relevant, and reliable. An organizations framework of financial control plays a key role in the management of risk that is important to the satisfaction of its operational objectives. In this regard, this study investigated the impact of government internal control systems on financial reporting quality in Ghana using Ghana Revenue Authority as the case study. Specifically, the study sought to examine the nature and quality of financial reporting in the GRA and to analyze the impact of government internal control systems on financial reporting quality. Both quota and simple random sampling techniques were used to select fifty (50) persons as the sample size of the study. Questionnaires were used to obtain data from the employees of Ghana Revenue Authority in Ghana. The correlation matrix was used to establish a positive relationship between government internal control systems and financial reporting quality. The study find out that contrary to apriori expectation sign monitoring as an element of internal control system has a negative impact on the financial quality reporting but was however statistically significant. The study also revealed that with a unit increase in the collection performance quality of financial reporting of GRA will improve. The study recommended that the government should ensure that the internal control system is periodically monitored and evaluated.

Keywords: Government internal control systems; Financial reporting quality; Ghana revenue authority

Introduction

Internal control systems can provide reasonable but not absolute assurance to an institution's management and board of directors that the entity's objectives will be ascertain. Internal controls suggest to the measures established by an organization in order to ensure that the aims, objectives and missions of the organization is ascertain [1]. They are frameworks of policies and techniques that ensure the assets of an organization, make reliable financial reporting, promote compliance with laws and regulations and ascertain effective and productive operations. However, in general, quality reporting process is influenced by an internal control system. There is a general discernment that institutions and implementation of proper internal control frameworks will dependably prompt to enhanced financial accomplishment. In the views of Gerrit and Mohammad [2], the likelihood of achievement is affected by limitations inherent in all systems of internal control. Internal control actions on quality financial report state positive goals more especially when all the parties involve adhere to their duties; thus making the quality of financial reporting comparable, understandable, relevant, and reliable. Emasu [3] accentuates that organizations establish systems of internal control to help them improve their performance, achieve organizational goals, prevent loss of resources, enable production of reliable reports and ensure compliance with laws and regulations.

However, according to Barton [4], information is often delayed, inaccurate and relayed from person to person rather than via reports, making it hard for the public sector to achieve financial reporting quality. Moreover, transparency of public company's operations, performance and strategic orientation for future, as well as the characteristics of their governance structures are becoming increasingly imperative topics to researchers. It is argued that organization without an internal control system in place is generally perceived to be open to risks that are capable of collapsing the institution in no time [5]. Uwaoma and Ordu [5] further identify these risks to be: the risk of incorrect financial statement and/loss of the company's assets; stealing and miss-management of organizational vital documents which may be done by an employee to take undue advantage. Issues of incorrect and unreliable financial records are most common among public sectors over the world especially in developing countries among which Ghana is of no exception. It's emanated from this background that, there is the essence and urgency to investigate the influence of government internal control systems and financial reporting quality in Ghana focusing on Ghana Revenue Authority as a case study.

Objective of the study

The main objective of the study was to examine the impact of government internal control systems on financial reporting quality in Ghana, particularly the case of Ghana Revenue Authority (GRA). In order to attain the main objective of the study, the following specific objectives were formulated:

- To examine the nature and quality of financial reporting in the GRA of Ghana.
- To analyze the impact of government internal control systems on financial reporting quality.

Conceptual framework

Figure 1 below gives a conceptual structure relating internal controls to financial reporting quality. The free factors are internal controls and the system portray two components of internal controls, in particular risk appraisal, control activities, control environment, information and communication, monitoring and collection performance all conceptualized to affect financial reporting quality. The dependent variable in this study is the financial reporting quality which was measured regarding consistence with International financial reporting guidelines and dependability for its motivation. The structure additionally demonstrates that there are directing factors, for example, organization approaches and frameworks, association's productivity through experience, abilities, information and moral conduct of staff. For instance, regardless of the normal connection between internal controls and Financial Reporting Quality, hierarchical wastefulness can have an inverse impact.

