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Internal Control and Risk Management System in University Libraries: Applications, Techniques and Limitations.

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Abstract

Internal control and risk management system play an essential role in ensuring objective achievement of organizations and mitigating possible risks that hinder an organization from achieving its objective. Therefore, the aim of this paper centered on internal control system and risks management in university libraries with respect to application, techniques and limitations to effective internal control and risk management. The paper discovered and analyzed applicable risks to university libraries including: financial risks, research risks, academic affairs risks, information technologies risk, human resources risks and risks and safety matters. The paper concluded that effective internal control and risk management system can influence the effectiveness of university libraries.

Keywords: Internal Control, Risk Management, University Libraries, Applications, Techniques, Limitation

Introduction

University libraries play a central role in the academic pursuit of the students and research activities of lecturers and other members of the university community. It therefore requires internal control and risk management system to regulate internal activities of the libraries in effective and efficient manner for reasonable assurance of accountability, transparency, and adherence to management policies and procedures; maintenance of accurate financial records and safeguards the assets of the library. According AuditNet (2016), internal control is broadly defined as a process, affected by the entity's board, management, and other personnel, designed to provide quality assurance regarding the achievement of objectives in the following categories: organizational effectiveness and efficiency of operations, reliability of financial records, reporting and compliance with applicable rules and regulations. It further describes internal control as a tool that helps managers carry out their duties effectively and

efficiently while avoiding serious problems such as overspending, operational failures, and violations of law.

Internal control and risk management system involve all the structure, policies, and procedures put in place to provide reasonable assurance to enable management meets its objectives and fulfils its responsibilities and mitigate possible risks. The University of Oregon (2016) states that internal controls are designed to effect reasonable assurance in the organization in order to meet its mission, promotes performance leading to effective accomplishment of objectives and goals, safeguards assets, provides accurate and reliable financial record, promotes operational economy and efficiency, and promotes adherence to applicable laws, regulations and prescribed management policies and practices. It further opines that internal control help ensure that necessary actions are taken to address risks while achieving the institution's objectives. It is clear from the foregoing that internal control system is relevant and applicable to organization of all types and sizes for the purpose of ensuring the efficient operation of the organization. Government owned university libraries adopt a considerable system of internal control system to deal with the issues regarding to effective accomplishment of library goals, objectives, adherence to rules and regulation and maintenance of order.

Internal control and risk management system are mostly utilized by the management of an organization for decision making on operational efficiency. Internal control is a method used by the management of an organization with the purpose of creating values and improving the organization's operations and by helping them to achieve their objectives through a systematic method and evaluate the effectiveness management policies. The internal control is one of the important means for confirming and verifying compliance with administrative policies, legislations, financial and administrative systems within an organization. Efficient job performance to actualization of organizational goals with minimum waste of resources that means, making the best use of resources, time, materials and people, which internal control system sets to achieve. Similarly, AuditNet (2016) affirms that internal control ensures that employees are doing their best to achieve effective and efficient operations in the work place in compliance with laws and regulations.

The usefulness of internal control and risk management system can be witnessed in various policies affecting various aspects of the organization. According to Missouri State University (2016) internal control includes a system of organizational design, written policies

and procedures, operating practices and physical barriers to protect assets. It added that internal control and risk management system provide means for safeguarding assets, proper recording of transactions, and the efficient and effective accomplishment of the organizational goals and objectives, including compliance with the rules and regulations of the entity. Whittington and Pany (2004) assert that internal control system is used as part of the monitoring activity of an organization. It involves evaluation of internal controls and efficiency with which the various units of the organization are performing their assigned functions. An Internal control system is normally targeted as to determining whether a department has a clear understanding of its assignment, is adequately staffed, maintains good records, properly safeguarding cash, inventory & other assets and cooperates harmoniously with other departments.

