Article can be accessed online at http://www.publishingindia.com

A Comparative Study of Internal Control System Practices in Some Selected Government Business Enterprises in Rwanda

Benjamin Byiringiro*, Bhatta H. S. Mahabaleswara**

Abstract *More than ever, the concept of Internal Control System has become a crucial concern for todays' entities, requiring their respective board of directors and/or executive managers to hold-on the candle-light of high integrity, zero tolerance to frauds and embezzlement of public funds, compliance with different sort of internal and external environment's rules and regulations, as a prerequisite to competitive edges.*

With this regard, the present study examines whether there is or not a significant difference between respondents' perceptions on internal control practices in some selected government business enterprises in Rwanda.

Primary and secondary data have been used for this study, where the first ones have been collected through observation, non-structured interview and questionnaires with 0.814 Cronbach's Alpha reliably test.

Descriptive statistics in terms of frequencies and percentages were used to assess the level of respondents' perceptions, and T-test was used to find out if there was any significant difference between variables.

The study found that there is no significant difference existing with respect to control environment, risk assessment, control activities, information and communication; but when it came to monitoring activities, a significant difference has been evident.

All in all, the overall administered t-test concluded that there is a significant difference between respondents' perceptions on internal control practices with regard to Rwanda government business enterprises.

Basing on findings, some areas needing improvement like staff professional trainings, system of information gathering on frauds and embezzlements trends have been recommended to companies under study.

Keywords *Internal Control System, Government Business Enterprises*

INTRODUCTION

The ten corporate accounting scandals of all time that have marked the last decades from Waste Management of 1998 to Satyam of 2009 have been seen by different economists as key ingredients of the recent global financial crisis.

In reaction primarily to the Enron Scandal (Kristin, 2016) of 2001 that made shareholders losing $74 billion, thousands of employees and investors their retirement accounts, and many employees their jobs (Conlen, 2015); the United States Congress passed the 2002 Sarbanes-Oxley (SOX) Act (Jan, Michael, & David, 2016) redesigning and revolutionising the concept of internal controls (Noah, 2015) that had previously been developed by the Committee of Sponsoring Organization (COSO) as a corporate guidance to achievement of objectives in the areas of reliability of financial reporting, compliance with applicable laws and regulations, effectiveness, and efficiency of operations (Ibrahim, 2008).

In 2013, the observed remarkable increasing hindrances to the internal controls' effectiveness, to quote a few, the effects of management override, conflicts of interest, lack of segregation of duties, poor or nonexistent transparency, soloed risk management, ineffective board oversight, and unbalanced compensation structures that enabled or drove dysfunctional and/or irresponsible behaviour (Brian, Christopher, & Jim, 2013), etc brought COSO to release an updated internal control framework with respect to control environment , risk assessment, control activities, information, communication, and monitoring activities.

The present article is all about a comparative study on internal control system practices in two selected Rwandan

* Jain University (PhD Scholar), Faculty of Management and Commerce, Department of Finance, India. Email: bymvben@yahoo.fr

** Principal (Research Guide), Global Institute of Management Sciences, India. Email: maabi_bhat@yahoo.co.in

Government Business Enterprises (GBEs), (Office National de Transports en Commun “ONATRACOM”) (Security Guarantee Fund “SGF”).

STATEMENT OF THE PROBLEM

Since last some decades, companies have been facing serious financial problems originating from lesser compliance with organisational internal controls.

The fact that internal controls do affect each and every business and organisation, from the smallest to the largest (Lynford, 2008) made companies and governments become aware of irreversibility to establish strong internal controls through which the performances will be anchored, measured and monitored, frauds and embezzlements of organisational funds minimised.

All in all, it did not avoid famous companies like Enron, WorldCom (Paul, 2003; Noah, 2015), Satyam (Madan, 2013) and many more to file their trade names in champions of frauds and inappropriate financial reporting scandals’ book of history that, Enron collapse case itself has become a “dream for academics who conduct research and teach, but a nightmare that will continue for a long time (William, 2002)” to its other former stakeholders.

