

## A Study of Internal Controls System of the Ghana Prisons Service

<sup>1</sup>Francis Omane-Addo | <sup>2</sup>David Ackah (PhD)

<sup>1</sup>Ghana Prison Service | <sup>2</sup>Center for Excellent Training & Consultancy

Email: [fomaneaddo@yahoo.com](mailto:fomaneaddo@yahoo.com) | [drackah@jpmmp.edu.gh](mailto:drackah@jpmmp.edu.gh)

### Abstract

Organizations put in place internal control measures with the view to ensuring that there is reliable financial reporting and management and strict compliance to all laid down governance structures so that they can achieve set targets (Ejoh & Ejom, 2014). It is also imperative to note that achieving excellent organizational performance is a daunting task (Nwachukwu & Emoh, 2011). Anderson (2014) indicated that many organizations have planned with clear objectives, yet failed miserably to perform. According to Amponsah and Darmoe (2014), a lot of organizations have performed abysmally to the disappointment of their stakeholders. Given these developments, Bruce (2014) argues that organizations have become extremely busy putting in place measures that will ensure that they maximize their performance. It is the case that public organizations are governmental in nature funded with taxpayers' money and in this era of the devastating COVID-19 pandemic, national economic resources have even become scarcer to meet some pressing national needs. Hence the need for more prudent measures to be put in place to ensure that there is value for money. Notwithstanding considerable effort being made by government to promote prudent public financial management, it does appear that a chunk of funds of the state appropriated for development purposes goes down the drain due to acts of fraud and fraudulent activities by some public officials which stem from poor internal control systems. It is argued that internal controls system is significant in promoting good corporate governance in both public and private sectors. For example, Njui (2012) concluded in a study that internal controls system is the key driver of corporate governance practices in the public sector of Kenya. Similarly, Raletta and Alimehmeti (2016) evaluated internal controls impact on organizational performance using 1593 companies which involved a population of 15,606 executives for a period spanning 2002-2010. The study revealed that internal controls system was highly related to executive remuneration. Their study further established that weaker internal control systems result in higher executive remuneration. Furthermore, Gupta, Sami, and Zhou (2016) indicated that the quality of financial reporting of public companies is significantly enhanced by internal controls. Within the Ghanaian context, it is imperative to note that there are a number of studies both conceptually and empirically on internal controls in the public and private sectors of the economy (See Adom-Frimpong, 2019; Jianghuo, 2019; Koranteng, 2011; Affum, 2011; Ofori, 2011). Be that as it may, none of these studies focused on the public sector with clear emphasis on the Ghana Prisons Service. This has therefore created a gap in the extant literature. Against this backdrop of the gap in literature, this study will attempt to examine the internal controls system in Ghana Prisons Service.

*Keywords: Internal Controls System, Ghana Prisons Service*

### 1.0 INTRODUCTION

Corporate scandals in the early 2000s in particular have raised the significance of internal controls to prominence in corporate governance practices. Scandals such as Enron and many others have plunged several corporate entities and the investor communities into the crisis of debt overhang (Meintjes, 2013). It is therefore important to note that internal controls constitute a critical element of the system of governance in organizations. Internal controls are critical in managing risk of an organization. It is also critical in assuring the attainment of organizational objectives. This implies that it establishes, gives further meaning, but more importantly, it protects the value of stakeholders. Internal controls constitute an organizational plan, including all the integrated methods and strategies used by an organization to protect its assets, enhance accuracy and reliability of financial data produced and facilitate the achievement of organizational objectives (Moeller, 2014). Furthermore, internal controls deal with the methods, processes, and mechanisms that are instituted by an organization to drive the achievement of business objectives and proper running of organizations. It helps management in ensuring the discharge of its duties, roles, and functions (Shanmugam, Haat, & Ali, 2012). According to Ofori (2011), internal

controls are measures that are designed by management of organizations to help them realize set objectives and to ensure full protection of assets, prevent or detect errors of fundamental material effect, and above all, ensure that reliable financial data is prepared on timely and accurate basis. Furthermore, internal controls deal with all measures that are put in place by an organization directed towards the realization of organizational objectives. The increased prominence been given to internal controls results from the huge losses occasioned by high profile companies (Briian, 2011). Internal controls are seen as very critical tools and procedures of governance that are used by organizations to drive accurate and reliable financial information management all in the quest to ensure that organizational objectives will be achieved. Consequently, internal control measures should not just be designed as a solitary activity, instead, control measures should be designed as part of a comprehensive internal systemic actions and procedures that should flow on consistent basis (Moeller, 2014).