International standard on auditing describes internal control system as all policies and procedures used by the organization for achieving management's objective of ensuring, as far as practicable, the orderly and efficient conduct of its services, including adherence to management policies, safeguarding of assets, prevention and detection of irregularities, accuracy of the accounting record and timely processing of reliable financial information. Internal controls are the policies of an organization to safeguard and maintain accuracy and reliability of its accounting data, promote job efficiency, and encourage adherence to rules and regulation. Internal control system is veritable tool for managers of an organization to achieve organizational efficiency and operational effectiveness.

It could be seen that Internal control involves a whole system of control, including financial measures established by the management in order to affect the services of the enterprise, protection of assets and secure the accuracy of financial records. Ndibe and Okoye (1998) identify some controls in internal control system including check and verification of accounting and financial policies; procedures and regulations of policies; safeguarding and protection of assets; budgetary planning, control and procedures; and internal monitoring and reviews of entries. It was observed that a good system of internal control will leads to effective service delivery and also in the university library, proper use of library resources and adequate documentation of library transactions. Internal control system is the term generally used to describe how management of an entity helps the organization meets its statutory and other organizational objectives.

In a research conducted by Van-scotter (2000), findings show that approximately three quarters of the 500 largest publicly held U.S. institutions voluntarily make a public assertion that it is the management's responsibilities to maintain an effective system of internal control. These management statements on internal control are contained in the institution's annual report from the patrons. Van-scotter suggests that the strategies to execute management's internal control responsibilities include but not limited references to segregation of functions, programs of selection, training of personnel, the results of an internal auditing function. Barnabas and Iheonkhan (2012) suggest that there is need for the development of efficient internal control system by the management of an organization to mitigate irregularities, misappropriations and poor staff performance in the organization.

In the university libraries, the top management and other librarians have some level of responsibilities in the internal control system of the university libraries to ensure that the libraries meet their objectives for which they are established. Barnabas and Iheonkhan (2012) opine that effective internal control will assist the library management and other librarians in performing their task well and that the management or administrators are responsibility to establish a virile internal control mechanism powerful and reliable to strengthen organizational performance either in terms of safeguarding the trust requited on them over their assets or expected services.

Adeniji (2012) states that organizations like libraries should have a plan of their organization, defining and allocating responsibilities and identifying lines of reporting for all aspects of the organization's operation, including controls.

Risks in university libraries include all the inherent threats to actualization of organization's objectives. Risks in libraries may be physical risks and inventory related. As a control related to assets/inventory, department maintains a listing of all its computers and software to ensure that these are onsite and accounted for annually. As a safeguard to prevent theft of library resources, all laptops are locked in the employee's desk. As an accounting control, when the bookstore closes the year, a store-wide inventory is performed to confirm that the balance on the books for inventory equals the physical amount of inventory (Missouri State University, 2016). These risks are inherent in library operations and with application internal control system; it is mitigated to the barest minimum. However, the management policies and systems of internal control help to minimize risks. Morgan (2015) articulates that internal control and risk management system are basic rules that are needed to assure that operation runs

effectively and lessens risk. As part of performance review system, Morgan opined that the library management should look at such areas as physical security, environmental controls, protection against theft and mutilation of library materials, purchasing and contract administration, collecting revenue and even time keeping. Ainslie (2016) states that internal control system is used to cross-check systems to prevent loss through theft, collusion; and minimizes likelihood of misappropriation of assets or misstatement of accounts; maximizes likelihood of detection of malfeasance, and does not prevent embezzlement but allows it to be discovered and identified respective perpetrators.

The objective of internal control system is to assist members of the institution in the effective discharge of their responsibilities. According to Gupta (2002), the design of internal control system is determined by management as it helps an organization accomplish its objectives by bringing a systematic and careful approach to enhance the evaluation and improvement of the effectiveness of risk management control and governance processes. Standard Auditing Practices No. 6 (SAP) defines Internal control as the blueprint of an institution and all the policies and procedures designed by the management of an institution to assist in actualizing management objectives by ensuring orderly and efficient conduct of actions, including adherence to management policies, the safeguarding of properties, assets, prevention and discovery of fraud and error, prompt preparation of reliable financial records, the accuracy and accounting records.