Figure 1: Relationship between government internal control systems and financial reporting quality.
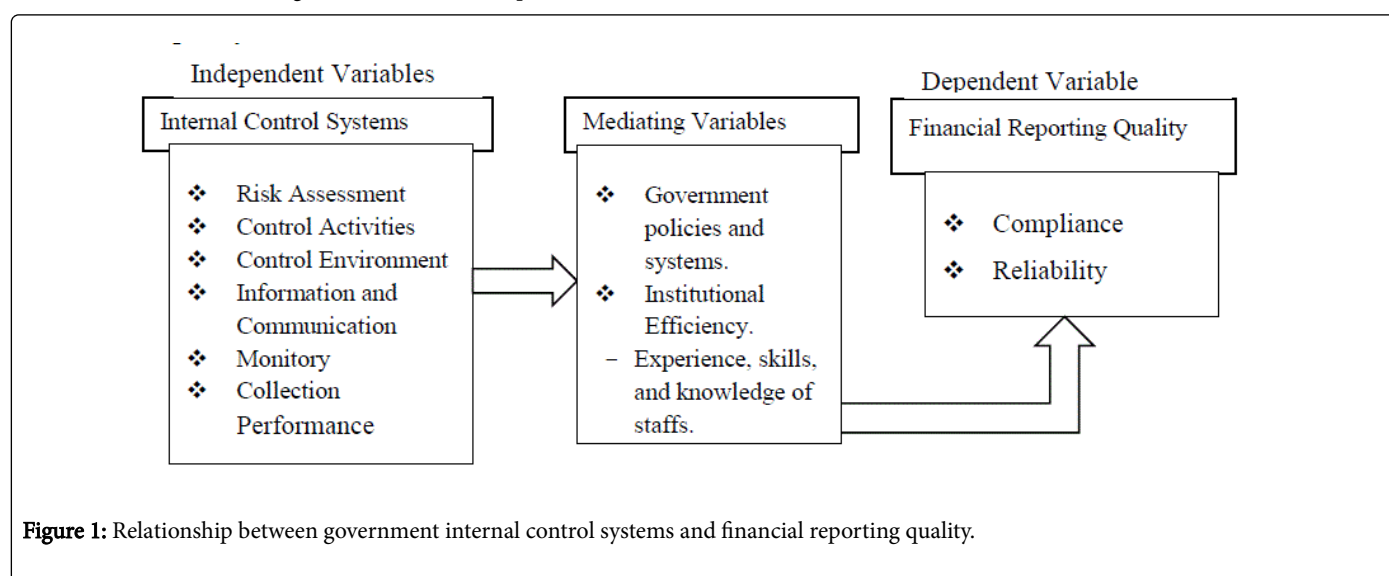
Review of Related Literature

Agency theory

Agency Theory portrays firms as important structures to look after contracts, and through firms, it is conceivable to practice control which limits shrewd conduct of agents. Jensen and Meckling [6] hold that, with the aim to harmonize the interests of the agent and the 13 principal, an understanding contract is composed to address the enthusiasm of both the specialist and the main. They further explain that the relationship is further strengthened by the principal employing an expert to monitor the agent. This position is also supported by Coase [7] who maintains that the contract provides for conflict resolution between the agent and principal, the principal determines the work and agent undertakes the work. He further suggests that the principal endures evading which deprives him or her from profiting from work by the agent. Nevertheless, the hypothesis perceives the inadequate information about the relationship, interests or work execution of the agent depicted as adverse selection and moral hazard. Coase [7] clarifies that moral hazard and adverse selection affects the output of the agent in two ways; not doing exactly what the agent is appointed to do, and not possessing the requisite knowledge about what should be done. This therefore, affects the overall performance of the relationship as well as the benefits of the principal in form of cash residual.

Internal control

Hay [8] clarified internal control as "an entire system of control, financial and otherwise established by management with a specific end goal to carry on the business of the enterprise in a deliberate and successful way to guarantee adherence to administrative strategies and orders, safeguard the assets and ensure as far as possible the completeness and accuracy of the records, the prevention and identification of errors the fraud, and the convenient planning of financial information".

