

An Evaluation of Internal Control Systems: Evidence from Ghana's Cocoa Industry

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ABSTRACT

The collapse of the internal control system of an organisation consequently leads to its failure. This study is endeavoured to examine the internal control system of Ghana Cocoa Board. The study particularly investigated the internal control effectiveness of the five subsidiaries of Ghana Cocoa Board under three of COSO's five components of an internal control system i.e., control environment, risk assessment, and monitoring activities. The data for the study was accumulated from questionnaires administered to managers (including audit managers) of all the subsidiaries, divisions and units of COCOBOD. A five point Likert scale was facilitated to acquire the responses of the respondents and SPSS was utilised to analyse the data. The study renders vivid research results. Most notably that all three control components assessed manifested strong control effectiveness, however weak controls were exposed with regards to management's commitment to competence, risk identification and management, and management's tracking of whether deficiencies are remediated on a timely manner. Therefore, it has been recommended that the Ghana Cocoa Board should periodically evaluate its system of internal controls to safeguard that all components of the system are functioning properly.

KEYWORDS: Internal control system, Control environment, Risk assessment, Monitoring, Effectiveness.

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