In Kenya, where the largest economy amongst the county members of East Africa Community in terms of Gross Domestic Product (Samson & Josephine, 2014) is anchored, a big company “Mumias Sugar” has violated internal controls with regard to financial reports by declaring false profits, from which Deloitte Auditing and Consultancy firm is put on the spot over role in Mumias Sugar accounting scandal (David, 2016).

In Rwanda, after the Government privatised some of its businesses to ease its control burden and avoid inherent losses, internal control systems’ effectiveness remains a crucial issue still, even though the Office of Auditor General of State Finances has been set to carry out auditing activities wherever governmental finances are channelled and accordingly issue recommendations from which internal control practices and compliance is not exempted.

The twenty nine fraudulent and ONATRACOM cash deficit cases are some of many that have been reported by the Office of Auditor General of State Finances (Office of the Auditor General of State Finances, 2013), and similar cases have been appearing in previous Auditor reports, and still continue today.

The 2015 report has come up with increasing cases of fraudulent activities in public entities where fraudsters abused the internal control systems to divert public resources for personal gain. With this concern, 30.51% are funds withdrawn using forged documents/signatures, 0.16% used for personal gain and not accounted for, and 69.34% diverted and not reaching intended beneficiaries.

The same report emphasized that a follow up on fraud cases reported in the previous annual report identified that a total of Frw1,063,290,210 out of the Frw1,092,490,786 in fraudulent cases reported had not yet been recovered (Office of the Auditor General of State Finances, 2015), representing 97% of total fraudulent amount that should have been recovered by the time this report was released.

LITERATURE REVIEW

Ben Kwame Agyei-Mensah has conducted a research on internal control information disclosure and corporate governance and found that the low level of internal control information disclosure could be used by stakeholders to determine the level of corporate governance practices in the sampled companies (Ben, 2016)

Zuraidah Mohd Sanusi, Razana Juhaida Johari, Jamaliah Said, and Takiah Iskandar studied the effects of internal control system, financial management, and accountability of NPOs with an perspective of mosques in Malaysia, and found that the internal control system plays an important role in ensuring the effectiveness of financial management practices (Zuraidah, Razana, Jamaliah, & Iskandar, 2015)

Angella Amudo and Eno L. Inanga conducted a study on evaluation of internal control systems in Uganda and found that some control components of effective internal control systems were lacking in the studied projects, rendering the control structures ineffective. In their conclusion, they expressed a generalisation problem as other countries should get included in the study to provide enough data. (Angella & Eno, 2009)

In Kenya, the study conducted by Douglas Ong’ang’a Nyakundi, Micah Odhiambo Nyamita, and Tom Matwetwe Tinega on the effect of internal control systems on financial performance of small and medium scale business enterprises in Kisumu city has revealed that a significant change in financial performance is linked to internal control systems (Douglas, Micah, & Tom, 2014)

In Rwanda, though the country has been reported by Transparency International’s 2014 Corruption Perception Index (CPI) to be among the least corrupt countries in the world (Daniel, 2015), it did not prevent that by the year 2015 courts ordered a payback of embezzled public funds after trailing cases worth Frw15.4 billion (Theophile, 2015); and different reports repeatedly pointed out that Rwanda government business enterprises still continue experience different sort of thefts and embezzlements, where recent examples would include Rwandair facing an illegal network in processing online ticket sales as well as collection of funds (Panapress, 2016) valued at approximately Frw22 millions, though Police sources mentioned to Great Lakes Voice that more than Rwf600 millions disappeared in a thin air (Robert, 2015), and evidently, such happenings send flicks that internal control effectiveness could be still a big challenge in management of public funds.

The current study will compare how internal controls are practiced in two Rwanda GBEs, with respect to each of five internal control components.

OBJECTIVES

The objectives of this study are

1. To explore the extent to which internal control practices are performed in two selected government business enterprises in Rwanda, and
2. To examine whether there is any significant difference in perception of respondents regarding internal control practices in government business enterprises in Rwanda.

HYPOTHESIS

Our study will have to test the following hypothesis:

Ho: There is no significant difference between respondents perception on internal control practices in some selected Rwanda GBEs,

H1: There is a significant difference between respondents' perception on internal control practices in some selected Rwanda GBEs.