The controls framework comprises "control environment, risk assessment, control procedures, information and communication, and monitoring" (Graham, 2015, p. 2). It is imperative to note that these components are critical and must therefore work effectively as a precondition for the proper functioning of internal controls system in its quest to providing reasonable assurance for the achievement of set organizational objectives. It is equally important to note that the extant literature is replete with both theoretical and empirical studies about internal controls. For example, Muraleetharan (2011), Nyakumdi, Nyamita, & Tinege (2014) have all researched into internal controls and organizational efficiency nexus. Similarly, Dineshkumar and Kogulakumar (2013) examined the effects of internal controls on performance in the telecommunication sector in Srilanka. It is also the case that Koranteng (2011), Affum (2011), Ofori (2011), Addum-Frimpong (2019) have all studied into internal controls and performance related issues within the Ghanaian context. It therefore goes without saying that most organizations in both public and private sectors in the Ghanaian economy have instituted internal control systems to help them to achieve set organizational objectives. Following from this development, the study will attempt to examine the relationship between internal controls and organizational performance using the case of Ghana Prisons Service.

## 2.0 LITERATURE REVIEW

### 2.1 Introduction

This chapter will review relevant literature. It includes theoretical, and conceptual and empirical review. Internal controls system is critical to the attainment of set organizational objectives in any organization. It is critical because it streamlines and also ensures that scarce resources are properly managed in the most efficient manner possible to maximize organizational performance. This implies that internal controls have even become more essential in the public sector because organizations in the public sector are funded by the taxpayers' money. So, the need for ensuring value for money has even become more critical in the public sector. The review will be organized on the following basis:

### 2.2 Definition of Key Terms

Internal controls deal with varied issues in the governance framework of an organization. It is therefore important to define the key terms that guide and shape the discussions of the study. To this end, the following key terms have been defined:

#### 2.2.1 Internal Controls

Internal controls are a critical component of the governance framework of any organization which empowers it with the capacity to manage risk and thus support the attainment of set goals by establishing, maximizing, and safeguarding the value of stakeholders. It comprises the general framework of the organization and all the methods, processes, and procedures employed to protect organizational assets, ensure that accounting data is accurate and reliable, enhance the efficiency of operations, and also ensure that all laid down policies and procedures are duly followed (Moeller, 2014, COSO, 2013).

### 2.2.2 Control Environment

This is concerned with establishing the organizational tone by management of an organization, including the culture and leadership philosophy, risk profile, control consciousness of the staff, and the competence and skillset of employees of the organization (CIIA, 2020).

### 2.2.3 Monitoring

Monitoring is responsible for performance evaluation of internal control procedures with the view to identifying means of deviations and efficiencies and putting in place further measures to address the deviations (Banaroch et al., 2012).

### 2.2.4 Control Activities

Control activities include all activities that are put in place as part of internal controls by an organization to remove the element(s) of risk and thus reasonably assure achievement of organizational objectives (Katushabe, 2016). Control activities also include the policies, procedures, and processes used to identify and address risk within an organization (Jianguo, 2019).

## 2.3 Theoretical Review

Theoretical framework or review seeks to amplify research path and further situate the research in proper theoretical context. According to Maroy and Pons (2019), theoretical review or framework provides lifeline support to any research work that is been conducted. It thus follows that ultimately, theoretical review gives meaning to the findings of a study so that it becomes acceptable, and lend itself to the principle of generalization. Given this imperative, the study will be situated in two main theories, i.e., agency and institutional theories.

### 2.3.1 Agency Theory

Agency theory (Berle & Means, 1932; Alchain & Demsetz, 1972; Jensen & Meckling, 1976; Eisenhardt, 1989) examines the contractual relationship between principals and agents, in which the principals, acting as owners of businesses hire the service of agents, who act as directors and managers, and then charge them with the primary responsibility of managing their businesses according to the interest of the principals. The critical problem as argued by Smith (1776) and further corroborated by Berle and Means (1932), which arises in the agency relationship is the agency dilemma. This agency dilemma, it is further argued, makes the agent want to serve his/her interest against maximizing the value of shareholders. The point here is that the agent gets into the business with the true unadulterated intent of maximizing shareholders wealth. However, exposure to the realities of the business environment tends to distract and thus diverts the attention of the agent, who by virtue of self-interest, opportunism, and active rational economic actor status, begins to abuse the relationship by pursuing their self-interest against the pursuit of the interest of the shareholder. It is further argued that due to separation of ownership (shareholders) of business from control (directors and managers) of business, the agent is equipped with information asymmetry (total inside-out knowledge of the business) and also has total control of the resources of the business. As a result, they determine the strategic direction by way of strategy and policy in line with their mandate and pattern of strategic framework.