Types of internal control

The guideline of internal control put forward eight (8) types of internal control systems namely; organizational control, segregation of duties, physical control, personal control, supervision control, arithmetical and accounting control, authorization and approval and management control should be obtainable in an organization. The Statement of Accounting Standards (SAS) additionally clarifies that internal control might be grouped as either accounting or management controls. Accounting control is concerned about the plan of the institution and all the coordinated techniques and strategies which are actualized with a perspective of shielding resources and upgrading the dependability of financial records. Management control involves the plan of the institution and all co-ordinates techniques and methods that are concerned about operatically efficiency an adherence to administrative policies and directives. Ofori [9] portrayed that internal controls are classified mainly into control environment and control procedures or activities, Statement of Auditing Standards (SAS, 30).

However, Ibrahim [10] have classified internal control into five components which is the main focus of this study. They are explained below:

Control environment

The control environment is the general control consciousness of an organization influenced by management through strategies, systems, ethical standards, and monitoring processes. This mirrors the top managerial staff and management firm choice to internal control. The control environment incorporates management theory found in its vision and mission for the organization. The components of the control environment likewise incorporate the authoritative structures which determine duty in the execution of financial and non-financial duties, management working style, state of mind, moral esteems, the integrity, ability and fitness of faculty.

Control activities

There are the strategies and techniques that help ensure that management orders are conveyed effectively and in an auspicious manner [9]. These include control activities, for example, performance reviews, data preparing, physical controls, and isolation of obligations, these activities are actualized by management to ensure achievement of hierarchical goals and the alleviations of risk. According to DiNapoli [11] the control activities are the directions, standards, strategies and choices established over different activities by management to anticipate or diminish risks that influence the organization in accomplishing its goals.

Risk assessment

This is the procedure or techniques the organization goes through to distinguish and analyze the pertinent risks which may influence the organization's capacity to accomplish its significant targets. Risk appraisal includes utilizing proficient judgment deliberately in distinguishing and assessing factors which can influence the organization adversely and result in conceivable misfortunes both financially and non-financially. According to Ofori [9], this segment of internal control features the significance of management precisely recognizing and assessing factors that can block it from accomplishing its main goal. Risk appraisal is an efficient procedure for coordinating proficient judgment about plausible unfriendly environments and occasions and surveying the probability of conceivable misfortunes (financial and non-financial) resulting from their event.

Information and communication

Information and communication is the bedrock of every successful business. Organizations with lack of information and effective communication will easily collapse in this 21st century. Effective communication within an organization enables workers to prescribe and recommend internal control direction on down to earth execution which is used as a part of the everyday operations of a business. Oberg and Walgenbach [12] points out that if firm workers felt that their behavior had received incomplete or not clear information that the organization sends from the organization particular internal control policies announcement, they perhaps feel most dissatisfied. This implies that when vital information is hidden or withheld from workers of an organization, it could lead to dissatisfaction among the workers thereby reducing trust and productivity within the organization. Ofori [9] contends that for the control system to be effective and efficient, there ought to be significant and dependable information which ought to be recorded and imparted to management and other staff within the organization. To complete the internal control and operational obligations and duties, the information ought to be auspicious and ought to go to the individuals who require it and in the correct frame. All work force do comprehend their roles in the control framework, how their roles identify with others and their responsibility through the information and communication frameworks.

Monitoring

Monitoring is the appraisal of internal control execution over time; it is proficient by progressing monitoring activities and by isolated assessments of assistant control, for example, self-evaluations, peer reviews, and internal audits. The reason for monitoring is to decide if internal control is adequately designed, appropriately executed, and successful. Internal control is sufficiently planned and legitimately executed if each of the five internal control segments (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring) are available and working as composed [13]. Periodic evaluations of internal control are made and personnel, in carrying out their regular duties, obtain evidence as to whether the system of internal control continues to function. Management should implements internal control recommendations made by internal and independent auditors, corrects known deficiencies on a timely basis, and responds appropriately to reports and recommendations regulators. There must also an internal audit function that management uses to assist in their monitoring activities.