METHODOLOGY

Descriptive Research Design

Source of Data

The present study used primary and secondary data, where the primary data have been collected by the researcher through a survey administered to selected GBEs, whereas secondary data have been collected through a documentary technic by consulting different journals and articles, reports, books and websites.

Population and Sampling

The population is composed by a total of 113 staff members serving the two companies in the capital of Rwanda (Kigali), with ONATRACOM counting 92 staff members itself .

The sample has been determined using Yamane formula

$$n = \frac{N}{1 + N(e)^2} \quad (1),$$

with 95% confidence level, where "n" stands for the Sample size, "N" for population size and "e" for the level of precision.

Then, as the population under study was made of 113 staff members, the sample size n has been:

$$n = \frac{113}{1 + 113(0.05)^2}$$

$$n = 88$$

As the proportionality from the 2 companies was necessary, questionnaires were distributed to 72 and 16 employees of ONATRACOM and SGF respectively.

Research Instruments

The researcher has used observation, research questionnaires and unstructured interview during the months of April and May, 2016.

Research questionnaires helped to collect demographic and internal control practices data in government business enterprises under study, whereas observation and unstructured interview have helped to gather additional information that couldn't be collected through questionnaires only.

Validity and Reliability Testing

The researcher obtained questionnaires content validity by sending them to three research experienced Ph.D holders in Business, Statistics, and Social Sciences respectively for a review.

For the reliability test, an overall of 0.814 Cronbach's alpha has been obtained with the Software Package in Social Sciences (SPSS) calculation (see Table 1), whereas for the ten internal control questionnaires' variables administered to the respective companies, the minimum Cronbach's Alpha has been 0.774 and 0.815 for the maximum (refer to table 2).

Table 1: Overall Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
0.814	10

Source: Field survey

Table 2: Reliability Test for Each Sub-Variable

Item-Total Statistics

Questionnaires' variables	Cronbach's Alpha if Item Deleted
Organisational recruitment system	0.800
Personnel accountability	0.797
Involvement in Organisational objectives' setting	0.790
Zero tolerance to any unethical behaviour	0.784
Clear segregation of duties	0.800
Audit department staffing	0.814
Consideration of employees critics	0.774
Existence of Informal system to gather information on frauds and corruption attempts	0.815
Spot-checks for financial information	0.801
Internal communication for external auditors' recommendations	0.800
Source: Field survey	

DATA PRESENTATION AND INTERPRETATION

Demographic Information

Table 3: Demographic Information

		Frequency	Valid Percent	Cumulative Percent
Valid	Below 25	1	1.1	1.1
	25-35	29	33	34.1
	36-45	23	26.1	60.2
	46-55	32	36.4	96.6
	Above 55	3	3.4	100
	Total	88	100	
Work experience in the company		Frequency	Valid Percent	Cumulative Percent
Valid	Below 1 year	11	12.5	12.5
	1-3 Years	3	3.4	15.9
	3-5 Years	12	13.6	29.5
	5 Years and Above	62	70.5	100
	Total	88	100	

		Frequency	Valid Percent	Cumulative Percent
Education Level		Frequency	Valid Percent	Cumulative Percent
Valid	Completed High School	27	30.7	30.7
	Bachelor in Progress	17	19.3	50
	Bachelor	37	42	92
	Master in Progress	4	4.5	96.6
	Master	3	3.4	100
	Total	88	100	
Professional Qualification		Frequency	Valid Percent	Cumulative Percent
Valid	Yes	16	18.2	18.2
	Non	66	75	93.2
	In Progress	6	6.8	100
	Total	88	100	

Source: Field survey

Demographically, 1.1%, 33%, 26.1%, 36.4%, and 3.4% of our respondents are below 25, 25 to 35, 36 to 45, 46 to 55, and above 55 years old respectively.

Regarding work experience with their employing companies, 12.5%, 3.4%, 13.6%, and 70% have experience of below 1, 1 to 3, 3 to 5, and above 5 years respectively.

For the respondents' education level, the study has found that 30.7%, 19.3%, 42%, 4.5%, and 3.4% are their respective level with those who completed high school, undertaking bachelor, completed bachelor, undertaking master's, and completed masters' studies, with 75% of the total respondents having not access to professional qualification courses (Table 3).

