

ASSESSMENT OF THE PRACTICES OF INTERNAL CONTROL SYSTEM IN THE PUBLIC SECTORS OF MALAYSIA

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ABSTRACT

This study attempts to assess the status of current practices of internal control system in different service schemes of the public sector in Malaysia. This study collected primary data through a set of questionnaires given to the heads of 109 departments and agencies under 24 federal ministries, including the Prime Minister Department, in Malaysia. The data were collected on the basis of the opinion on 10 factors of internal control practices in the department or agency using a seven-point Likert scale. The data were analyzed using descriptive statistics and factor analysis. The reliability of the data was tested using the Cronbach's alpha test, and the validity of the data was tested by checking the normality of data through the Shapiro-Wilk test and graphical method. Overall, 86.2% of the respondents mentioned that they practiced internal control system in their department. However, the priority of these 10 factors of internal control differs among the service schemes. The internal control system of the financial scheme group is strong, but its emphasis on the documentation is only average. By contrast, the internal control in the engineering, information system, education, and medical and health schemes is below the overall average internal control score. The public sector in Malaysia should focus more on internal control and its proper assessment system to become a reliable and efficient sector.

Keywords: internal control system, public sector, factor analysis, Malaysia

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INTRODUCTION

Internal control is a multidimensional concept that has been discussed in many ways in the management control literature (Agbejule and Jokipii, 2009; Bowrin, 2004). It is solely not a procedure or policy performed at a certain point. Relatively, it is a continually operating, integrated system at all levels within an organization (Haron, Ibrahim, Jeyaraman and Chye, 2010). Business organizations face numerous risks daily, and these risks include the failures of internal control mechanism, financial fiasco, catastrophe or environmental disasters, non-compliance, and regulatory violations. These risks are worsened by the advancement of technology, high acceleration in the pace of business, multi-faceted financial sophistication, and globalization, which have all contributed in amplifying the complexity of risks for companies to endure.

A good internal control system benefits an organization by preventing the incidence of poor financing and by helping organizations to work effectively and in harmony while detecting errors and irregularities in their operation (Pathak, 2005; Wardiwiyono, 2012). Organizations also recognize the importance of internal control system and risk management, which have been viewed as useful tools in safeguarding the overall achievements of a company's objectives and in increasing the value of shareholders (Aziz, 2013).

Internal control system also plays a vital part in the internal auditing practices, as internal auditors may be considered experts in management control (Fadzil, Haron and Jantan, 2005). Therefore, according to Bowrin (2004), this system is an integral component of the overall governance structure of an organization. This structure is intended to direct and control the activities of an organization by promoting transparency, accountability, responsibility, and fairness to all stakeholders.

The role of internal control in the public sector organization is to support the system to establish and at the same time foster the accountability of the decision maker (Bianchi, 2010). Failing to establish a reliable and dependable system could harm the organization in many ways and expose the risks to the efforts of nurturing accountability in the public sector. Higher dependency on the control system is constantly associated with higher

expectation on enhancing accountability in the organization (Liu, 2011). Given that the internal control system emphasizes accountability, its practice in the public sector is crucial at any stage in enhancing accountability in the public sector organization.

As a multi-racial country, Malaysia has faced many obstacles and challenges. The public sector in the country has been subjected to criticisms for its inefficiency, red tape, lack of flexibility, ineffective accountability, and poor performance for a long time (Siddiquee, 2006). Malaysians are still beset by the impression that the public sector is easily manipulated by malevolent people. Consequently, this perception has dampened public confidence in the integrity of government institutions with such alleged corruption cases in government procurement, abuses in land excision and fraud in land transfer, and corruption in business transfers at the local municipality level (The Star, 2008).

