ISSN: 2690-0688

Research Article

Journal of Humanities & Social Sciences

An Analysis of The Effects of Monitoring, Information and Communication Technology, Risk Assessment, Control Activity, And Control Environment on Organizational Internal Control: The Case of Mongolia

Rentsenbyamba Damdinsuren[1], Amgalanbayar Tsevegmid[2*] and Bileg-Urnukh Turtogtokh[3*]

[1]*Ph.D student at University of Internal Affairs, Mongolia*

[2]*Ph.D, Researcher, Generalship*

[3]*Ph.D student at Mongolian University of Life Science*

[*]Corresponding Author
Amgalanbayar Tsevegmid, Ph.D, Researcher, Generalship
Bileg-Urnukh Turtogtokh, Ph.D student at Mongolian University of Life Science

Submitted: 2024, Feb 20; **Accepted**: 2024, Mar 25; **Published**: 2024, Mar 27

Citation: Damdinsuren, R., Tsevegmid, A., Turtogtokh, B. U. (2024). An Analysis of The Effects of Monitoring, Information and Communication Technology, Risk Assessment, Control Activity, And Control Environment on Organizational Internal Control: The Case of Mongolia. *J Huma Soci Scie, 7*(3), 01-10.

Abstract

The aims of our study to look at how different aspects like the control environment, risk assessment, control activity, information technology, and monitoring affect internal control in organizations. While many scholars worldwide have explored this, there hasn't been much research on this topic specifically in Mongolia's public sector. Given the current trends, it's become crucial for most large organizations to have strong internal control systems in place.

In our study, we used data collected online in the first quarter of 2023 and analyzed it using SMART PLS 3.0 software. We also assessed the reliability of our questionnaire using Cronbach's alpha index. Unlike many other studies, we examined five hypotheses. One of these hypotheses showed a positive relationship with the impacts we considered. However, the other four hypotheses did not show a positive relationship with these impacts. Our research highlighted significant factors such as experience that influence organizational internal control.

Keywords: Control Activity, Information and Communication Technology and Monitoring, Control Environment, Risk Assessment on Organizational Internal Control.

1. Introduction

Today, globalization and technological progress are key features for employers, including those in the public sector. Public organizations are expanding their operations internationally due to globalization and advancements in technology.

The growth of the public sector, coupled with globalization and advanced technology, brings about higher risks such as fraud, altercations, and irregularities for businesses. As a result, maintaining robust internal controls has become essential for every business, including the banking sector, to mitigate these risks effectively. With businesses expanding globally, technology evolving rapidly, and the rise in social failures and fraud in the public sector, there's a pressing need for maintaining effective internal control systems to safeguard against these threats.

2. The Framework of Theory

Internal controls serve the purpose of preventing errors and irregularities, as well as identifying any issues that may arise, ensuring that corrective measures can be promptly implemented. Often, individuals within your department, such as process owners, carry out these controls as part of their daily activities, sometimes without even realizing it, as these controls are integrated into the operations. This seamless integration of controls into daily tasks helps maintain the integrity and effectiveness of the control structure within the organization.

Every organization needs strong internal controls to ensure the integrity of financial statements, promote ethical values, and drive transparency across the enterprise. Internal controls are the mechanism to do those things; controls help identify risks and reduce them to an acceptable level.

Vital processes supported by robust internal control systems allow an organization to comply consistently with all applicable laws and regulations and to earn confidence, trust, and loyalty among its stakeholders. Internal controls also play an essential role in preventing employees and others from committing fraud.

Conversely, a lack of internal controls can weaken the integrity of accounting and financial reporting. Costs can rise because of reduced operational efficiency and increased potential for fraud and other kinds of crime. Ultimately, these issues affect the company's reputation and financial standing in the market.

Internal control is a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance:

• That information is reliable, accurate and timely.
• Of compliance with applicable laws, regulations, contracts, policies and procedures
• Of the reliability of financial reporting

The internal control structure is derived from the way management runs an operation or function and is integrated with the management process. It suggests that the internal control structure within an organization is shaped by how its management oversees and conducts its operations or functions. It emphasizes that internal controls are not standalone systems but are deeply intertwined with the broader management processes.