Internal Control Practices

For each of five internal control components, two questions have been used to collect data from the companies under study, and the results are presented in tables, figures and paragraphs to follow.

Control Environment

Table 4: Organisational Recruitment System

The organisation's recruitment system is organised to professionally hire competent personnel		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	10	11.4	11.4
	Tend to Disagree	6	6.8	18.2
	Tend to Agree	30	34.1	52.3
	Agree	42	47.7	100.0
	Total	88	100.0	

Source: Field survey

Table 5: Personnel Accountability

Everyone in the organisation is held responsible for his/her own duties and responsibilities		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	9	10.2	10.2
	Tend to disagree	1	1.1	11.4
	Tend to agree	31	35.2	46.6
	Agree	47	53.4	100.0
	Total	88	100.0	

Source: Field survey

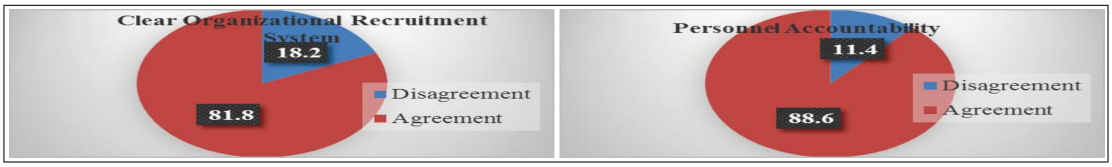

Fig. 1: Control Environment

Source: Field survey

With recruitment system, 81.8% of respondents are those in agreement zone to confirm that the organisation has a recruitment system that is organised in such a way to professionally recruit competent personnel. Only 18.2% are in the disagreement zone.

When it comes to personnel accountability, 88.6% of respondents were in the agreement zone to support the statement that everyone in the organisation is being held responsible for duties he/she performs for the profit of the institution, a perception they do not share with their 11.4% counterparts.

Risk Assessment

Table 6: Personnel Involvement in Organisational Objectives Setting

Everyone in the organisation is somehow involved in setting organisation's objectives		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	4	4.5	4.5
	Tend to disagree	31	35.2	39.8
	Tend to agree	23	26.1	65.9
	Agree	27	30.7	96.6
	Neutral	3	3.4	100.0
	Total	88	100.0	

Source: Field survey

Table 7: Zero Tolerance to any Unethical Behaviour

Any unethical behaviour is punished regardless one's position in the organisation		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	13	14.8	14.8
	Tend to disagree	7	8.0	22.7
	Tend to agree	41	46.6	69.3
	Agree	27	30.7	100.0
	Total	88	100.0	

Source: Field survey

Fig. 2: Risk Assessment

Source: Field survey

With respect to the entire staff involvement to organisational objectives' setting, 56.8% of respondents are in agreement sphere against 39.8% in disagreement. Only 3.4% of respondents preferred to remain neutral.

Regarding ethical considerations, 77.3% of the respondents in the agreement zone witnessed that any unethical behaviour is punished regardless ones' position in the organisation against 22.7% in opposite zone.

Control Activities

Table 8: Clear Segregation of Duties

There exists a good sounding segregation of duties for incompatible activities		Frequency	Valid Percent	Cumulative percent
Valid	Disagree	3	3.4	3.4
	Tend to disagree	13	14.8	18.2
	Tend to agree	22	25.0	43.2
	Agree	47	53.4	96.6
	Neutral	3	3.4	100.0
	Total	88	100.0	

Source: Field survey

Table 9: Audit Department Staffing

The Audit department is sufficiently staffed to well perform its duties		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	6	6.8	6.8
	Tend to disagree	34	38.6	45.5
	Tend to agree	37	42.0	87.5
	Agree	11	12.5	100.0
	Total	88	100.0	

Source: Field survey

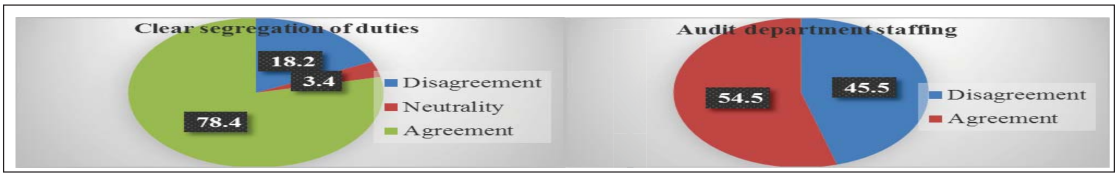

Fig. 3: Control Activities

Source: Field survey

For segregation of duties, 78.4% of the respondents are those who agreed and tended to agree that there exists a good sounding segregation of duties for incompatible activities against 18.2% who disagree and tend to disagree. Only 3.4% expressed their neutrality to the question.

