

## **EFFECT OF INTERNAL CONTROL SYSTEMS ON BUSINESS OPERATIONAL EFFICIENCY OF COMMERCIAL BANKS IN GHANA**

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### **ABSTRACT**

The study investigates the impact of internal control systems on the operational efficiency in the banking sector of Ghana. The study adopted the quantitative approach using the survey design to obtain data. The study used primary data which were obtained from the field with structure research questionnaire. Both descriptive analytical techniques and inferential technique of regression were used to analyze data with the aid of SPSS version 24. A number of descriptive statistical tests and in a combination of Exploration Factor Analysis (EFA) and Confirmation Factor Analysis (CFA) were used. The statistical tools used include mean, standard deviation, frequency and Ordinary Least squares (OLS) regression. The study found that all the internal control system indicators such as environment control, risk assessment, control activities, information communication technology and monitoring activities exert significant influence on business operational efficiency in the banking sector. Generally, the study discovered that an efficient internal control systems impact positively on the operational efficiency in the banking sector, thus reducing malfeasance and misuse of stockholders funds.

**Keywords:** Internal control, Operational efficiency, Commercial Banks, Ghana.