

## EFFECT OF INTERNAL AUDIT PRACTICES ON FINANCIAL MANAGEMENT

**Desmond Ziniyel**

University of Development Studies, Wa Campus, GHANA  
[desmondyz@yahoo.com](mailto:desmondyz@yahoo.com)

**Isaac Christopher Otoo**

College of Distance Education, University of Cape Coast, Cape Coast, GHANA  
[isaac.otoo@ucc.edu.gh](mailto:isaac.otoo@ucc.edu.gh)

&

**Tahir Ahmed Andzie**

College of Distance Education, University of Cape Coast, Cape Coast, GHANA  
[tahir.andzie@ucc.edu.gh](mailto:tahir.andzie@ucc.edu.gh)

### ABSTRACT

Internal audit practice is a basis for effective public institution financial management and it is important for assuming effective and efficient application of appropriate controls. The research aimed at assessing the effectiveness of internal audit practice on financial management. A descriptive cross-sectional research design was used to analyze the research problem. Questionnaire and interview guide were used to gather primary data from audit staff, account staff and heads of institution across different campuses in one of the universities in Ghana. Data were analyzed with descriptive statistics binary logistics regression framework. The study reveals that the financial performance of internal auditors regarding the mandated guidance in the university is very great as indicated by 58.8% of the respondents. Internal auditors in the university have relevant qualification and experience to influence financial performance. In addition, the independence of internal audit function and management assistance were identified as significant determinants of financial performance in the university. Challenges including inadequate staff, accommodation, and lack of office space are currently facing internal audit in the university. Finally, management implementation of internal audit recommendation has been found not to be effective. The study concluded that there are effective internal audit practices necessary for influencing financial performance. The challenges associated with internal audit practices limits the extent to which financial performance could be improved. It is recommended that management of the university should focus on recruitment of internal auditors for the various faculties than upgrading the existing ones.

**Keywords:** Auditing, independence, financial performance.