This matter was also highlighted prior to the 2012 auditor general's report, which revealed several issues on the possibility of negligence and public officials who fail to fulfill their duty to protect government interest. As stated in the report, the following weaknesses were observed during the audit: improper payment, work/procurement did not follow specifications/low in quality/unsuitable, unreasonable delays, and wastage. Weaknesses in revenue management and management of government assets were also highlighted (National Audit Department, 2013). The report further discussed that these weaknesses were caused by the negligence of officers, such as the inability to comply with the rules and regulations, lack of monitoring, lack of project management skills, and failure to pay attention to the outcomes/effects of programs, activities, or projects. Given this negligence, a significant amount of money has been wasted.

This situation has triggered the public to question how officers in the public sector motivate and encourage their employees to follow and honor the public's trust with integrity, responsibility, and accountability, as well as to implement good governance and a good internal control system in the public sector delivery in Malaysia. An internal control system emphasizes accountability. Therefore, its practice in the public sector is crucial at any stage. It is expected to further enhance accountability in the public sector organization. Therefore, this study attempts to explore the level of efficiency of the internal control system in the public sector of Malaysia.

METHODOLOGY

Sampling and Data Collection

The data for this study were collected through a targeted survey of 682 departments and agencies under 24 federal ministries, including the Prime Minister Department, in Malaysia. The rate of response/actual sample from the targeted group was 16%. A total of 109 respondents replied to the email questionnaire among the targeted 682 persons. Previous studies found that the rate of response is 5% to 10% (Alreck and Settle, 1995). The list of ministries is shown in Table 1.

Table 1: Distribution of Samples among the Federal Ministries of Malaysia

No	Name of Ministry	Number of Targeted Departments or Agencies	Number of Actual Sample Departments or Agencies
1	Prime Minister Office	52	15
2	Ministry of Finance	33	5
3	Ministry of Women, Family and Community Development	18	8
4	Ministry of Education	57	8
5	Ministry of Energy, Green Technology and Water	21	4
6	Ministry of Plantation Industries and Commodities	19	1
7	Ministry of Home Affairs	34	4
8	Ministry of Communications and Multimedia	20	2
9	Ministry of Rural and Regional Development	28	2
10	Ministry of International Trade and Industry	31	4
11	Ministry of Science, Technology and Innovation	42	5
12	Ministry of Natural Resources and Environment	26	2
13	Ministry of Tourism and Culture	23	1
14	Ministry of Agriculture and Agro-Based Industry	26	7
15	Ministry of Defense	33	8

16	Ministry of Works	20	4
17	Ministry of Health	44	6
18	Ministry of Youth and Sports	21	3
19	Ministry of Human Resources	22	3
20	Ministry of Domestic Trade, Cooperatives, and Consumerism	24	3
21	Ministry of Transport	23	2
22	Ministry of Foreign Affairs	31	5
23	Ministry of Federal Territories	12	3
24	Ministry of Urban Well-being, Housing, and Local Government	22	4
	Total	682	109

A set of questionnaires was distributed by email using the Google Doc application to the heads of departments with the guarantee of information confidentiality. The e-mail addresses of the respondents were collected from the website of the ministries.

Another follow-up email was sent to the respondents to ensure a highly successful response rate, as suggested by previous studies (Fan and Yan, 2010; Hamilton, 2009; Kaplowitz, Hadlock and Levine, 2004). The responses of 109 participants from different departments were received (Table 1).

Measurements of Variables

This study used 10 parameters to measure the practices of internal control system (Table 2). The items in the section were adapted with some modification from the Office of the Comptroller of the Currency (2007), Tufts University (2009) and Vautd (2012). The questionnaire used a seven-point Likert-type rating scale that ranged from 1 (strongly disagree) to 7 (strongly agree).