The importance of internal controls

An organization's plan of internal control has a key role in the management of risks that are significant to the satisfaction of its business destinations. A sound plan of internal control adds to shielding the investors' investment and the organization's advantages. Internal control encourages the adequacy and productivity of operations, guarantees the dependability of internal and external reporting and helps consistence with laws and directions [14]. Effective financial controls, including the upkeep of legitimate accounting records, are an imperative component of internal control.

Financial reporting quality

As indicated by Cohen et al. [15]; Chalmers and Godfrey [16], a financial report is a methods for depicting financial accountability. Barton [4], and Horngren [17], According to Mattocks [18], the financial reports ought to incorporate an account depiction of the organization's activities and inspected financial articulations. He contends that these empower the partners to see the organization's execution and the general financial circumstance of the organization.

Internal controls and financial reporting quality

Effective internal control over financial reporting ought to give sensible affirmation with respect to the unwavering quality of financial reporting and plan of financial explanations for external purposes. This activity gives sensible confirmation, both to management and investors, about the financial status of the organization. Sovereign governments additionally distribute their financial statements and these have far suggestions. The financial statements of sovereign governments affect their universal quality and are very significant in the present setting of global business. Poor internal control is viewed as

the essential motivation behind why extortion happens. Internal control and financial reporting have gotten expanded consideration particularly since the Tread way commission (1987) distinguished the tone set by senior management as the most critical factor adding to the honesty of financial reporting procedure [19].

Recent empirical reviews

Khanna and Kaveri [20] scrutinized the execution of risk-based internal audit in Indian Banks. To achieve the goals of the investigation, a structured questionnaire was sent to 43 banks in India, both in the public and private sectors to assist in data collection. 25 banks with 6 banks in the public and private sector respectively answered the questionnaire. The study portrayed that the banks have made satisfactory development in introducing risk-based internal audit. This refers to their understanding of approach for valuation of risk, audit procedures and execution of audit report. Rae and Subramaniam [21] carried out a study on the quality of internal control procedures. The main objective of the study was on the antecedents and the moderating effect on organizational justice and employee fraud. The study gathers data from 64 Australian institutions. The study employed both logistic and multiple regression analysis to examine the moderating effect on organizational justice and employee fraud. The result revealed that the quality of internal control procedures has a moderating effect on the relationship between perceptions of organizational justice and employee fraud. They recommended that the risk management strategies relating to employee fraud need a critical attention.

In another investigation completed by Palfi and Muresan [22] on the significance of an efficient system of internal control with respect to the bank sector. The sample depended on 25 credit organizations of Romania. The study of the review points out that the steady cooperation, in light of periodical gatherings, between all structures of the bank, portrays a viable internal audit department. Shanmugam et al. [23] also researched on the impact of internal control on the performance of small and medium enterprise. The study was carried out in Malaysia. A questionnaire was used to gather data from respondents. The study established that there is a significant relationship between the implementation of internal control and performance of SMEs.

Munene [24] scrutinized the relationship between internal control frameworks and financial performance in Technical Training Institutions in Kenya. The investigation. The study aimed at the causes of tenacious poor financial performance from the point of view of internal controls. The study was directed utilizing both quantitative and qualitative methodologies utilizing survey, correlation and case study as research designs. The research revealed that there is a significant relationship between the internal control framework and financial performance. The study suggests that the institution should build and oversees manage information management system to empower all parties inside the organization to unreservedly get to and use the official information.

Most recently, Ibrahim [10] investigated on the internal control and public sector revenue generation in Nigeria. The study was conducted using both qualitative and quantitative methods. They gathered data from 38 respondents using structured questionnaire. The study disclosed that the five components control environment, risk assessment, control activities, information and communication and monitoring must be available for internal controls to work as they are positively significant. He posits that there is a significant effect between

internal controls and revenue collection in Federal Inland Revenue Service in Nigeria. The study suggests internal controls need to be adequately monitored in order to assess the quality and effectiveness of the system's performance over time.