Jensen and Meckling (1976) supported by Alchain and Demsetz (1972) therefore argued that this is most likely to lead to abuse of the trust between them and shareholders (owners of business). The information asymmetry completely places the principal in a position of uncertainty relative to the actions, inactions, commissions, and omissions of the agent in line with managing the affairs of the business. To the extent that the principal cannot be sure of the action and behaviour of the agent in relation to how the business will be effectively managed, the principally, it is argued will be required to incur additional agency cost with the view to realigning the interest of the agent with the interest of the principal. These added measures/cost include audit fees by the use of external auditors, use of independent non-executive directors, highly rewarding executive compensation, good performance bonuses, executive based stock option, etc. In sum, the agency theory gives rise to the need for the establishment of proper and well-functioning internal controls to guide and constrain executive action and to ensure optimal use of scarce organizational resources to achieve stated objectives.

### 2.3.2 Institutional Theory

According to Forgy et al. (1997), public organizations function properly by meeting social expectations that are placed on them by society, since their main mandate is to serve the public by providing the public good. Consequently, it is imperative to note that organizations utmost priority should be to gain external legitimacy and then look at the more complex and sophisticated internal operations. It is thus argued that organizations do well when their internal processes and procedures are properly organized and up to speed in terms of the task (Forgarty et al. 1997). This stresses the point that organizational structures that are designed to meet outsiders' expectations usually don't add up to the productive numbers. In stretching this argument further, Forgy (1996) observes that when internal structures are properly organized and working effectively, it gives no room for any further need for scrutiny by external parties.

So, the critical need here is for organizations to see the most compelling need to institute functional internal mechanisms, regardless of the cost implications of doing so as to ensure that set organizational targets are achieved. For example, management of organizations, particularly in public sector organizations should be able to equip their internal audit departments to give proper meaning to controls so that they are strengthened and enhanced to assure the realization of set objectives. It is for this reason that the choice of the institutional theory for this study is justified as it brings clarity to bear on the reasons for which internal controls are established in organizations.

## 2.4 Conceptual and Empirical Review

The conceptual and empirical review of the study will be organized on the following basis:

### 2.4.1 Review of the Control Environment

The Chartered Institute of Internal Auditors (CIIA, 2020) defines controls as measures that are put in place by an organization's management and the board intended to check against risk and thus assure the attainment of set objectives. Therefore, the control environment, according to the CIIA (2020) deals with the establishment of the organizational tone, including the culture and leadership philosophy, risk profile, control consciousness of the staff, and the competence and skillset of employees the organization. As argued by Appiah (2012), the control environment comprises the level of reception and attention given to the imperative of controls by an organization. It implies that the control environment provides the foundation upon which properly functioning internal controls system is built to facilitate the achievement of organizational goals. This will mean that a sound control environment is critical for the proper functioning of internal controls in any organizations.

For this reason, Mihaelia and Lulian (2012) concluded that well-functioning internal controls enhance the overall performance of organizations. According to Katnic (2011), management and the board should be decisive in their attitude, conduct, and approach towards internal controls so as to send strong signals to every employee that they mean serious business with internal control mechanism. Leadership in the boardroom thus matters in terms of ensuring that internal controls work effectively. In order to give meaning to this, it is argued that all employees of the organization should be given proper orientation about issues of ethical behaviour, dos and don'ts, conflict of interest, the dangers of engaging in fraud and fraudulent activities, and reporting abuse of power and authority etc. In support of this, Koranteng (2011) indicates that the board and management of organizations should lead by example by demonstrating strong ethical leadership in the boardroom and making sure that it permeates every facet and department of the organization. He argues further that they should have in place a properly functioning code of conduct that should be backed by proper orientation and education for employees to understand what is contained in the code of conduct and its net benefit when adhered to.

He further observes that when management exemplifies good conduct in relation to financial management, it strengthens internal controls within the organization by sending strong signals to all and sundry that wrong behaviour will not be condoned. To do this effectively, Katnic (2011) contends that the executive leadership of organizations should set the tone in no uncertain terms which will frown therefore and constrain excessive use of "control overrides". Appiah (2012) therefore supports this by observing that when management of organizations exemplifies strong ethical conduct towards financial management, it establishes strong organization foundation, reinvigorate consciousness towards controls,

and above all, maximize the efficacy of internal controls relative to organizational performance. It is also argued that well established and properly communicated mission statements provide crucial support to internal controls within an organization. It is the contention of the study that mission gives purpose and identity to an organization and its workforce. Consequently, there should be deliberate effort by management of every organization to educate its employees about the fundamental importance of the mission and the role that their jobs play in attaining the mission of the organization. Similarly, Di Napoli (2010) argues that management should endeavour to create identity and sense of ownership of the mission by employees. It is his contention that when employees truly identify with the mission, they work assiduously towards its realization. In an empirical study, Sotunde (2013) found that vision and mission statements were critical to organizational performance. Katnic (2011) contends that it goes without saying that when internal controls are rooted deep in the mission of the organization and properly communicated to employees, it makes it easy for effective implementation, since the control consciousness permeates every facet of the organization.