Although the components apply to the entire University, small and mid-size departments may implement them differently than large ones do. It's highlighted that while the components of internal control are applicable across the entire university, the way they are implemented may vary depending on the size and complexity of different departments.

Smaller and mid-size departments may adapt or apply these components differently compared to larger departments due to differences in resources, scope, and organizational structure. Together, they are designed to provide reasonable assurance that overall established objectives and goals are met.

Then it underscores the primary purpose of the internal control structure, which is to provide reasonable assurance that the university's established objectives and goals are achieved. It suggests that the various components of internal control work collectively to mitigate risks and ensure that the organization operates effectively and efficiently in alignment with its overarching objectives.The internal control structure consists of five inter-related components:

Control Environment and Internal Control

The control environment is the comprehensive set of actions taken by management..." It emphasizes that the control environment encompasses a wide range of actions initiated by management. Essentially, it encompasses all the proactive measures taken by management to ensure effective control over the organization's operations.

This segment highlights the crucial role of the control environment in influencing the behavior and actions of employees on a daily basis. The actions and behaviors demonstrated by management create a tone or culture within the organization that directly impacts how employees approach their tasks, make decisions, and conduct themselves in their roles. A positive control environment fosters a culture of compliance, accountability, and integrity among employees, whereas a weak control environment may lead to laxity, unethical behavior, and increased risk.

The control environment is the comprehensive set of actions taken by management that set the tone for how employees engage in their day-to-day activities. The control environment is comprised of all policies and procedures, the actions taken by management to deal with issues, and the values they espouse. Taken as a whole, the control environment shows the level of support that management has for the system of internal controls. A strong control environment is needed to reduce the number and severity of control failures within an organization.

The control environment sets the tone of an organization, influencing the control consciousness of its people. Control environment factors include (1) the integrity, ethical values, and competence of the entity's people; (2) management's philosophy and operating style; (3) the way management assigns authority and responsibility and organizes and develops its people; and (4) the attention and direction provided by the University. Additional examples are:

- Tone from the top
- University policies
- Organizational authority

A control environment, also called "Internal control environment", is a term of financial audit, internal audit and Enterprise Risk Management. It means the overall attitude, awareness and actions of directors and management (i.e. "those charged with governance") regarding the internal control system and its importance to the entity. They express it in management style, corporate culture, values, philosophy and operating style, the organisational structure, and human resources policies and procedures. According to the literature review, we were hypothesized as below:

Hyphothesis 1. *Organizational internal control is influenced by the control environment.*

Risk Assessment and Internal Control

A risk assessment involves systematically identifying potential hazards within a given context or environment. It then proceeds to analyze the potential consequences or impacts that may result if these hazards materialize. By evaluating the likelihood and severity of potential events, a risk assessment aims to inform decision-making and mitigate or manage risks effectively.

Risk assessment determines possible mishaps, their likelihood and consequences, and the tolerances for such events. The results of this process may be expressed in a quantitative or qualitative fashion.

Risk assessment is an inherent part of a broader risk management strategy to help reduce any potential risk-related consequences.
More precisely, risk assessment identifies and analyses potential (future) events that may negatively impact individuals, assets, and/or the environment. It also makes judgments "on the tolerability of the risk on the basis of a risk analysis" while considering influencing factors.
Risk assessment is the identification and analysis of relevant risks to achievement of the objectives, forming a basis for determining how the risks should be managed. Examples include:
o Monthly meetings to discuss risk issues.
o Internal audit risk assessment
o Formal internal departmental risk assessment
Risk assessments can be conducted for specific situations, such as patient-doctor interactions. Chemical risk assessment specifically evaluates health risks from environmental exposures. The presentation of statistics, whether through language or numerical data, influences how individuals perceive benefits and risks.

An individual´s own risk perception may be affected by psychological, ideological, religious or otherwise subjective factors, which impact rationality of the process. Individuals tend to be less rational when risks and exposures concern themselves as opposed to others. There is also a tendency to underestimate risks that are voluntary or where the individual sees themselves as being in control, such as smoking.

Risk assessment can also be made on a much larger systems theory scale, for example assessing the risks of an ecosystem or an interactively complex mechanical, electronic, nuclear, and biological system or a hurricane (a complex meteorological and geographical system). Systems may be defined as linear and nonlinear (or complex), where linear systems are predictable and relatively easy to understand given a change in input, and non-linear systems unpredictable when inputs are changed. As such, risk assessments of non-linear/complex systems tend to be more challenging.