Table 2: Internal Control System in the Public Sector of Malaysia

Code	Item Description
D1	Reviews the policies and procedures to ensure the establishment of appropriate internal controls
D2	Obtains approval from the top management on the written policies and internal operation procedures
D3	Updates information related to rules and regulations for decision making
D4	Informs all staff regarding the policies and procedures in the organization
D5	Takes appropriate action instantly if any non-compliance is reported
D6	Ensures all personnel understand their role and are aware of the relevance of their activities to others
D7	Ensures every rule and regulation in the department is complied with and accounted for
D8	Ensures financial transactions in the organization are properly documented and reported based on the rules and regulations
D9	Engages the internal auditor to review the operation of the department
D10	Assesses the internal control system adequately

Data Analysis

The data were analyzed using descriptive statistics and factor analysis. Descriptive statistics was used to analyze the general features of the data, and factor analysis was used to measure the consistency of the data that collected in this study. The reliability of the data was tested using the Cronbach’s alpha test. Data validity was tested by checking the normality of the data through the Shapiro–Wilk test and graphical method.

FINDINGS AND DISCUSSIONS

Demographic Information

This study collected the following demographic data of the respondents: gender, age, job position, service scheme, grade, highest academic qualification, working experience in the current organization,

and total year of working experiences in public service. A summary of the demographic information is provided in Table 3.

Table 3: Demographic Information of the Respondents

Demographic Profile	Frequency	Percentage (%)
Gender		
Female	50	45.9
Male	56	51.4
Not Indicated	3	2.8
Age Group		
30 to 40 years	75	68.8
41 to 50 years	13	11.9
51 years and above	6	5.5
Under 30 years	12	11.0
Not indicated	3	2.8
Job Position		
Management and professional	101	92.7
Supporting staff	5	4.6
Top management	3	2.8
Service Scheme		
Administrative and diplomatic	76	69.7
Administrative and support	7	6.4
Education	2	1.8
Engineering	4	3.7
Financial	12	11.0
Information system	2	1.8
Medical and health	2	1.8
Not indicated	4	3.7
Grade		
17	1	0.9
27	3	2.8
41	17	15.6
44	18	16.5
48	46	42.2

52	12	11.0
54	7	6.4
JUSA C	3	2.8
Not indicated	2	1.8
Highest Academic Qualification		
Diploma	1	0.9
University degree/master/PhD	108	99.1
Working Experience with the Current Organization (Year)		
1 to 3 years	29	26.6
4 to 5 years	11	10.1
5 years and above	55	50.5
Less than 1 year	12	11.0
Not indicated	2	1.8
Working Experience in the Public Sector (Year)		
1 to 3 years	7	6.4
4 to 5 years	9	8.3
5 years and above	89	81.7
Less than 1 year	2	1.8
Not indicated	2	1.8

Among the respondents, 46% are females and 51.4% are males; the rest did not provide their gender. Most of the respondents are in the age group of 30 to 40 years, which is composed of around 69% of the total respondents. Almost all of the respondents have a minimum qualification of a bachelor's degree.

Approximately 93% of the respondents are in the management and professional position, 69% are in the administrative and diplomatic scheme, 10% are in financial services, and 6.4% are in the administrative and support scheme. Approximately 42% of the respondents are in grade 48, 16.5% in grade 44, and 11% in grade 52.

A total of 50.5% of the respondents have been working for more than five years in their current organization, and 26.6% have been working

between one and three years. With regard to the public sector, 81.7% of the respondents stated have served the government for more than five years.

Descriptive Analysis and Factor Analysis

The study attempts to measure the internal control in the public sector using 10 variables. On average, 86.2% of the respondents agreed that they practice these internal control factors, and only 3.6% did not practice these factors (Table 4).

Table 4: Score of Internal Control Factors in the Public Sector of Malaysia

Scores	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10	All Average
1	0	0	0	0	0	0	0	0	0	0	0
2	1	1	2	2	1	1	1	1	1	2	1
3	1	0	2	3	4	4	4	1	5	2	3
4	13	7	6	12	10	14	12	9	13	9	11
5	31	20	32	30	26	32	26	22	26	35	28
6	45	59	50	41	54	35	46	48	44	42	46
7	17	22	16	21	14	22	18	27	20	19	20
Disagree (1–3)	2	1	4	5	5	5	5	2	6	4	4
Agree (5–7)	93	101	98	92	94	89	90	97	90	96	94
Disagree% (1–3)	1.8	0.9	3.7	4.6	4.6	4.6	4.6	1.8	5.5	3.7	3.6
Agree% (5–7)	85.3	92.7	89.9	84.4	86.2	81.7	82.6	89.0	82.6	88.1	86.2
Maximum	2	2	2	2	2	2	2	2	2	2	2
Minimum	7	7	7	7	7	7	7	7	7	7	7
Std. Dev.	0.99	0.88	0.99	1.12	1.01	1.12	1.07	1.00	1.12	1.05	0.84