Another critical area of the control environment worthy of examining is the flow of authority. In this regard, it is important to note management has the responsibility to organize and delineate the charter of authority and accountability along the command hierarchy to ensure total alignment between activities and organizational objectives. This implies that increased span of control calls for vigorous supervision to ensure that employees are doing the right things. According to Appenteng (2012), enhanced supervision constraints action and align activities and tasks with set objectives. In line with this, HKSA (2013) argues that sound internal controls thrive in an environment, where remedial actions can be stepped up as quickly as possible to attend to deviations from laid down control processes and procedures. To this end, findings of a study by Akimbusale and Jinabhai (2013) indicate that performance appraisal enhance the performance levels of employees within the organization. This implies that effective supervision, provision of feedback, and employee motivation play a significant role in improving employee performance and also ensuring that they work in line with sound laid down controls within an organization.

The CIIA (2020, p. 2) categorized control process within the control environment into preventive, detective, directive, and corrective. According to CIIA (Ibid, p. 2), preventive control processes include duty separation, accessibility of controls, and levels of authorization amongst officers. Also, the IAA observes that detective controls comprise reports of exception, reconciliations, reports pertaining to errors, and control totals. It has also noted that directive controls consist of manuals of accounting, procedures of documentation, effective supervision, and training and development. Lastly, the IAA has classified corrective procedures into errors of material value, handling of incidents and complaints, and isolation of virus.

#### 2.4.2 Review of Monitoring

Benaroch et al. (2012) observe that monitoring is responsible for performance evaluation of internal control procedures with the view to identifying means of deviations and inefficiencies and putting in place further measures to address the deviations thereof. In support of this, Katushabe (2016) argues that monitoring should bring about tremendous improvement in the levels of efficiency and efficacy of the control system within an organization. Dowdell et al. (2013) add that effective monitoring should check how controls are been applied by personnel and also see to it that real issues are been addressed properly. For their part, Chtioui and Thiery-Dubuisson (2011) emphasized the role of the board in ensuring that monitoring enhances sound and proper controls in the organization. In their disagreement, Ma and Ma (2011) argue that the board can only play a critical role in monitoring, if it's well versed in the use of technology. In highlighting the essence of monitoring in the control process, Saleem and Abideen (2011) discovered that monitoring was statistically significantly correlated with organizational performance. Katushabe (2016) argues further that monitoring should be continuous in order to yield the desire results. Jianguo et al. (2019) identified with this by observing that monitoring, like other control components requires consistency, persistency, and repetitiveness to achieve needed results. According to Bukonya and Kinatta (2012), the efficacy of the procedures put in place to trace ongoing monitoring determine the scope and frequency of monitoring required to achieve set organizational objectives in the control process. Emprically, Gavrea, Ilie, and Stegorean (2011) found out that the relationship between continuous monitoring and performance of employees of manufacturing firms in Romania is significant. Similarly,

Mwema and Gachunga (2014) established similar results in the Kenyan context. As argued by Katushabe (2016), supervision is a critical ingredient in the menu of monitoring as it reinforces the purpose of assigned tasks from the superior to the employee. Ssebakumba (2013) reinforced this argument as his study found similar results.

#### 2.4.3 Review of Control Activities

Katushabe (2016) observes that control activities include all activities that are put in place as part of internal controls by an organization to remove the element(s) of risk and thus reasonably assure achievement of organizational objectives. Jianguo et al. (2019) complement this by adding that control activities include all the measures that are established to identify and address risk within an organization. According to Hayes et al. (2014), control activities comprise a set of policies and processes set in motion by an organization to mitigate against the effect of risk and put an organization on a path towards sustained growth and development. Apostolou et al. (2013) therefore argue that control activities ensure that organizational transactions are properly authorized and all records pertaining to finances are properly recorded in line with control procedures.