In the engineering of complex systems, sophisticated risk assessments are often made within safety engineering and reliability engineering when it concerns threats to life, natural environment, or machine functioning. The agriculture, nuclear, aerospace, oil, railroad, and military industries have a long history of dealing with risk assessment. Also, medical, hospital, social service, and food industries control risks and perform risk assessments on a continual basis. Methods for assessment of risk may differ between industries and whether it pertains to general financial decisions or environmental, ecological, or public health risk assessment. According to the literature review, we were hypothesized as below:
Hyphothesis 2. *Internal controls within an organization are impacted by risk assessment.*

Control Activities and and Internal Control

Control activities refer to the rules and steps put in place to ensure that management's instructions are followed. These policies and procedures serve as guidelines to enforce the execution of managerial decisions. Their purpose is to provide structure and oversight to ensure that organizational goals are achieved efficiently and effectively.

They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties. Additional examples are:
o Purchasing limits
o Approvals
o Security
o Specific policies
The security is another preventive control activity. It’s critical to limit physical access and implement internal controls for cash, equipment, inventory, checks, and all other assets considered business-critical for the organization. In addition to physical control, financial assets should be counted and compared with amounts shown on control records and documents.

Internal Control Activities, unlike preventive control activities, detective controls aim to find errors and problems (and their root causes) after the mistakes have already occurred. Although these controls don’t prevent problems from occurring, detective controls are essential because they provide an after-the-fact opportunity to identify, understand, and correct irregularities.

Detective controls are implemented to support organizational objectives such as fraud prevention, legal and regulatory compliance, and quality control. These controls also confirm that the organization’s preventive controls are operating as intended. According to the literature review, we were hypothesized as below:
Hyphothesis 3. *Internal control within an organization is impacted by control activities.*

Information and Communication Technology and Internal Control

Information and communications technology (ICT) is an expanded concept of IT, emphasizing unified communications and the fusion of telecommunication and computers. It includes essential components like enterprise software, storage, and audiovisual tools, enabling users to access, process, and exchange information. ICT facilitates the seamless interaction, transmission, and manipulation of data, integrating various technologies like telecommunications and computing.

Information and communications technology is also used to refer to the convergence of audiovisuals and telephone networks with computer networks through a single cabling or link system. There are large economic incentives to merge the telephone networks with the computer network system using a single unified system of cabling, signal distribution, and management. Information and communications technology is an umbrella term that includes any communication device, encompassing radio, television, cell

phones, computer and network hardware, satellite systems and so on, as well as the various services and appliances with them such as video conferencing and distance learning. Information and communications technology also includes analog technology, such as paper communication, and any mode that transmits communication. Information and communications technology is a broad subject, and the concepts are evolving.

The term encompasses any electronic product used for storing, accessing, or transmitting digital information, such as personal computers, smartphones, digital TV, email, and robots. The Skills Framework for the Information Age is just one example of models aimed at defining and overseeing competencies required by ICT professionals in the modern era.

Information and communication technologies is defined as a diverse set of technological tools and resources used to transmit, store, create, share, or exchange information. These technological tools and resources include computers, the Internet (websites, blogs and emails), live broadcasting technologies (radio, television and webcasting), recorded broadcasting technologies (podcasting, audio and video players, and storage devices) and telephony. According to the literature review, we were hypothesized as below:
Hyphothesis 4. *Organizational internal control is impacted by information and communication technology.*

Monitoring

Monitoring involves paying close attention. It's a type of systematic observation. Monitoring of a program or intervention involves the collection of routine data that measures progress toward achieving program objectives. It is used to track changes in program outputs and performance over time.

Monitoring provides regular feedback and early indications of progress (or lack of progress). Its purpose is to permit the management and stakeholders to make informed decisions regarding the effectiveness of programs and the efficient use of resources.

Internal control systems need to be monitored, a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations, or a combination of the two. Ongoing monitoring occurs during operations. Internal control deficiencies should be reported upstream, with serious matters reported to top management and the Regents. The benefits of monitoring are:

- Ensure that the allotted budget is spent correctly and can be altered if needed.
- To make sure that the selected task and deadlines are met.
- To encourage accountability regarding the task assigned by the members of the team.
- To shift the workforce to a particular task if it requires so.
- To boost communication between the team members to increase quality and reduce time.