Factor analysis provides the consistency of these variables for the internal control measurement. The factor loading for all of the variables is greater than 0.6. The range of the loading value of the factor is 0.7 to 0.9 (Table 5). This value indicates that all 10 variables are a good measure of the Malaysian public sector internal control system.

The factors that influence the level of internal control system in the public sector were measured. Particularly, the policies and procedures were reviewed to ensure that appropriate internal controls had been established (D1). According to 85% of the respondents (Table 4), the people engaged in the finance scheme performed it *most efficiently*, and those engaged in the information system scheme performed it *least efficiently* (Table 5). Among the other service schemes, the people engaged in the administrative and support, administrative and diplomatic, and education schemes followed it *more than the average level*; those engaged in the engineering scheme followed it at the *average level*; and those engaged in the medical and health scheme followed it *below the average level* (Table 5).

Approximately 93% of the respondents obtained approval from the top management on the written policies and internal operation procedures (D2) (Table 4). The people engaged in the administrative and support scheme performed it *most efficiently*, and those engaged in the information system scheme performed it *least efficiently* (Table 5). Among the other service schemes, the people engaged in the administrative and diplomatic, financial, and education schemes followed it *more than the average level*, and those engaged in the engineering and medical and health schemes followed it *below the average level* (Table 5).

Approximately 90% of the respondents updated the information related to rules and regulations for decision making (D3) (Table 4). The people engaged in the administrative and support scheme were *updated the most*, and those engaged in the medical and health scheme were *updated the least* (Table 5). Among the other service schemes, the people engaged in the education and financial schemes were *updated more than the average level*, those engaged in the administrative and diplomatic scheme were *updated at the average level*, and those engaged in the engineering and information system schemes were *updated below the average level* (Table 5).

Around 84.4% of the respondents generally informed all of their staff about the policies and procedures in the organization (D4) (Table 4). The people engaged in the financial scheme *followed this activity at the highest level*, and those engaged in the medical and health scheme *followed this activity at the lowest level* (Table 5). Among the other service schemes, the people engaged in the administrative and support scheme *followed this*

activity more than the average level, those engaged in the engineering and information system schemes *followed this activity at the average level*, and those engaged in the administrative and diplomatic and education schemes *followed this activity below the average level* (Table 5).

Around 86.2% of the respondents would immediately take appropriate action if any non-compliance was reported (D5) (Table 4). The people engaged in the administrative and support scheme *established it most*, and those engaged in the medical and health scheme *established it least* (Table 5). Among the other service schemes, the people engaged in the financial scheme established this activity more than the average level, those engaged in the administrative and diplomatic scheme *followed this activity at the average level*, and those engaged in the engineering, information system, education, and medical and health schemes *established it less than the average level* (Table 5).

Around 81.7% of the respondents ensured that all personnel understood their role and were aware of the relevance of their activities to others (D6) (Table 4). The people engaged in the financial scheme *maintained this understanding at the highest rate*, and those engaged in the medical and health scheme *maintained this understanding at the lowest rate* (Table 5). Among the other service schemes, the people engaged in the administrative and diplomatic, administrative and support, information system, and education schemes *emphasized on* maintaining this record more than the average level, and those engaged in the engineering scheme *maintained this record less than the average level* (Table 5).