The study required respondents as well to agree or disagree with the statement testing whether the audit departments have enough personnel to meet work requirements, then 54.5% of respondents are those who agreed and tended to agree that the department is staffed enough to perform its duties against 45.5% who were not for the statement.

Information and Communication

Table 10: Consideration of Employees' Critics

Critics and recommendations from employees are well considered		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	34	38.6	38.6
	Tend to disagree	13	14.8	53.4
	Tend to agree	26	29.5	83.0
	Agree	15	17.0	100.0
	Total	88	100.0	

Source: Field survey

Table 11: Existence of Informal System to Gather Information on Frauds and Corruption Attempts

The organisation has an informal system to gather information on frauds and corruption		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	28	31.8	31.8
	Tend to disagree	18	20.5	52.3
	Tend to agree	14	15.9	68.2
	Agree	28	31.8	100.0
	Total	88	100.0	

Source: Field survey

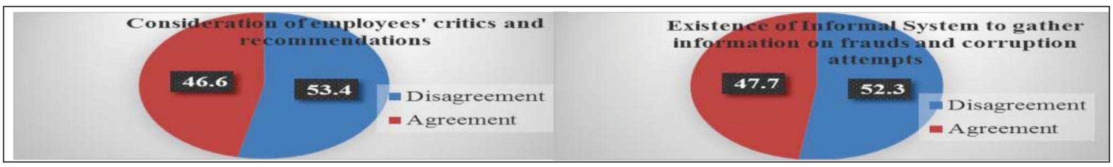

Fig. 4: Information and Communication

Source: Field survey

Regarding employee critics' acceptance and consideration in the organisation, only 46.6% have a positive perception with the statement that employees' point of views are welcomed against 53.4% with opposite perception.

As the internal controls should aim zero tolerance to frauds and embezzlement, the researcher wanted to assess whether there is an organisational informal system to collect information on frauds and embezzlement trends and/or attempts. Results were that only 47.7% of respondents agreed and tended to agree with the statement that the mentioned system exists against 52.3% who disagree and tended to disagree with the statement.

Monitoring Activities

Table 12: Spot-Checks for Financial Information' Reliability

Management carries out regular spot-checks to ensure the financial information is reliable		Frequency	Valid Percent	Cumulative Percent
Valid	Tend to disagree	18	20.5	20.5
	Tend to agree	42	47.7	68.2
	Agree	28	31.8	100.0
	Total	88	100.0	

Source: Field survey

Table 13: Internal Communication for External Auditors' Recommendations

External Auditors' recommendations are communicated to everyone in the organisation		Frequency	Valid Percent	Cumulative Percent
Valid	Disagree	22	25.0	25.0
	Tend to disagree	20	22.7	47.7
	Tend to agree	30	34.1	81.8
	Agree	13	14.8	96.6
	Neutral	3	3.4	100.0
	Total	88	100.0	

Source: Field survey

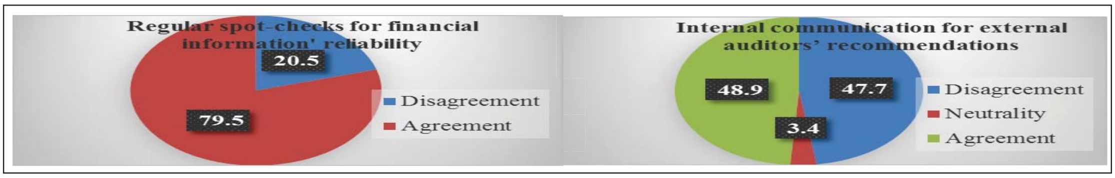

Fig. 5: Monitoring Activities

Source: Field survey

Regarding whether spot-checks are carried out within their organisations, 20.5% of respondents tended to disagree with the statement that the management carries out regular spot-checks to ensure the financial information is reliable, whereas 79.5% are those in agreement with the statement.