Lawson et al. (2017) emphasize segregation of duties among personnel as part of control activities. In corroborating this, Bukeyan and Kinatta (2012) argue that when fundamental duties and responsibilities are separated amongst personnel of an organization, the risk of error or fraud is reduced to the barest minimum. Tunji (2013) therefore indicates that separation of duty and responsibility enables an organization to control the incidence of abuse of power and authority and also streamline organizational activities. For their part, Daniela and Attila (2013) indicated that control activities should include proper documentation, data recording, vital information accessibility, protection of assets, and physical controls. In support of this, Tunji (2013) argues for maintenance of strict physical asset controls so that only authorized people can have access to those assets. Similarly, Bukenya and Kinatta (2012) observe that weak assets should be safeguarded through the establishment and maintenance of physical controls such as lock and badge system, encryption of data with very strong and uncompromising password and possible adoption of biometric system. In their empirical contribution to this, Chezey and Agbo (2013) found that strong internal controls and effective supervision stemmed the tide of fraudulent activities in an organization.

Accounting and internal audit are the other dimension of critical control activities in an organization. To this end, Tunji (2013) argues that sound controls system relies on the accounting system of an organization as it ensures that all transactions and operational activities are properly documented and processed in the right books for purposes of records and evidential value. For his part, Katnic (2011) emphasized the role of internal audits in identifying fraud and other transactions and activities of dubious character and validity in an organization.

#### 2.5 Conclusion on Literature Review

The literature review covered both theoretical, and conceptual and empirical review. The theoretical review covered two main theories, i.e., the agency theory and institutional theory. The conceptual and empirical review covered three areas of the control's framework, including the control environment, monitoring, and control activities. Both conceptual and empirical review point to the direction that properly instituted and well-functioning internal controls system is critical in driving organizational efficiency. The literature will thus form the basis of discussing the findings of the study.

### 3.0 METHODOLOGY

#### 3.1 Introduction

This chapter describes the methods and procedures to be used to collect and analyze data for the study. They include research design, research approach, sample size and sampling technique, data collection, data analysis, ethical consideration and profile of study area.

#### 3.2 Research Design

According to Saunders, Lewis, and Thornhill (2019), research design refers to the laid down framework employed by the researcher to be able to answer research questions by clearly defining them,

specifying the objectives, delineating sources of data collection, how to analyze data collected, and discussing the ethical considerations and any other constraints that are likely to be encountered in the course of a study. Case study is thus adopted as a research design for this study. Yin (2018) defines a case study as an in-depth investigation into a phenomenon situated in its natural environment. As applied to the study, the design is so chosen because the study will be an empirical inquiry into how controls are related to organizational performance within the Ghana Prisons Service at the Headquarters. This will imply that respondents will be selected from the Headquarters of the Ghana Prisons Service to respond to the variables under study through the research instrument within the natural setting.

### 3.3 Research Approach

Mixed method approach will be adopted for this study. According to Saunders, Lewis and Thornhill (2019), the adoption of mixed method approach allows the integration of quantitative and qualitative data collection methods and procedures of analysis in a study. This approach is adopted in view of the fact that it will make room for the researcher to use both quantitative and qualitative data to enhance the quality of analysis and discussion. It is imperative to note that the essence of quantitative data in this regard is to enable the researcher to draw statistical inferences in determining the kinds and effectiveness of controls in place at the Ghana Prisons Service. Similarly, qualitative data will augment quantitative data by providing in-depth perspectives of the variables under study. This will also ensure that the lived experiences of respondents as well as the reliability of the empirical results are corroborated for deeper understanding of the issues under study. For example, the experiences of members of Top management of the Prison Service who are the main implementers of internal controls can be adequately captured through qualitative methods of data collection such as in-depth interviews.

### 3.4 Sample Size and Sampling Technique

The population for the study is the entire personnel of the Ghana Prisons Service. However, the target population is the personnel at the Prisons Headquarters based at Cantonments, Accra – Ghana. Given this, the total sample size to be drawn will be 30 comprising 2 members of the Top-Management, 2 members of the Prison Service Council and 26 Middle Level Management personnel of the Ghana Prisons Service. This selection of the sample size is based on the functional activities of the personnel at the Headquarters of the Ghana Prisons Service. Consequently, it is important to employ the appropriate sample selection technique to avoid the risk of selecting participants who may not be related to the issues under study and consequently, the collection of poor-quality data which may result in poor unacceptance of the research findings (Etikan, 2016).

In view of the above concerns, this study will employ the purposive sampling technique in selection of personnel to respond to the variables under investigation. Purposive or judgmental sampling is the technique in which the researcher makes deliberate choice of a participant because of the attributes that participant possesses (Etikan, 2016). This also means that, the researcher after determining what needs to be known based on the research questions goes ahead to find people who are in a position to provide the kind of information to answer the research questions by virtue of knowledge and experience (Bernard, 2002; Patton, 2002). To Creswell & Plano, (2011), purposive sampling involves deliberate selection of available individuals who are willing to participate and also have the ability to coherently communicate their experiences and opinions on the variables under study. Since participants will be selected from specific functional areas, this technique will ensure that only people with the needed knowledge and experience will be selected to participate.