About 82.6% of the respondents ensured they would comply with every rule and regulation in the department as accounted for (D7) (Table 4). The people engaged in the financial scheme were the most cautious, and those engaged in the education scheme were the *least cautious* about this internal control factor (Table 5). Among the other service schemes, the people engaged in the administrative and support, information system, and engineering complied with the rules and regulations *more than the average level*, and those engaged in the administrative and diplomatic and medical and health schemes complied with the rules and regulations *less than the average level* (Table 5).

A total of 89% of the respondents ensured that the financial transactions in the organization were properly documented and reported on the basis of the rules and regulations (D8) (Table 4). The people engaged in the administrative and support scheme were the *most cautious*, and the people engaged in the information system scheme were the *least cautious* about this internal control factor (Table 5). Among the other service schemes, the people engaged in the administrative and diplomatic schemes emphasized this issue more than the average level, the people engaged in the engineering and financial schemes emphasized this issue at the *average level*, and the people engaged in education and medical and health schemes emphasized this issue *less than the average level* (Table 5). The finance department should be *more cautious* about its documentation.

The internal control factor of engaging the internal auditor to review the operation of the department (D9) is ensured by 82.6% of the respondents (Table 4). The people involved in the financial scheme *engaged the internal auditor the highest*, and those involved in the education and medical and health schemes *engaged the internal auditor the lowest* to review the operation of their department (Table 5). Among the other service schemes, the people engaged in the administrative and support and administrative and diplomatic schemes practiced this issue *more than the average level*, those engaged in the information system scheme practiced this issue at the *average level*, and those engaged in the engineering scheme practiced this issue *less than the average level* (Table 5).

Around 88.1% of the respondents had adequate access to the internal control system (D10) (Table 4). The people engaged in the financial scheme *emphasized this issue most*, and those engaged in the medical and health scheme *emphasized this issue least* (Table 5). Among the other service schemes, the people engaged in the administrative and support, administrative and diplomatic, and information system schemes emphasized *this issue more than the average level*, and those engaged in the education and engineering schemes *emphasized this issue less than the average level* (Table 5).

Table 5: Score of Internal Control Factors Based on Service Scheme in the Public Sector of Malaysia

Service Scheme	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10	All Average
Engineering	5.4	5.8	5.5	5.5	5.5	5.3	5.5	5.8	5.4	5.4	5.5
Administrative and support	6.4	6.6	6.1	6.0	6.3	6.0	6.0	6.3	6.3	6.3	6.2
Information system	2.0	5.0	5.5	5.5	5.5	5.5	5.5	2.5	5.5	6.0	4.9
Financial	7.0	6.5	5.8	7.0	6.0	7.0	6.3	5.8	6.8	7.0	6.5
Administrative and diplomatic	5.8	6.1	5.6	5.3	5.6	5.5	5.2	6.1	5.7	5.8	5.7
Education	6.0	6.0	6.0	5.0	5.5	5.5	2.5	5.0	5.0	5.5	5.2
Medical and health	5.5	5.5	4.5	4.0	5.0	4.5	4.5	4.5	5.0	5.0	4.8
N/A	5.5	5.8	5.3	5.3	5.3	5.5	5.5	5.5	5.3	5.0	5.4
Total average	5.5	5.9	5.6	5.5	5.6	5.4	5.4	5.8	5.5	5.6	5.6
Factor loading	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.8	0.7	0.7	

Among all of the internal control factors, the highest mean score is 5.9 for the factor of obtaining approval from the top management on the written policies and internal operation procedures (D2), and the lowest mean score is 5.4 for the factor of ensuring all personnel understand their role and are aware of the relevance of their activities to others (D6) and ensuring every rule and regulation in the department is complied with and accounted for (D7) (Table 5). Among all of the service scheme groups, the highest average score for all of the factors of internal control measurement is 6.5, which is in the financial scheme group, and the lowest mean score is 4.8 for the medical and health scheme group. The scores of the administrative and diplomatic and administrative and support schemes are higher than the overall average internal control score of 5.6, but those in the engineering, information system, and education schemes are lower than the overall average.