When it comes to communication regarding external auditors' recommendations, 48.9% of respondents are those who agreed and tended to agree that they receive information with regard to external auditors' recommendations. 47.7% have disagreed or tended to disagree with the statement, whereas 3.4% did not agree neither disagree.

DATA ANALYSIS

Frequency analysis from demographic data collected reveals that 60.2% of our respondents are less than 45 years old, with 34.1% not exceeding 35 years, which is a considerable labour-asset for a company to have a staff that is still strong to serve before retirement age gets closer; but still the problem remains on professional trainings, where only 75% of respondents have answered to not have undergone professional trainings.

Professional trainings here concerned are courses and/or trainings beyond academic requirements, which shape an employee skills and ability towards competitive professionalism like the Certified Public Accountancy (CPA), Cisco Certified Network Associate (CCNA), etc.

On the other side, Table 10 and Fig. 4 show that employees' views are less considered by their employing institutions' management with the ratio of 53.4% of our respondents; then comes Table 11and Fig. 4 still, where also 52.3% that form a majority of respondents opposed themselves to the statement that the organisation has an informal system to gather information on frauds and corruption.

Lastly, Table 13 and Fig. 5 show that a 47.7% of our respondents were not supporting the statement that external auditors' recommendations are communicated to everyone in the organisation, a percentage that is not very far from 48.9% who supported the statement.

For deepening our analysis and testing our hypothesis, a t-test has been administered and results are presented in the next tables and paragraphs.

T-Test

As we want to test whether there exist or not a significant difference between respondents' perception on internal control practices in Rwanda GBEs, a t-test of Two-Sample Assuming Unequal Variances, with the significance level α of 0.05 for each of internal control components has been administered.

Control Environment t-test

Table 14: Control Environment t-test

	ONATRACOM	SGF
Mean	3.194444444	3.5
Variance	0.771517997	0.333333333
Observations	72	16
Hypothesized Mean Difference	0	
df	33	
t Stat	-1.720276836	
P(T<=t) two-tail	0.094748306	
t Critical two-tail	2.034515297	

Source: Field survey

The t-test for control environment gave a t Stat of ±1.720276836 < to t Critical two-tail of ±2.034515297, which means that there is no significance difference between respondents' perception on internal control practices with respect to control environment in some selected GBEs in Rwanda.

Risk Assessment t-test

Table 15: Risk Assessment t-test

	ONATRACOM	SGF
Mean	2.881944444	3.15625
Variance	0.806289124	0.457291667
Observations	72	16
Hypothesized Mean Difference	0	
df	28	
t Stat	-1.375329125	
P(T<=t) two-tail	0.179934136	
t Critical two-tail	2.048407142	

Source: Field survey

The t-test for risk assessment gives a t Stat of ±1.375329125 < to t Critical two-tail of ±2.048407142, which means that there is no significant difference between respondents' perception on internal control practices with respect to risk assessment in some selected GBEs in Rwanda.

Control Activities t-test

Table 16: Control Activities t-test

	ONATRACOM	SGF
Mean	2.944444444	3.21875
Variance	0.3771518	0.332291667
Observations	72	16
Hypothesized Mean Difference	0	
df	23	
t Stat	-1.700959913	
P(T<=t) two-tail	0.10243373	
t Critical two-tail	2.06865761	

Source: Field survey

The t-test for control activities gives a t Stat of ±1.700959913 < to t Critical two-tail of ±2.06865761 which means that there is no significant difference between respondents' perception on internal control practices with respect to control activities in some selected GBEs in Rwanda.

Information and Communication t-test

The t-test for information and communication gives a t Stat of ±1.334965719 < to t Critical two-tail of ±2.079613845, which means that there is no significant difference between respondents' perception on internal control practices with respect to information and communication in some selected GBEs in Rwanda.