The monitoring happens after the plan is implemented. You need to take a few steps to track the project. First, you need to share the workload according to the capacity of your teammates. You need to figure out the issue you may encounter related to budget and time. Third, you need to share the workload according to the capacity of your teammates.

Monitoring is a key component of any system. Process monitoring informs management and a donor about the actual implementation of project activities in the field. At the same time process monitoring let the project staff on ground know how well they implements the project and what improvement they can bring to the work they are doing in field.

Process monitoring is conducted using checklists and guidelines. Those checklists are developed jointly with project staff. The same checklists and guidelines are used by field staff while implementing project activities. Participants were shared a sample of monitoring guidelines. To undertake process monitoring, a monitoring tool is required that capture the following information. According to the literature review, we were hypothesized as below:
Hyphothesis 5*. Internal controls within an organization are impacted by monitoring.*

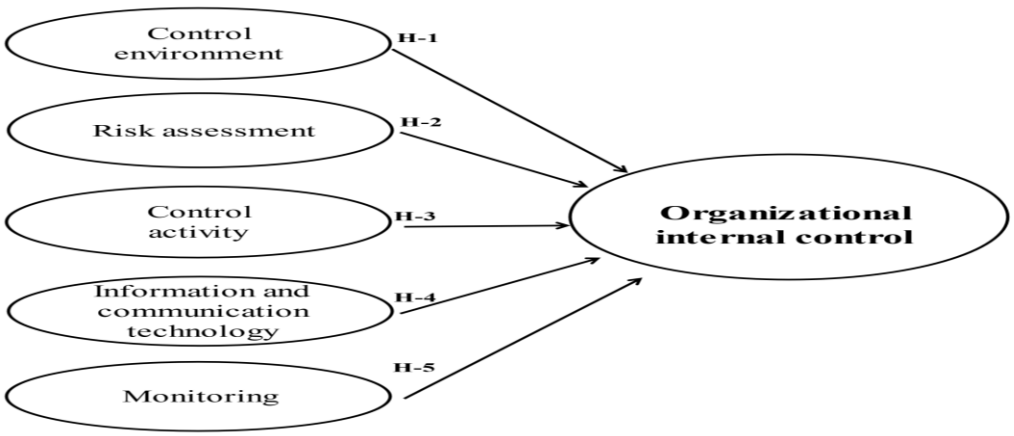
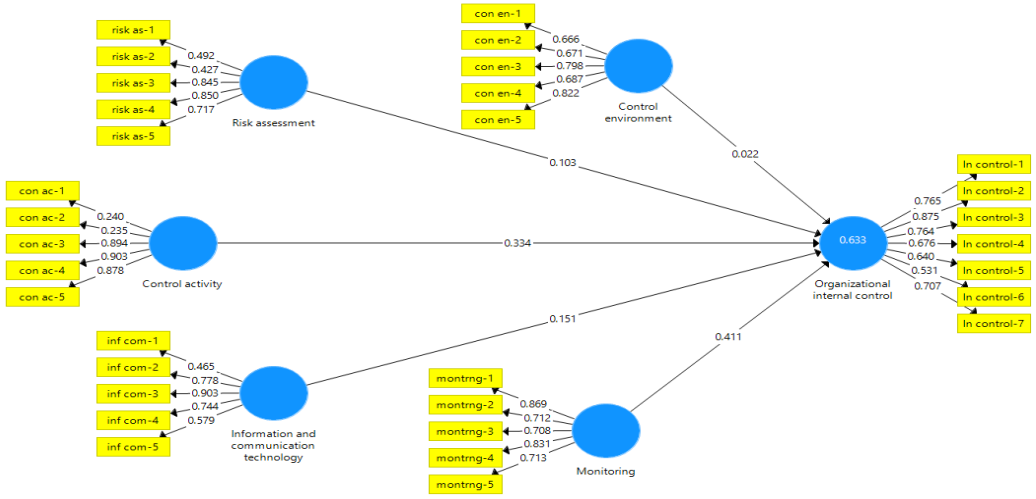


Figure 2.1. Conceptual models of factors on organizational internal control

3. Result of Study

We studied to include two kinds of problems in terms of theoretical and practical frameworks. The first, in theoretical frameworks, previous researchers dem attention on performance management in many public organizations. Second, from the practical frameworks deemed attention in a fiscal year in 2023.