Analysis of Risks Applicable to University Libraries

The study presents analysis of risks applicable to university libraries and their descriptions. This is discussed under the following heading: Financial Risk, Research Risk, Human Resources Risk, Information Technology Risk, Academic affairs Risk and Risk & Safety Matters.

Table 1: Document Analysis of Financial Risk Applicable to University Library

Financial Risks	Description
Accounting and Auditing Matters	The unethical systematic recording and analysis of the business and financial transactions associated with generally accepted accounting practices. (Examples include: misstatement of revenues, misstatement of expenses and misstatement of assets.)
Falsification of Contracts, Reports or Records	Falsification of records consists of altering, fabricating, falsifying, or forging all or any part of a document, contract or record for the purpose of gaining an advantage, or misrepresenting the value of the document, contract or record. (Examples include: Financial Aid documents, Vendor Contracts)
Fraud	The intentional misrepresentation or concealment of information in order to deceive, mislead, or acquire something of value. A fraud is an intentional deception perpetrated to secure an unfair gain. (Examples include: Violation of Policy, Sabotage)
Improper Disclosure of Financial Records	Careless, unlawful or fraudulent conduct in recording, preparing, reporting, disclosing of either the value or the content of a contract, report, statement, document, record, or electronic file.
Improper Giving or Receiving of Gifts	The giving, receiving or solicitation of items which could be reasonably interpreted as an effort to influence a business relationship or decision; items given, received or solicited for the benefit of an individual or an individual family or friends; items given, received or solicited during or in connection with contract negotiations; the acceptance of cash, checks, money orders, vouchers, gift certificates, loans, products or services.
Theft / Embezzlement	The act of stealing; specifically: the felonious taking and removing of personal property with intent to deprive the rightful owner of it. To appropriate (as property entrusted to one's care) fraudulently to one's own use (Examples include: bookkeeping errors, misapplication of funds, and mishandling of cash)
Waste, Abuse or Misuse of Resources	Improper or unauthorized use of resources and technologies for personal gain
Donor Stewardship	Mishandling of donor funds directed to the institution, including funds that may not have been used in accordance with the donor's intentions and wishes

Source: EthicsPoint Whitepaper

Table 1 shows the financial risks applicable to university libraries. The first is accounting and auditing matters. University libraries face the risk of misstatement of revenues generated from library services such as reprographic services, consultancy services, overdue fine and other internally generated revenues. The risk may also include misstatement of expenses on material acquisition and other assets. It was revealed that risk such as fraud is applicable to university libraries including intentional misrepresentation or concealment of information to achieve unfair personal gain. Improper disclosure of financial records is another fraudulent risk in university

libraries. In this case, reporting or disclosing accurate record on transactions in the library may be concealed by a staff in order to divert fund to personal account or for personal use. Another financial risk is improper giving and receiving of gifts. University library involves in giving out books and other material items to other libraries in exchange. Also, university libraries receive gifts and donation of books, computers and other items from donor organisations or individuals. Therefore, there is risk of improper giving and receiving of gifts. The act of stealing; specifically: the felonious taking and removing of books, computers and other items from the library are among the greatest risks ever faced the university library. Finally, improper or unauthorized use of library resources, information technologies and other devices for personal gain posed a big risk to university libraries.

