

Impact of Internal Audit Practices on Satisfaction of Administrators: A Case in University of Jaffna, Sri Lanka

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Abstract

The main purpose of the study is to find out impact of internal audit practices on satisfaction of administrators in University of Jaffna, Sri Lanka. Internal audit play a major role on overall performance of the organization. Primary data was collected from administrators (academic and non-academic administrators) through developed 5 point likert scale questionnaire. Internal audit practices include internal audit practices related with administrative system review, legal compliance, control on assets usage, control on purchase & procurement and control on payment, research grant & allowance. Descriptive, correlation and regression analysis performed in this study. Descriptive analysis reveals that internal audit practices are in the moderate level based on the administrator's satisfaction however there is below than moderate level internal audit practices related with administrative system review. Correlation analysis confirmed that there is positive significant relationship between internal audit practices and satisfaction of administrators. Further regression analysis confirmed that there is positive significant impact of internal audit practices related with administrative system review, control on purchase & procurement and legal compliance on internal audit quality. According to the findings of the study top management of the university and the government should improve internal audit practices especially they have to improve internal audit practices related with administrative system review, legal compliance and control on purchase & procurement to increase the overall performance of the University.

Keywords: administrators, internal audit practices, satisfaction, University of Jaffna

1. Introduction

Universities are the top level higher education institutions in Sri Lanka. There are fifteen state universities in Sri Lanka which are under the administration of University Grant Commission in Sri Lanka. According to University of Colombo's website (<https://cmb.ac.lk/history>), first state university was established in 1942 which was named as University of Ceylon. It is calling as University of Colombo presently. According to University of Jaffna's official website (www.jfn.ac.lk), University of Jaffna was established in 1974. It has campus with two faculties in Vavuniya further University of Jaffna has eight faculties in 2018.

A huge amount of money spends by the government for the higher education institutions in Sri Lanka. Especially state university has a major portion in the higher education expenses of the Sri Lanka. According to Ministry of Finance's annual report (2017) it can be seen that total revenue was Rs. 1,845,017,336,787 total recurrent expenditure was Rs. 1,945,575,039,924, total public investment was Rs. 657,530,018,379 and budget deficit was Rs. 758,087,721,515. Budget deficit continues in Sri Lanka which is the major economic problem of the country. Here government's tax revenue is not enough to meet the recurrent expenditure of the country.

According to Ranking Web of Universities, January 2019 (<https://www.webometrics.info/en/Asia/Sri%20Lanka%20>), it can be seen that University of Peradeniya world ranked as 2051 and which university ranked as number one in Sri Lanka. Sri Lankan state universities have to improve their performance and try to get a better world rank. All the state university of Sri Lanka are in the position to search ways to improve the performance of the university and increase the quality of the university. Especially high level advanced level performance students get admission to the state university in Sri Lanka according to their advanced level z-score.