Table 17: Information and Communication t-test

	ONATRACOM	SGF
Mean	2.291666667	2.6875
Variance	0.948943662	1.195833333
Observations	72	16
Hypothesized Mean Difference	0	
Df	21	
t Stat	-1.334965719	
P(T<=t) two-tail	0.196180517	
t Critical two-tail	2.079613845	

Source: Field survey

Monitoring Activities t-test

Table 18: Monitoring Activities t-test

	ONATRACOM	SGF
Mean	2.729166667	3.125
Variance	0.654489437	0.183333333
Observations	72	16
Hypothesized Mean Difference	0	
Df	43	
t Stat	-2.761357761	
P(T<=t) two-tail	0.008430793	
t Critical two-tail	2.016692199	

Source: Field survey

The t-test for monitoring activities gives a t Stat of ±2.761357761 > to t Critical two-tail of ±2.016692199, which means that, contrarily to previous internal control components, there is a significance difference between respondents' perception on internal control practices with respect to monitoring activities in some selected GBEs in Rwanda.

SUMMARY AND CONCLUSION

Our comparative study of internal control system practices in some selected government business enterprises in Rwanda has been administered to two government enterprises, ONATRACOM and SGF.

Data collected through questionnaires have revealed that there is no significant difference between respondents' perception on internal control practices in some selected GBEs in Rwanda with respect to control environment, risk assessment, control activities and information and communication, whereas a significant difference has been observed with respect to monitoring activities (refer to the summary in Table 19).

Table 19: Summary of Significance Level with Respect to Internal Control Components

Internal control components	t-test results		Statistical difference
Control environment	t Stat	-1.720276836	Not significant
	t Critical two-tail	2.034515297	
Risk assessment	t Stat	-1.375329125	Not significant
	t Critical two-tail	2.048407142	
Control activities	t Stat	-1.700959913	Not significant
	t Critical two-tail	2.06865761	
Information and communication	t Stat	-1.334965719	Not significant
	t Critical two-tail	2.079613845	
Monitoring activities	t Stat	-2.761357761	Significant
	t Critical two-tail	2.016692199	

Source: Field survey

However, the acceptance or rejection of our study hypothesis required to compute the overall t-test with respect to internal control practices in Rwanda Government Business Enterprises, involving all internal control components at once, and this resulted in a t Stat of ±2.212212831 > to t Critical two-tail of ±2.059538553 (see table 20).

Table 20: Overall T-test With Respect to Internal Control Practices

	ONATRACOM	SGF
Mean	2.808333333	3.1375
Variance	0.376830986	0.2705
Observations	72	16
Hypothesized Mean Difference	0	
Df	25	
t Stat	-2.212212831	
P(T<=t) two-tail	0.036313846	
t Critical two-tail	2.059538553	

Source: Field survey

Therefore, we reject our null hypothesis and accept alternative hypothesis stating that "There is a significant difference between respondents' perceptions on internal control practices in some selected Rwanda Government Business Enterprises".

LIMITATIONS OF THE STUDY

This study is for only two GBEs, whereby the generalisation may not be true in all cases.

The study anchors on previous studies that have been conducted by others, through which the researcher has only to believe in their findings.

Conclusions and suggestions are based on responses from a judged representative population's sample that is met once at a time, which may not be true in all cases at all time.

To facilitate respondents with French language background, the questionnaires used for this study were translated from English to French, where the degree of words soundness may differ in the respondent's understanding.

SUGGESTIONS

Our study being solely limited to two companies, there is a need for an extended coverage for coming up with a generalisation on all Government Business Enterprises.

However, the present study findings revealed that there is a need to improve the way informal system is networked in the path of generating information that would help the management to prevent frauds and corruption attempts; and also to promote the spirit of valuing employees' views and critics in the corporation.

The increase of staff involvement in professional trainings is also a key issue that should be addressed by each company under study.

REFERENCES

Angella, A., & Eno, I. L. (2009). Evaluation of Internal Control Systems: A case study from Uganda. *International Research Journal of Finance and Economics, 1*(27), 124-144.

Ben, K. A. (2016). Internal control information disclosure and corporate governance: evidence from an emerging market, Corporate Governance. *International Journal of Business in Society, 16*(1), 79-9.

