

Internal Audit and the Effectiveness and Efficiency of Operations in Hospitals

Authors : Naziru Suleiman

Abstract : The ever increasing cases of financial frauds and corporate accounting scandals in recent years have raised more concern on the operation of internal control mechanisms and performance of the internal audit departments in organizations. In most cases the seeming presence of both the internal control system and internal audit in organizations do not prove useful as frauds errors and irregularities are being perpetuated. The aim of this study, therefore, is to assess the role of internal audit in achieving the objectives of internal control system of federal hospitals in Kano State from the perception of the respondents. The study used survey research design and generated data from primary source by means of questionnaire. A total number of 100 copies of questionnaire were administered out of which 68 were duly completed and returned. Cronbach's alpha was used to test the internal validity of the various items in the constructs. Descriptive statistics, chi-square test, Mann Whitney U test and Kruskal Wallis ANOVA were employed for the analysis of data. The study finds that from the perception of the respondents, internal audit departments in Federal Hospitals in Kano State are effective and that they contribute positively to the overall attainment of the objectives of internal control system of these hospitals. There is no significant difference found on the views of the respondents from the three hospitals. Hence, the study concludes that strong and functional internal audit department is a basic requirement for effectiveness of operations of the internal control system. In the light of the findings, it is recommended that internal audit should continue to ensure that the objectives of internal control system of these hospitals are achieved through proper and adequate evaluation and review of the system.

Keywords : internal audit, internal control, federal hospitals, financial frauds

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