Study Methodology

Research design

This study was primarily based on quantitative approach to assess the relationship of internal control and the quality of government financial reporting in Ghana focusing on GRA. For the purpose of this study, a descriptive research is used. Descriptive research can be used to identify and classify the elements or characteristics of the study.

Population and sample size of the study

The population of the study comprised all the internal auditors, accounts officers, management, finance officers, economists, and lawyers of the Ghanaian GRA. The target population of this study was estimated at six hundred and fifty-eight (658). Due to the nature of the study and a large number of the population, the researcher used both quota and simple random sampling techniques to select fifty-eight (58) persons as the sample size of the study.

Data source and method of data collection

Primary data are collected specifically for the purpose of the study. A comprehensive questionnaire designed to cover the objectives of the study was used to collect the data. The questionnaire is structured into three sections. The first section A sought to obtain demographics data about the respondents. Section B of the questionnaire focuses on the government internal control systems. The final section examines the financial reporting quality in GRA. Questionnaire was used to obtain data from the employees of GRA in Ghana.

Methods of data analysis

Data were collected and processed from various sources using the chosen data collection instruments. The questionnaires, which were answered by the respondents were tabulated and data analyzed by using descriptive, inferential and quantitative analytical techniques with estimations from the Gnu Regression, Econometrics and Time-series Library (gretl) software. Statistical tools such as frequency distribution tables were employed in analyzing the questionnaire. This study employed the ordinary least squares multiple regression econometric model in estimating the study. The multiple regression model is specified as follows:

$$FRQ = \alpha + \beta_1 RA + \beta_2 CA + \beta_3 CE + \beta_4 IC + \beta_5 M + \beta_6 CP + \varepsilon$$

For $\beta_i > 0$.

Where FRQ indicates Financial Reporting Quality; RA represents risk assessment as an element of government internal control systems, CA denotes the control activities of government internal control systems, CE also represents the control environment activities of government internal control system, IC is the information and communication element of government internal control systems, M is the monitory element of the government internal control system and CP represents the Collection performance of government internal control system. β_i represents the coefficients of the independent variables, and the α is constant term.

Empirical Results and Discussion

Socio-economic demographic characteristics of respondents

The socio-economic demographic characteristics of the respondents are summarized in Table 1.

		N	%
Gender	Female	18	36
	Male	32	64
	Total	50	100
Age group	Below 20 years	-	-
	20-35 years	34	68
	36-65 years	16	32
	Total	50	100
Level of Education	High School Graduate	-	-
	Undergraduate	2	4
	Post Graduate	39	78
	PhD	9	18
	Total	50	100
Marital Status	Single	39	78
	Married	11	22
	Divorced	-	-
	Widow	-	-
	Total	50	100
Occupation	Dep. Minister	-	-
	Directors	9	18
	Supervisors	3	6
	Workers	38	76
	Total	50	100
Source: Researcher's Field Data, 2017.			

Table 1: The socio-economic demographic characteristics of the respondents.

Gender respondents

Table 1 gives the statistical evidence of the gender distribution for the study. Apparently, 32 (64%) of the respondents were males, while 18 (36%) were females. The finding indicates that variably majority of the study respondents are males. It has also been disclosed that 68% majority of the respondents are aged between 20–35 years and only 32% are aged between 36-65 years. The study also explored the educational background of respondents and in Table 1 above it has been portrayed that majority of 39 (78%) as Post graduates. Doctorial graduates followed closely with 9 (18%). Respondents with first degree holders secured 2 (4%). The study discovered that 39(78%) of the respondents indicated that they were singles, whilst 11 (22%) said they have married. This clearly shows that majority of the respondents were single. Finally, on the demographics of respondents, 18% (9) constituted respondents of who indicated that they are Directors, another set of respondents 6% (3) also expressed that they are supervisors. Out of the 50 respondents interviewed; 76% (38) were workers as well. None of the respondents were Deputy Minister at the time this study was conducted.

Multiple regression results and analysis

The results presented in Table 2 exhibit the relationship between the elements of internal control and the quality of financial reporting.