Brian, C., Christopher,W., & Jim, D. (2013). *The Updated COSO Internal Control Framework, Frequently Asked Questions* (2nd Ed.). Protiviti Risk and Consulting, Calfornia, USA.

Conley, G. (2015). The 10 Worst Accounting Scandals of All Time. Retrieved from http://disinfo.com/2015/11/the-10-worst-corporate-accounting-scandals-of-all-time/ (accessed June 23, 2016).

Daniel, S. N. (2015). Corruption on the rise in Rwanda, Afrika reporter, Truth Relevance and Fairness. Retrieved from http://www.afrikareporter.com/corruption-on-the-rise-in-rwanda/, (accessed on June 20, 2016).

David, H. (2016, June 20). Deloitte Put on The Spot Over Role in Mumias Sugar Accounting Scandal. Business Daily. Retrieved from http://www.businessdailyafrica.com/Corporate-News/Deloitte-on-the-spot-over-role-Mumias-Sugar-accounting-scandal/-/539550/2578514/-/2e0ldv/-/index.html (accessed May 25, 2016).

Douglas, O. N., Micah, O. N., & Tom T. M. (2014). Effect of internal control systems on financial performance of small and medium scale business enterprises in kisumu city. *International Journal of Social Sciences and Entrepreneurship, 1*(11), 719-734.

Ibrahim, M. B. (2008, May). Preventive Measures of Corporate Accounting Frauds, Paper presented at the 17th Annual Convention of the Global Awareness Society International in San Francisco, USA, CA.

Jan, R. H., Michael, T. D., & David, L. S. (2014). A century of debate for internal controls and their assessment: A study of reactive evolution, Accounting History. Retrieved from http://ach.sagepub.com/content/10/3/39.abstract (accessed May 25, 2016).

Kristin, S. (2006). Corporate Accounting Scandals. Retrieved from https://www.cga.ct.gov/2006/rpt/2006-R-0122.htm (accessed May 24, 2016).

Lynford,G. (2008). *Internal controls guidance for private, government, and nonprofit entities.* New Yersey: John Wiley & Sons, Inc.

Madan, L. B. (2013). Corporate accounting fraud: A case study of satyam computers limited. *Open Journal of Accounting,* (2), 26-38.

Noah, G. (2015, May). Revisiting Sarbanes-Oxley – why companies must constantly review their internal controls. Thomson Reuters.

Office of the Auditor General of State Finances (2013). Report of the Auditor General of State Finances for the Year Ended 30 June 2012, Kigali, Rwanda.

Office of the Auditor General of State Finances (2015). Report of the Auditor General of State Finances for the Year Ended 30 June 2014, Kigali, Rwanda

Panapress (2016). Rwanda: RwandAir Express staff arrested for alleged ticket sales fraud. Retrieved from http://www.panapress.com/Rwanda--RwandAir-Express-staff-arrested-for-alleged-ticket-sales-fraud--12-630418608-28-lang2-index.html (accessed on June 20,2016).

Paul, M. C. (2003, May). The Greatest Frauds of the (Last) Century. Richmond: USA: University of Richmond.

Robert, M. (2015). Rwand Air scandal: Kagame Summons RwandAir boss over crisis, Great Lakes Voice. Retrieved from http://greatlakesvoice.com/rwandair-scandal-kagame-summons-rwandair-boss-over-crisis/ (accessed on June 20, 2016).

Samson, M. K., & Josephine, K. (2014). Africas' Powerhouse. Retrieved from http://www.brookings.edu/research/opinions/2013/12/30-kenya-economy-kimenyi (accessed June 23, 2016).

Theophile, H. (2015). Prosecution helped recover Frw 857 million public funds, The Rwanda Focus. Retrieved from http://www.focus.rw/wp/2015/07/08/prosecution-helped-recover-frw-857-million-public-funds/ (accessed on June 20, 2016).

William, T. (2002). The Rise and Fall of Enron, Journal of Accountancy, Professional issues.

Zuraidah, M. S., Razana, J. J. , Jamaliah, S., & Iskandar, T. (2015, April 13-14). The Effects of Internal Control System, Financial Management and Accountability of NPOs: The Perspective of Mosques in Malaysia. Paper presented at the 7th international conference on financial criminology at wadham college in U.K, oxford, United kingdom.