Table 2: Document Analysis of Research Risk Applicable to University Library

Research Risks	Description
Conflict of Interest	A situation in which a person or a family member has a financial interest or non financial interest that may compromise, or provide the incentive to compromise, the behavior in the conduct of the person's duties at the institution, the person's influence on decisions that the institution may make, or the person's influence over his or her associates outside the institution. A conflict of interest may be real, potential or apparent
Data Privacy	Refers to the technical, contractual, administrative and physical steps taken by the institution to protect against unauthorized access to and disclosure of personally identifiable data of employees and customers and other third parties that we possess.
Intellectual Property Infringement, Misappropriation or Disclosure	Any unauthorized or inappropriate use, misappropriation or disclosure of confidential information (in any form) or intellectual property belonging to the institution or any institution's customer, supplier or business partner, including, without limitation, any intellectual property protected under law relating to copyrights, patents or trade secrets. Also includes any unauthorized or inappropriate use of the institution computer system.
Research Grant Misconduct or Misappropriation of Costs	Unallowable or questionable expenditures or cost transfers to government grants, contracts or other agreements. Any expenditures or cost transfers that may be in violation of institutional procedures
Scientific Misconduct	Fabrication, falsification, plagiarism, or other practices that seriously deviate from those that are commonly accepted within the scientific community for proposing, conducting, or reporting research. Fabrication is making up data or results and recording or reprinting them. Falsification is manipulating research materials, equipment or processes, or changing or omitting data or results, such that the research is not accurately reported in the research record. Plagiarism is the appropriation of another person's ideas, processes, results, or words without giving appropriate credit.

Source: EthicsPoint Whitepaper

Table 2 shows the research risks applicable to university libraries. It was revealed that conflict of interest poses a risk to university libraries. To protect against unauthorized access to and disclosure of personally identifiable data of employees and library patrons and other third parties present a threat to library. University libraries face research risk related to intellectual property infringement, misappropriation or disclosure of confidential information; fabrication,

falsification, plagiarism, or other practices that seriously deviate from those that are commonly accepted within the scientific community for proposing, conducting, or reporting research.

Table 3: Document Analysis of Human Resources Risk Applicable to University Library

Human Resources Risks	Description
Discrimination or Harassment	Uninvited and unwelcome verbal or physical conduct directed at an employee because of sex, religion, ethnicity or beliefs. (Examples: bias in hiring, assignments, promotions, educational decisions; unfair compensation; inappropriate language; wrongful termination). Retaliation or retribution.
Equal Opportunity	Failure to meet requirements as defined by Equal Employment Opportunity & Disability Act. (Examples include: Nepotism, proper disability access)
Employee Misconduct	Involves any employee conduct that is in violation of the institution's code of conduct, ethics policy, faculty handbook or any other printed materials that constitute employee conduct. Time abuse concerns about an employee or manager who are falsifying his/her work hours
Nepotism	Patronage bestowed by public officers in consideration of a family relationship and not merit.
Offensive or Inappropriate Communication	The use of inflammatory, derogatory, unduly critical or insulting communication to a staff person, faculty, administrator, alumni or student.
Threat or Inappropriate Supervisor Directive	Improper use of supervisory authority in response to employee taking action or refusing to take action. Inappropriate management practices.
Time Abuse	improper and/or excessive use of work time for personal business, interest, advantage, or gain
Unsafe working conditions	Failure of meeting requirements needed to perform all duties in a secure environment. Potential areas of harm. (Examples include: environmental damage, supervisor directive, poor housekeeping)
Violence or Threat	An expression of the intention to inflict evil, injury, or damage to a person or their property. (Examples include: direct, veiled, conditional, violent)
Conflict of Interest	A situation in which a person or a family member has a financial interest or non financial interest that may compromise, or provide the incentive to compromise, the behavior in the conduct of the person's duties at the institution, the person's influence on decisions that the institution may make, or the person's influence over his or her associates outside the institution. A conflict of interest may be real, potential or apparent.
Employee Benefits Abuses	Improper, misleading or deceptive actions/statements, falsification of records, misrepresentation of actual conditions related to institution benefits plans, including health and supplemental insurance plans, tuition benefits and sick or other paid time-off programs.
Workers Compensation or Disability Benefits Abuses	Observation of physical activity of employees receiving disability or other compensation benefits from the institution in contradiction to the degree of the disability certified by medical personnel.

Source: EthicsPoint Whitepaper

Table 3 shows the human resources risks applicable to university libraries. University library is faced with risk related to discrimination or harassment of library staff with respect to sex, religion, ethnicity or beliefs. (Examples: bias in hiring, assignments, promotions, educational decisions; unfair compensation; inappropriate language; wrongful termination); retaliation or retribution. From the table above, matter relating to equal opportunity, employment misconduct, nepotism, inappropriate or offensive communication, threat or inappropriate supervisor directive, time abuse, unsafe working conditions and so on, are risks to university libraries.