	Coefficient	Std. Error	t-ratio	p-value
Const	1.98154	0.600882	3.298	0.0020***
RA	0.264843	0.138927	1.906	0.0633*
CA	0.16089	0.257989	0.6236	0.5362
CE	−0.189662	0.155919	−1.216	0.2305
IC	1.35918	0.166531	8.162	<0.0001***
M	−0.638915	0.273766	−2.334	0.0243**
CP	1.49416	0.206504	7.235	<0.0001***
Mean dependent var	22.36	S.D. dependent var		7.471743
Sum squared resid	30.38096	S.E. of regression		0.840556
R-squared	0.988894	Adjusted R-squared		0.987344
$F_{(6, 43)}$	638.1244	P-value(F)		2.47E-40
Log-likelihood	−58.49175	Akaike criterion		130.9835
Schwarz criterion	144.3677	Hannan-Quinn		136.0803
Note: Dependent Variable: FRQ ***, ** and * denote 1%, 5% and 10% significant level respectively. Model 1: OLS, using observations 1-50. Dependent variable: FRQ.				

Table 2: Multiple regression results.

From the results of the multiple linear regression displayed in Table 2, the coefficient of determination R^2 (0.989) indicates that 98.9% of the variations in the dependent variable (financial reporting quality) is explained jointly by the independent variables (risk assessment; control activities; control environment; and information and communication; monitor and collection performance of internal control system). The study found that the risk assessment as an element of internal control system has a significant and positive influence of the quality of financial reporting. This result was found a significant at 10% level of significant. With its coefficient of 0.245, a 10% improvement in risk assessment of accounting information will result in 0.25% enhancement in the quality of financial reporting. This implies that risk assessment of internal control system is significant determinant of financial reporting quality in Ghana Revenue Authority. Also, the study portrayed that control activities of internal control system related positively to the quality of financial reporting but is not statistically significant. The study further observed that control environment has a negative influence on quality of financial reporting and is also not statistically significant.

The study further revealed that with a unit increase in the flow of information and effective communication will cause the quality of financial reporting to improve by 1.36%, holding all the other factors constant. This result indicates that there is sufficient evident to suggest that the coefficient of information and effective communication is significant in predicting the quality of financial reporting in the Ghana Revenue Authority. The study again find out that contrary to apriori expectation sign monitoring as an element of internal control system has a negative impact on the financial quality reporting but was however statistically significant at 5%. However, from the correlation matrix in Table 3 below, portrayed that there is a strong positive relationship between control environment and monitoring. This suggest that the negative impact on the financial quality reporting in GRA was a result of weak control environment as an element of internal control. Finally, the study asserted that with a unit increase in the collection performance will cause the quality of financial reporting to improve by 1.49%, holding all the other factors constant. This result indicates that there is sufficient evident to suggest that the coefficient of collection performance is significant in predicting the quality of financial reporting in the GRA.

Analysis of variance (ANOVA)

This analysis was done to determine the fitness of the regression model using the F-Statistic, and the results for the analysis of variance are presented in Table 3.

	Sum of squares	Degree of freedom	Mean square
Regression	2705.14	6	450.857
Residual	30.381	43	0.706534

Total	2735.52	49	55.8269
R^2=2705.14 / 2735.52=0.988894			
F(6, 43)=450.857 / 0.706534=638.124 [p-value 2.47e-040].			

Table 3: Results for the analysis of variance.

Hypothesis of testing the model fitness

H_0: The model does not fit well the dataset.

H_1: The model fit well the dataset.

Considering the p-value (0.000) of the F-statistic (638.124), the multiple regression was found to be significant at 5%. This implies that there is enough evidence to reject the null hypothesis that model is not well fit for the dataset; hence suggesting that the model best fit the dataset used in this study.

Empirical relationship between GRA's internal control system and financial reporting quality

This section addresses the relationship between the relationship of government internal control systems and financial reporting quality in Ghana focusing on the GRA as a case study. The results obtained in Table 3 indicate that there is a strong relationship (r=0.986; P<0.01) between internal control systems and financial reporting quality. The relationship is also significantly positive indicating that implementation of government internal controls significantly ensure the quality of financial reports on the operations of the GRA. This result confirms the studies conducted by Bbosa [25] and Widyaningsih [26] which suggest that there exists a strong positive and significant relationship between internal control systems and financial reporting quality. Effectiveness of internal control systems is a mechanism for building high quality financial reporting.