Noted: con en- control environment, risk as- risk assessment, con ac- control activity, inf com- information and communication technology, montrng- monitoring, In control- Organizational internal control

Figure 2.2. Results of Structure Analysis of organiztiona internal control (algorithm)

Factor	*item*	*Results of item*	*Cronbach's alpha*	*CR*	*AVE*
Control environment	con en-1	**0.666**	**0.784**	**0.851**	**0.536**
	con en-2	**0.671**			
	con en-3	**0.798**			
	con en-4	**0.687**			
	con en-5	**0.822**			

Notes: con en- control environment

Table 1. List of items of control environment for each Construct of respondents

Control Environment of 5 Items: This indicates that the researchers used a set of five items or questions to measure the control environment. These items likely assessed various aspects related to the control environment within the context of their study.

Ranged from 0.666-0.822: This suggests the range of values obtained for the control environment items. Each item was scored or rated on a scale, and the scores for these items ranged from 0.666 to 0.822. This range gives an indication of the variability in responses across the different items.

Cronbach's Alpha of 0.784: Cronbach's Alpha is a measure of internal consistency reliability, which assesses how closely related a set of items are as a group. A Cronbach's Alpha of 0.784 indicates a relatively high level of internal consistency among the items measuring the control environment. In other words, the items are reliably measuring the same underlying construct.

Composite Reliability (CR) of 0.851: Composite Reliability is another measure of reliability, similar to Cronbach's Alpha, but it considers the factor loadings of items as well. A Composite Reliability of 0.851 indicates a high level of reliability in the measurement of the control environment construct.

Average Variance Extracted (AVE) was 0.536: Average Variance Extracted is a measure of convergent validity, indicating the amount of variance captured by the construct compared to measurement error. An AVE of 0.536 suggests that, on average, more than half of the variance in the control environment construct was explained by the items measuring it, indicating satisfactory convergent validity.

Factor	*item*	*Results of item*	*Cronbach's alpha*	*CR*	*AVE*
Risk assessment	risk as-1	**0.492**	**0.709**	**0.809**	**0.475**
	risk as-2	**0.427**			
	risk as-3	**0.845**			
	risk as-4	**0.850**			
	risk as-5	**0.717**			

Notes: risk as- risk assessment

Table 2. List of items of risk assessment for each Construct of respondents

Risk Assessment of 5 Items: Similar to the control environment, the researchers used a set of five items or questions to measure risk assessment. These items likely aimed to evaluate different aspects related to risk assessment within the context of the study.

Ranged from 0.427-0.850: This indicates the range of values obtained for the risk assessment items. Each item was likely scored or rated on a scale, and the scores for these items ranged from 0.427 to 0.850. This range shows the variability in responses across the different items measuring risk assessment.

Cronbach's Alpha of 0.709: Cronbach's Alpha assesses the internal consistency reliability of a set of items. A Cronbach's Alpha of 0.709 suggests a moderate level of internal consistency among the items measuring risk assessment. While not as high as some other reliability coefficients, it still indicates a reasonable level of consistency.

Composite Reliability (CR) of 0.809: Composite Reliability is another measure of reliability, considering both the factor loadings of items and measurement error. A Composite Reliability of 0.809 indicates a good level of reliability in the measurement of the risk assessment construct.

Average Variance Extracted (AVE) was 0.475: Average Variance Extracted measures convergent validity, indicating the proportion of variance in the construct captured by its measurement items relative to measurement error. An AVE of 0.475 suggests that less than half of the variance in the risk assessment construct was explained by the items measuring it, which could indicate some limitations in convergent validity.

Factor	*item*	*Results of item*	*Cronbach's alpha*	*CR*	*AVE*
Control activity	co ac-1	**0.240**	**0.713**	**0.799**	**0.500**
	co ac-2	**0235**			
	co ac-3	**0.894**			
	co ac-4	**0.903**			
	co ac-5	**0.878**			

Notes: con ac- control activity

Table 3. List of items of control activity for each Construct of respondents

Control Activity of 5 Items: Similar to the previous tables, the researchers used a set of five items or questions to measure control activity. These items likely aimed to assess various aspects related to control activities within the context of the study.