### 3.5 Data Collection

The study will collect data using survey questionnaires and in-depth interview guides in conformity with the research approach for the study. In this regard, survey questionnaires will be self-administered to selected respondents, who are in the Middle Level Management category, while in-depth interview will be administered to selected respondents in the Top Management category. It is important to note that survey questionnaires adoption will be expedient in relation to cost and easy coverage. Similarly, in-depth interview will add depth and quality of perspective to the issues under study.

### 3.6 Data Analysis

The study data will be analyzed by employing descriptive statistics and presented using tables and charts to look at how controls system is being operationalized in the Ghana Prisons Service. Also, written texts from in-depth interview responses will be transcribed verbatim and analyzed manually using content analysis. Also, data will be processed using version 25 of the IBM SPSS statistics.

### 3.7 Ethical Consideration

To set the study on the foundation of research ethics, the researcher will first and foremost obtain a letter of introduction from Accra Business School, which will amongst other things seek to introduce the researcher to the Ghana Prisons Service as a post-graduate student, who is undertaking a study into the internal controls using the Ghana Prisons Service as a case and also assuring that it is purely for academic purpose. It will further assure the organization and respondents of confidentiality and anonymity related to any information that will be volunteered to help advance the objectives of the study. The researcher will also assure and respect the fundamental rights of the personnel to freely participate in the study without recourse to the use of force to compel them to participate.

### 3.8 Profile of Area of Study

Ghana Prisons Service is an integral part of the criminal justice system and falls under the Ministry of the Interior

Establishment: Article 205 (1) (2) of the 1992 Constitution of the Republic of Ghana provides for the establishment of the Ghana Prison Service and that it shall be equipped and maintained to perform its traditional role effectively. Under article 83 (1)(f), the Ghana Prison Service is a member of the National Security Council while article 190(1)(a) makes it a Public Service.

Legal Instrument: The statutes that currently govern the Prison Service are:

- 1992 Constitution of the Republic of Ghana.
- Prisons Service Decree 1972, NRCD 46.
- Prisons Standing Orders, 1960.
- Prisons Regulations L.I. 412/58.
- Prisons Service (General Administration) Regulations, 2016(CI92).
- Prisons Service (Staff Discipline) Regulations, 2016(CI93).

Vision: Building a world Class Service to attain sustainable public safety through excellence in corrections management.

Mission: The Ghana Prisons Service is committed to undertaking the safe custody, humane treatment, reformation, rehabilitation and reintegration of inmates to make them responsible, productive and law-abiding citizens to ensure public safety.

Core Values: To facilitate the achievement of its mission and vision, the Service is committed to attaining the following cherished values: Personal and professional development of staff at all levels. Strive to treat all people: offenders, staff and the general public with dignity, respect and understanding. At all times demonstrate professionalism and pride in the work we do through total commitment to our responsibilities, vigilance, fortitude, Integrity and accountability. Encourage positive interaction with the public and strive to promote public safety and understanding. Acknowledge that deviants, including inmates, can change when given the opportunity and enabling environment.

Functions: The functions of the Service are spelt out in the Prisons Service Act, NRCD 46 of 1992, as follows: Safe custody of prisoners, Welfare of prisoners, and Reformation and rehabilitation of prisoners (where practicable)

### 3.9 The Historical Background of the Ghana Prisons Service

The Ghana prisons system started in an irregular manner from the early 1800s in the Gold Coast when the administration of the forts on the coast were in the hands of a committee of merchants under the chairman of Captain George Maclean, who exercised criminal jurisdiction not only in the Forts but also outside them. By 1841, a form of prison had been established in the Cape Coast where debtors, possibly, were incarcerated. By 1850, there were prisons in four Forts, holding a total of 129 prisoners who were kept in chains. From 1875, when the Gold Coast was formally created as a colony, British criminal

jurisdiction was gradually extended to the entire southern part of present-day Ghana and in 1876, the Gold Coast Prison Ordinance, modeled on the English Prisons Act of 1865, was introduced.

The Caretaker functions of the early prisons which consisted of mere rules for safe-keeping of prisoners were established in the 1880 Prisons Ordinance (Ghana Prisons Service, Ten-Year Strategic Development Plan: 2015-2025; p 2). The unsatisfactory state of the prisons in the years that followed led to the placing of the Prisons Department under the Police Administration. In 1920, however, as a result of increased number of prisons establishments and staff, the Police and Prisons Departments were separated and the Prisons Department placed under an Inspector-General of Prisons. By 1948, there were twenty-nine establishments all over the country. On 1<sup>st</sup> January, 1964, the Prisons Department became autonomous and ceased to be part of Civil Service and renamed Ghana Prisons Service (Ghana Prisons Service, Ten-Year Strategic Development Plan: 2015-2025; p 2).