The total average score for the engineering service scheme group is 5.5. The highest score is 5.8 for the measurement of internal control factors of D2 and D8. The internal control scores for D1, D6, D9, and D10 factors are less than their total average internal control scores. The internal control scores of the remaining factors are at the average level.

The total average score for the administrative and support scheme group is 6.2. The highest score is 6.6 for the D2 factor, and the lowest score is 6 for the D4, D6, and D7 factors. The internal control scores for the D1 and D3 factors are less than their total average internal control scores. The internal control scores of the remaining factors are more than the average level.

The total average score for the information system scheme group is 4.9. The highest score is 6 for the D10 factor, and the lowest score is 2 for the D1 factor. The internal control score for the D8 factor is less than the average internal control score. The internal control scores of the remaining factors are more than the average level.

The overall internal control in the financial scheme is strong. The total average score for the financial scheme group is 6.5, which is the highest. The highest score is 7 for the D1, D4, D6, and D10 factors, and the lowest score is 5.8 for the D3 and D8 factors. The internal control scores for the D5 and D7 factors are less than the average internal control score. The internal control scores of the remaining factors are at the average level.

The total average score for the administrative and diplomatic scheme group is 5.7. The highest score is 6.1 for the D8 factor, and the lowest score is 5.2 for the D7 factor. The internal control scores for the D1, D2, D8, and D10 factors are more than the overall average internal control score. The internal control scores of the remaining factors are less than the average level except D9, which is at the average level.

The total average score for the education scheme group is 5.2. The highest score is 6.0 for the D1, D2, and D3 factors, and the lowest score is 2.5 for the D7 factor. The internal control scores of the D4, D8, and D9 factors are less than the average level.

The total average score for the medical and health scheme group is 4.8. The highest score is 5.5 for the D1 factor, and the lowest score is 4 for the D4 factor. The internal control scores of the D3, D6, and D8 factors are less than the average level.

Diagnostic Test

Normality Test

The histogram (Figure 1) shows a normal distribution of the bell-shaped curve for the total average of all 10 variables of the internal control system. The Shapiro–Wilk test used to assess normality also indicates a positive result when the p value curve for the total average of all 10 variables of the internal control system is more than 0.05 ($p = 0.096$), which indicates that the sample size of the study is normally distributed.

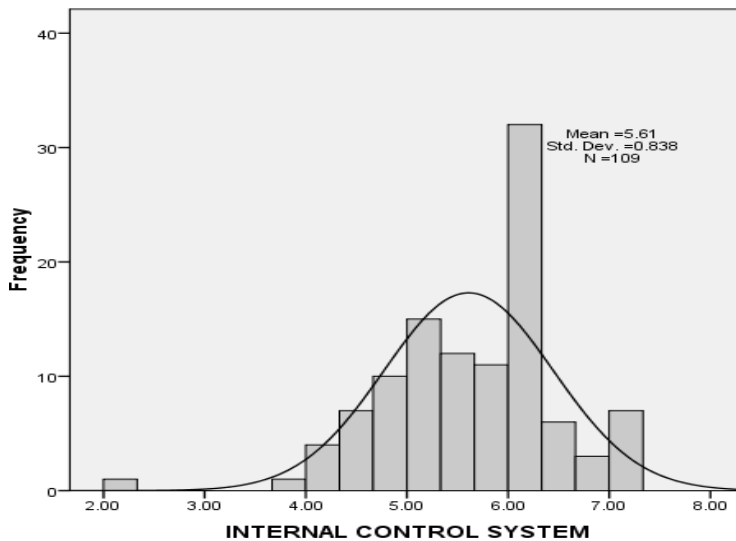


Figure 1: Histogram with a Normality Plot for the Internal Control System Variable

Reliability Test

The Cronbach's alpha (Table 6) value on the factors of the internal control system is 0.942, which indicates that the reliability of the questions is excellent (George and Mallery, 2003) and IDEC-131, were evaluated in 46 patients with chronic refractory ITP. Fifteen patients were treated with 20 mg/kg of hu5c8: four (27%). The eigenvalues for the test show that the factor used in the internal control system explain 66.25% of the variance. The Kaiser–Meyer–Olkin test indicates a value greater than 0.6 at 0.915 (chi-square = 816.75, $p < 0.000$). Therefore, the sample is adequate to be

used in this factorial analysis. Generally, the test supports the internal control system variable for this study.