Ranged from 0.235-0.903: This indicates the range of values obtained for the control activity items. Each item was likely scored or rated on a scale, and the scores for these items ranged from 0.235 to 0.903. This range illustrates the variability in responses across the different items measuring control activity.

Cronbach's Alpha of 0.713: Cronbach's Alpha assesses the internal consistency reliability of a set of items. A Cronbach's Alpha of 0.713 suggests a moderate level of internal consistency among the items measuring control activity. While not exceptionally high, it still indicates a reasonable level of consistency.

Composite Reliability (CR) of 0.799: Composite Reliability considers both the factor loadings of items and measurement error, providing another measure of reliability. A Composite Reliability of 0.799 indicates a good level of reliability in the measurement of the control activity construct.

Average Variance Extracted (AVE) was 0.500: Average Variance Extracted measures convergent validity, indicating the proportion of variance in the construct captured by its measurement items relative to measurement error. An AVE of 0.500 suggests that half of the variance in the control activity construct was explained by the items measuring it, indicating acceptable convergent validity.

Factor	*item*	*Results of item*	*Cronbach's alpha*	*CR*	*AVE*
Technical equipment	Tech-1	**0.465**	**0.832**	**0.829**	**0.505**
	Tech -2	**0.778**			
	Tech -3	**0.903**			
	Tech -4	**0.744**			
	Tech -5	**0.579**			

Notes: tech-technical equipment

Table 4. List of items of information and communication technology for each

Information and Communication Technology of 5 Items: As indicated, there were five items used to measure information and communication technology. These items likely aimed to assess different aspects related to ICT within the context of the study.

Ranged from 0.465-0.903: This range represents the values obtained for the ICT items. Each item was likely scored or rated on a scale, and the scores ranged from 0.465 to 0.903. This range demonstrates the variability in responses across the different items measuring ICT.

Cronbach's Alpha of 0.832: Cronbach's Alpha assesses the internal consistency reliability of a set of items. A Cronbach's Alpha of 0.832 indicates a high level of internal consistency among the items measuring ICT. This suggests that the items are reliably measuring the same underlying construct.

Composite Reliability (CR) of 0.829: Composite Reliability considers both the factor loadings of items and measurement error, providing another measure of reliability. A Composite Reliability of 0.829 indicates a good level of reliability in the measurement of the ICT construct.

Average Variance Extracted (AVE) was 0.505: Average Variance Extracted measures convergent validity, indicating the proportion of variance in the construct captured by its measurement items relative to measurement error. An AVE of 0.505 suggests that slightly more than half of the variance in the ICT construct was explained by the items measuring it, indicating acceptable convergent validity.

Factor	*item*	*Results of item*	*Cronbach's alpha*	*CR*	*AVE*
Monitoring	montrng-1	**0.869**	**0.825**	**0.878**	**0.592**
	montrng-2	**0.712**			
	montrng-3	**0.708**			
	montrng-4	**0.831**			
	montrng-5	**0.713**			

Notes: montrng- monitoring

Table 5. List of items of monitoring for each Construct of respondents

Monitoring of 5 Items: This indicates that there were five items used to measure monitoring. These items likely aimed to assess different aspects related to monitoring within the context of the study.

Ranged from 0.708-0.869: The values obtained for the monitoring items ranged from 0.708 to 0.869. Each item was likely scored or rated on a scale, demonstrating the variability in responses across the different items measuring monitoring.

Cronbach's Alpha of 0.825: Cronbach's Alpha assesses the internal consistency reliability of a set of items. A value of 0.825 indicates a high level of internal consistency among the items measuring monitoring. This suggests that the items reliably measure the same underlying construct.

Composite Reliability (CR) of 0.878: Composite Reliability considers both the factor loadings of items and measurement error, providing another measure of reliability. A CR of 0.878 indicates a high level of reliability in the measurement of the monitoring construct.

Average Variance Extracted (AVE) was 0.592: Average Variance Extracted measures convergent validity, indicating the proportion of variance in the construct captured by its measurement items relative to measurement error. A value of 0.592 suggests that a significant portion of the variance in the monitoring construct was explained by the items measuring it, indicating good convergent validity.