### 3.9.1 The Current Overview of the Ghana Prisons Service

The Ghana Prisons Service operates as a security organization and criminal justice agency. Its functions are to ensure the safe custody and welfare of prisoners and to undertake their reformation and rehabilitation, where practicable (Prisons Service Act 1972(NRCD 46). Currently the Service manages 42 prisons, one senior correctional Center (juvenile center), Prisons Officer's Training School and the Headquarters in Accra. The prisoner population for the past three years has been hovering around 14,000 against an authorized capacity of about 7,000. This creates a huge overcrowding with its concomitant problems of poor classification, health hazards and pressure on facilities resulting in an abuse of fundamental human rights of prisoners (Prisons Service Annual Report, 2015).

### 3.9.2 The Organizational Structure and Management of the Ghana Prisons Service

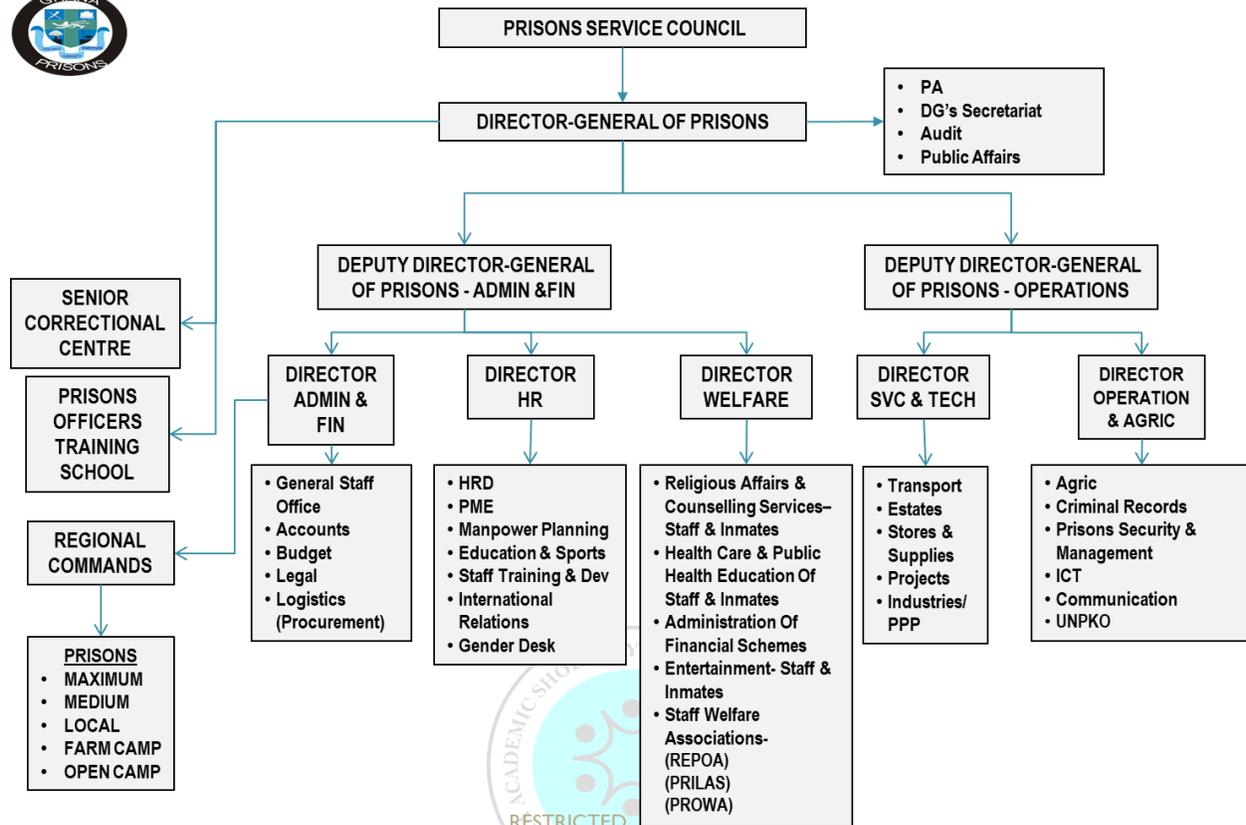
The management of the Ghana prisons Service is headed by the Director-General of Prisons and assisted by two Deputy Director-Generals, one for Operations and one for Administration and Finance. Under the two Deputy Director-Generals are five Directors of Prisons responsible for Administration and Finance, Operations, Welfare, Human Resource and Technical and Services. The structure is such that, two Deputy Director-Generals and the five Directors of Prisons seems to be reporting directly to the Director-General of Prisons (Prisons Service Bulletin, 2014). Down the line on the structure are Ten Regional Command structures that are virtually non-functional. These are headed by Deputy Directors of Prisons who double as officers-in charge of the Regional Stations.