Table 6: Reliability Test for the Internal Control System Factors

Cronbach's alpha	0.942
Eigenvalue	6.625
Eigen % variance	66.25
% of variance	66.25
Kaiser–Meyer–Olkin measure of sampling adequacy	0.915
Bartlett's test of sphericity approx. chi-square	816.754
Bartlett's test of sphericity sig.	0.000

CONCLUSIONS AND RECOMMENDATIONS

Malaysia aims to achieve Vision 2020 and become a developed nation, but more steps have to be taken to increase its performance efficiency in the public sector. The recent survey by Transparency International on Corruption Perceptions Index 2013 shows that Malaysia has just managed to increase one slot in the rankings, from 54 to 53 out of 177 countries, with a score of 50. However, it remains in the average range based on the perception of the people, and its standing indicates that graft-fighting efforts are still inadequate (*The Sunday Daily*, 2013). This indication shows that even though the government is on the right track to restore public confidence, more steps should still be taken to improve public perception, especially to achieve internal control in the public sector.

As the public sector is accused of being inflexible in performing its daily activities and of many red-taped procedures, the importance of implementing the internal control system cannot be denied. The public sector is a guardian of the stakeholders, and it protects their interest by ensuring every individual is treated fairly to achieve a developed and harmonious nation. Therefore, the system and the procedure that can protect the nation must be in place. The internal control system should be developed so that it could accommodate and serve with efficiency. It should also be modified to reduce the complexity and at the same time offer sufficient protection for the stakeholders as a whole.

This study attempts to measure the status of the current practices of the internal control system of different service schemes of the public sector in Malaysia. This study also focuses on improving this system. Among the total respondents, 86.2% practiced these 10 internal control factors, and 3.6% did not. The public departments provide the highest priority in obtaining approval from the top management on the written policies and internal operation procedures and ensuring proper documentation and reporting based on the rules and regulations for all the financial transactions in the organization. However, these public departments provide the lowest priority in ensuring the understanding of all personnel about their role and its relevance to the activities of others and ensuring that every rule and regulation in the department is complied with and accounted for. This study also found that the priority of the internal control factors for the individual service scheme differs from the overall priority. The internal control scores in the engineering, information system, education, and medical and health schemes are below the overall average internal control score. The internal control system of the financial scheme group is strong, but its emphasis on the documentation is only average.

Therefore, emphasis should be placed on controlling activities and operations through designated laws, regulations, and procedures that would improve the internal control of the public sector. The current situation and allegation that some government officials practice cronyism and nepotism in their business has scratched the unwanted mark to the public sector as whole. Therefore, the Malaysian public sector should implement a proper and systematic internal control to regain the confidence of the stakeholders.

The issue on the efficiency of the punishment mechanism among employees who practice malevolent activities is considered. According to Shaoul, Stafford, and Stapleton (2012), the control factor used by the stakeholders in some countries, such as Germany, has increased the importance of maintaining traditional accountability. Therefore, introducing the control factor will contribute to the improvement of accountability. As far as the stakeholders are concerned, the stern action toward a dishonest person is more justified if a preventive measure is also implemented as a main control system.

Finally, simply changing the structure of bureaucracies to overcome this situation is insufficient. The overall public sector should be transformed into becoming more reliable and efficient through proper internal control and assessment systems. The findings of this study are expected to aid different government agencies and departments to improve their internal control systems based on the relevant service schemes. At the same time, the internal control measurement factors and techniques used in this study will help the government in developing internal control measurement techniques for the public sector.

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