Factor	*item*	*Results of item*	*Cronbach's alpha*	*CR*	*AVE*
Organizational internal control	IN CONTROL-1	**0.765**	**0.837**	**0.878**	**0.512**
	IN CONTROL-2	**0.875**			
	IN CONTROL-3	**0.764**			
	IN CONTROL-4	**0.676**			
	IN CONTROL-5	**0.640**			
	IN CONTROL-6	**0.531**			
	IN CONTROL-7	**0.707**			

Table 6. List of items of internal control for each Construct of respondents

In table 6, Organizational Internal Control of 7 Items: This indicates that the researchers used a set of seven items to measure organizational internal control. These items likely assessed various aspects related to internal control within the organization.

Ranged from 0.531-0.875: The values obtained for the organizational internal control items ranged from 0.531 to 0.875. Each item was likely scored or rated on a scale, demonstrating the variability in responses across the different items measuring organizational internal control.

Cronbach's Alpha of 0.837: Cronbach's Alpha assesses the internal consistency reliability of a set of items. A value of 0.837 indicates a high level of internal consistency among the items measuring organizational internal control. This suggests that the items reliably measure the same underlying construct.

Composite Reliability (CR) of 0.878: Composite Reliability considers both the factor loadings of items and measurement error, providing another measure of reliability. A CR of 0.878 indicates a high level of reliability in the measurement of the organizational internal control construct.

Average Variance Extracted (AVE) was 0.512: Average Variance Extracted measures convergent validity, indicating the proportion of variance in the construct captured by its measurement items relative to measurement error.

A value of 0.512 suggests that more than half of the variance in the organizational internal control construct was explained by the items measuring it, indicating acceptable convergent validity.

Hypothesis	Standard deviation	T Statistic	P value	Remarks
H1. Control environment positive related on organizational internal control.	0.138	0.159	**0.874**	No supported
H2. Risk assessment positive related on organizational internal control.	0.151	0.682	**0.496**	No supported
H3. Control activity positive related on organizational internal control.	0.181	1.843	**0.077**	No supported
H4. Information and communication technology positive related on organizational internal control.	0.178	0.846	**0.398**	No supported
H5. Monitoring positive related on organizational internal control.	0.134	3.073	**0.002**	**Supported**

Notes: The result of study

Table 7. Estimated Path Coefficients of respondents on organizational internal control.

Hypothesis 1- Standard deviation: 0.138, T statistic: 0.159, P value: 0.874 are values indicate that the relationship between the control environment and organizational internal control is not statistically significant. The low T statistic and high P value suggest that any observed relationship could likely be due to random chance rather than a true effect.

Hypothesis 2 - Risk Assessment: This hypothesis suggests that there is no relationship between risk assessment and organizational internal control. Standard deviation: 0.1518, T statistic: 0.682, P value: 0.496 are the values indicate that the relationship between risk assessment and organizational internal control is not statistically significant. The T statistic is low, and the P value is high, indicating that any observed relationship could be due to chance.

Hypothesis 3 - Control Activity: This hypothesis suggests that there is no relationship between control activity and organizational internal control. Standard deviation: 0.181, T statistic: 1.843, P value: 0.077 is the P value is relatively low but still above the conventional threshold of 0.05 for statistical significance. This suggests that while there may be some indication of a relationship between control activity and organizational internal control, it is not strong enough to reach statistical significance.

Hypothesis 4 - Information and Communication Technology (ICT): This hypothesis suggests that there is no relationship between ICT and organizational internal control. Standard deviation: 0.178, T statistic: 0.843, P value: 0.398 are the values indicate that the relationship between ICT and organizational internal control is not statistically significant. The T statistic is low, and the P value is high, suggesting that any observed relationship may be due to chance.

Hypothesis 5 - Monitoring: This hypothesis suggests that there is a relationship between monitoring and organizational internal control. Standard deviation: 0.134, T statistic: 3.073, P value: 0.002 йжу the values indicate that the relationship between monitoring and organizational internal control is statistically significant. The high T statistic and low P value suggest that there is strong evidence to support the assertion that monitoring is related to organizational internal control.