Variables	Internal control systems	Financial reporting quality
Internal Control Systems	1	
Financial Reporting Quality	0.986**	1
Note: **. Correlation is significant at the 0.01 level (2-tailed).		
Source: Field Survey, 2017.		

Table 4: Relationship between GRA's internal control system and financial reporting quality.

The study further inquired the impacts of the various elements of internal control systems on the financial reporting quality. Table 4 presents the impact of the elements of internal control systems such as risk assessment, control activities, and information and communication on financial reporting quality in Ghana.

Correlations							
	FRQ	RA	CA	CE	IC	M	CP
Financial Reporting Quality	1						
Risk Assessment	0.964**	1					
Control Activities	0.981**	.969**	1				
Control Environment	0.942**	.910**	.962**	1			
Information and Communication	0.976**	.941**	.971**	.952**	1		
Monitor	0.970**	.960**	.979**	.962**	.974**	1	
Collection Performance	0.966**	.942**	.960**	.925**	.916**	.949**	1
**. Correlation is significant at the 0.01 level (2-tailed).							
Source: Field Survey, 2018							

Table 5: Relationship between elements of internal control systems and financial reporting quality.

The testing of the relationship between risk assessment, control activities, control environment, information and communication, monitor and collection performance and financial reporting quality of GRA was done through the estimation of Pearson correlation coefficients between risk assessment and financial reporting quality of the GRA. As evidence from the testing of the relationship from the Table 5 above it would be affirm that all the variables have the correlation coefficient above ($r=0.910$) and are all significant ($Sig=0.000$: $p< 0.01$) which implies that there is a strong positive relationship between the variables (risk assessment, control activities, control environment, information and communication, monitor and collection performance of internal control system and financial reporting quality of GRA). The test portrays that the relationship between the variables is positive indicating that any 1% significant change positive or negative of risk assessment, control activities, control environment, information and communication, monitor and collection performance of the internal control system there will be corresponding 1% significant change in the financial reporting quality of the GRA.

According to Dittenhofer [27], financial statement is an important component to create financial accountability which is a measure of financial performance of an organization. Kateeba [28] also states that, financial accountability relates positively to the quality of financial statements. A comprehensive presentation of financial statements facilitates the creation of transparency and accountability. This will increase the transparency and public accountability. In the short sum, the study found that all the elements of internal control systems are positively correlated with financial reporting quality at the 1% level of significance. Also, all the elements variables are positively correlated to one another at the 1% level of significance.

Conclusion and Policy Recommendations

The study assessed government internal control systems on the financial reporting quality in Ghana particularly Ghana Revenue Authority a significant public enterprise for the Ghanaian economy. Based on the data obtained, and the findings stipulated, the researchers concluded that internal control plays a vital role and further has positive impact on financial reporting quality more especially when all of the parties involved adhere to the objectives of the public financial management in Ghana. Most foreign internal control mechanisms have proven positive to the financial reporting quality thus given a clearer picture of countries' economies and making inform decision, and minimizing corruption. The study concludes that adherent to the objective of internal control policies should be the goal to yield financial reporting quality for productivity and reliability. Based on the findings of the study, the researcher suggests the following policy recommendations to the GRA in order to ensure effective government internal control systems on its financial reporting. The GRA should develop a mechanism to incorporate relevant feedback from the various stakeholders into their internal control system. The study further recommends that the government should ensure that the internal control system is periodically monitored and evaluated. The actual assessment can be executed by the organization's management. GRA should develop and organize constant seminars and workshops to train and educate auditors and accountants on matters pertaining proper implementation of accounting policies and procedures to enhance their skills and expertise in their practice as professionals which will strengthen the control environment. GRA should transparently report on the structure and performance of their governance, risk management, and internal control system in their various reports to internal and external stakeholders, such as through their periodic accountability reports or on the organization's website.

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