The Regional Commanders report directly to the Director-General of Prisons. Under the Regional Commanders are District Commanders. Given the Regional Commanders double as station commanders and the fact that the Service operates an over centralized administration, their authority is reduced virtually to their stations of command. In this case, District Commanders under the Regional Commanders report to Headquarters directly. What this means in effect is that, the Director-General of Prisons virtually has control, supervisory and monitoring responsibilities over all the Deputy Director-Generals of prisons, Directors of Prisons, Regional and station Commanders in view of the centralized nature of the administration.

The highest policy making body of the Service is the Prisons service Council of which the Director-General of Prisons is a member. At the Headquarters level, the policy and decision-making body is the Director-General of Prisons, the two Deputy Director-Generals of Prisons, and the five Directors of Prisons. This body forms the Management Board which carry out the day-to-day management functions of the Service whilst the Regional and Station Commanders carry out the daily routine operational and administrative duties at the Regional and Station levels (Prisons Service Bulletin, 2014).



## GHANA PRISONS SERVICE ORGANISATIONAL CHART



### Prison Establishments

The Service has forty-six/46 establishments countrywide. They are:

- Prisons Headquarters
- Prisons' Officers Training School (POTS)
- Senior Correctional Centre (SCC) formerly Ghana Borstal Institution
- Seven/7 Central Prisons
- Fifteen/15 Local Prisons
- Seven/7 Female Prisons
- Three/3 Open Camp Prisons
- Nine/9 Agricultural Settlement Camp Prisons
- One/1 Medium Security Prison
- One/1 Maximum Security Prison.

### 4.0 CONCLUSION

This study looked into internal controls and organizational performance nexus. It was therefore covered three main scope areas, i.e. conceptual scope, scope of time, and scope relative to population. Conceptually, the study will cover internal controls in three areas, namely "the control environment, control activities, and monitoring" (COSO, 2013). For the control environment, the study will look at policy framework, management and leadership philosophy and organizational culture (tone of management), the organizational mission and its corollary objectives, and the scope of supervision. Control activities will cover tangible control measures, relevant staffing issues, physical assets protection, and the extent of stakeholder management. For monitoring, the study will examine the evaluation framework, audit procedures, specific issues regarding inspection, and the supervisory issues, follow-ups, feedback

procedures, and grievance and conflict resolution mechanisms. In terms of the scope of time, the study will cover the period three month within which time it is supposed to be completed and submitted. Population wise, the study will cover only the Headquarters of the Ghana Prisons Service.

#### 4.1 Limitation of the Study

Since this is a case study of the Ghana Prisons Service, data collection will be limited to only the Ghana Prisons Service. This will imply that the issue of validity and reliability will be impaired to the extent that the outcome of the study cannot be generalized to cover other areas of public sector organizations. It is also important to note that the Ghana Prisons Service is a security service institution (See Article 205, Sections 1 & 2 of the 1992 Constitution; Article 83, Section 1 (a) of the 1992 Constitution; Prisons Service Act, 1972, NRCDC 46). By virtue of this, certain information can be put into the category of "Classified Information". It is therefore anticipated that sensitive financial data and other relevant data that could help to enrich the quality of analysis of the study may be termed as "Classified" and therefore cannot be accessed.

#### 4.2 Conclusion

Public sector entities are funded by the state through the taxpayers' money. Governance within these entities is therefore critical in order to ensure value for money. One of the governance measures put in place to enhance performance management in these entities is the establishment of internal controls system. This study will therefore be significant in several respects, including the fact that its outcomes and recommendations may be used to shape and guide the process of decision making by Management of the Ghana Prisons Service in terms of streamlining and strengthening internal operations and governance frameworks. Secondly, the outcomes and recommendations of the study may provide useful lessons for public sector organizations in particular and all other organizations in relation to setting up controls and managing them effectively, to achieve organizational performance objectives.

Furthermore, the study is highly significant because it can provide further information and input to assist organizations in the public sector that are determined to re-structure their internal controls in the right directions so as to enhance the performance objectives. More so, the outcomes and recommendations of this study may help Ministries, Departments, and Agencies (MDAs) to establish robust internal control measures that can be enforced to ensure that organizational performance objectives are realized and reduce to a large extent incidence of errors and fraud on public financial management processes. Lastly, the findings of this study will add to the available literature and become reference point for further research.

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