4. Conclusion

We studied in the fiscal year of 2023 our paper collected and delivered an online-form- questionnaire with an official inquiry that requested quantitative and qualitative surveys in our study. There are participated 185 public servants who work education, health and special service sector.

One of them is supported and four of them is not supported in path analysis. We are recommending our study as bellow:

a. To study more hypotheses, result in the future.

b. To study and compare factors on organizational internal control with another special agency.

c. To study and compare the factors with foreign scholars' study in the future.

Finally, we will study our next research paper, need to correlation skills, leadership, job satisfaction, engagement, behavior with organizational internal control etc.

References

1. Ashima Aggarwal, G. T. (2017). Techniques of Performance Appraisal. *Semantic Scholar*, 254-268.
2. Cooper, H. (1998). Synthesizing research: A guide for literature 3rd ed. Oaks: CA: Sage Publications, Thousand.
3. Cross Ogohi Daniel, S. J. (2020). Effective time management on employee performance. *International journal of research science & management*, 72-84.
4. Imran Khan, H. D. (2014). Impact of Attitude on Employees Performance: A Study of Textile Industry in Punjab, Pakistan. *World Applied Sciences Journal*, 191-199.
5. Nishant Uppal, N. V. (2014). Prior Related Work Experience and Job Performance: Role of personality. *International Journal of Selection and Assessment*, 39-44.
6. Stoyanova, I. G. (2011). Skill and Performancebjir_779 515..536. *British Journal of Industrial Relations*.
7. Imran, A. (2019). Personality traits, individual innovativeness and satisfaction with life. *Journal of Innovation and Knowledge*, 38-46.
8. Janie, B. B. (2006). Ethics in Organizations and Leadership. Jones and Bartlett.
9. Klingborg, D. J. (2014). What Is Leadership? Leadership and Professional Development, 280-285.
10. Mihelič, K. K. (2010). Ethical leadership. International *Journal of Management and Information Systems*, 31-44.
11. Sharma, R. T. (n.d.). Managerial Skills for Managers in the 21st Century.
12. Singh, S. K. (2008). Role of leadership in knowledge management: A study . *Journal of Knowledge management*, 3-15.
13. Smuthy, P. (2012). The Relationship between Managerial Skills and Managerial Effectiveness in a Managerial Simulation Game. Etrategia Organizaion Czech Science Foundation, 11-21.
14. Stogdill, R. (1948). Personal factors associated with leadership: A survey of the literature. *Psychol*, 64.
15. WK Hoy, C. M. (1987). Educational Administration:Theory, Research, and Practice 3rd ed. New York: Random House .

Evidience of Study

Construct Reliability and Validity

Matrix | Cronbach's Alpha | rho_A | Composite Reliability | Average Variance Extracted (AVE)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Control activity	0.713	0.882	0.799	0.500
Control environment	0.784	0.792	0.851	0.536
Information and communication technology	0.832	0.815	0.829	0.505
Monitoring	0.825	0.831	0.878	0.592
Organizational internal control	0.837	0.859	0.878	0.512
Risk assessment	0.709	0.777	0.809	0.475

Discriminant Validity

Fornell-Larcker Criterion | Cross Loadings | Heterotrait-Monotrait Ratio (HTMT) | Heterotrait-Monotrait Ratio (HTMT)

	Control activity	Control environment	Information and ...	Monitoring	Organizational i...	Risk assessment
Control activity	0.707					
Control environment	0.582	0.732				
Information and communication technology	0.492	0.106	0.710			
Monitoring	0.479	0.440	0.259	0.769		
Organizational internal control	0.684	0.463	0.430	0.669	0.715	
Risk assessment	0.635	0.481	0.057	0.471	0.528	0.689

Path Coefficients

Mean, STDEV, T-Values, P-Values | Confidence Intervals | Confidence Intervals Bias Corrected | Samples

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics (|O/...	P Values
Control activity -> Organizational internal control	0.334	0.268	0.181	1.843	0.066
Control environment -> Organizational internal control	0.022	0.011	0.138	0.159	0.874
Information and communication technology -> Organizational internal control	0.151	0.167	0.178	0.846	0.398
Monitoring -> Organizational internal control	0.411	0.416	0.134	3.073	0.002
Risk assessment -> Organizational internal control	0.103	0.170	0.151	0.682	0.496