Table 4: Document Analysis of Information Technology Risk Applicable to University Library

Information Tech. Risks	Description
Data Privacy/Integrity	Refers to the technical, contractual, administrative and physical steps taken by the institution to protect against unauthorized access to and disclosure of personally identifiable data of students, faculty and other third parties that we possess.
Fraud	The intentional misrepresentation or concealment of information in order to deceive, mislead or acquire something of value. A fraud is an intentional deception perpetrated to secure an unfair gain (examples include: Violation of Policy, Sabotage).
Malicious/Inappropriate Use of Technology	Use of institution's Information Technology that violates the 'Use of Information Technology Resources Policy'
Misuse of Resources	Improper or unauthorized use of Institution resources for personal gain.
Improper Supplier / Contractor Activity	Supplier or contractor activity in violation of corporate policies and procedures; improper supplier or contractor selection based on personal gain, improper negotiation or diversion of contract awards.
Falsification of Contracts / Reports / Records	Falsification of records consists of altering fabricating, falsifying, or forging all or any part of a document, contract or record for the purpose of gaining an advantage, or misrepresenting the value of the document, contract or record
Software Piracy/ Intellectual Property Infringement	Unauthorized use of corporately owned copyrights or software; also includes the use of unauthorized software on corporately owned systems.
Theft	The act of Stealing; specifically: the felonious taking and removing of personal property with intent to deprive the rightful owner of it

Source: EthicsPoint Whitepaper

Table 4 shows the Information Technologies risks applicable to university libraries include data privacy or access to and disclosure of personally identifiable data of students, faculty and other third parties; inappropriate use of computer technology, software piracy / intellectually property infringement and theft of computers and other information technologies etc.

Table 5: Document Analysis of Academic Affairs Risk Applicable to University Library

Academic Affairs Risks	Description
Alcohol/Drug Abuse	The misuse of both legal and illegal drugs including alcohol. (Examples include: cocaine, narcotics, marijuana, stimulants)
Cheating/ Plagiarism	Authorized or unauthorized student usage of answers, papers, works, or projects owned or created by another student, professional or individual.
Credentials Misrepresentation	Theft or forgery of titles, diplomas, transcripts, grades or other official documents represented by an individual as his or her own.
Hazing	The demeaning of a student through physical or mental means for the purpose of initiations in, or acceptance into a group.
Sexual Harassment	The making of unwanted and offensive sexual advances or of sexually offensive remarks or acts, especially by one in a superior or supervisory position or when acquiescence to such behavior is a condition of continued employment, promotion, or satisfactory evaluation.
Student Safety	An unsafe situation caused by the campus or students that would produce a secure environment. (Examples include, environmental damage, poor housekeeping, handling and disposing of hazardous materials.
Student Travel	Inadequate preparation for school sponsored travel excursions resulting in the potential for injury, death, illness or hazard. Can also include misappropriation of student resources.
Terrorism	The threat, either domestic or international, to persons or property with the intent of causing damage or physical harm.
Academic Misconduct	Any form of unethical behavior that violates the integrity of the academic process, such as bestowing or seeking academic favors or advancements on the basis of friendship or gifts, concealing conflicts of interest, or deliberate failure to meet professional obligations.

Source: EthicsPoint Whitepaper

Table 5 shows the Academic Affairs risks applicable to university libraries. It was revealed I the table that alcohol and drug abuse among students, faculty and library staff pose a great risk to

university libraries. Other immoral behaviors that present risk to university libraries include terrorism; cheating and plagiarism (authorized or unauthorized student usage of answers, papers, works, or projects owned or created by another student, professional or individual); sexual harassment among students, staff and others; hazing or cultism; forgery or credentials misrepresentation etc.

Table 6: Document Analysis of Risk and Safety Matters Applicable to University Library

Risk & Safety Matters	Description
Confidentiality	Confidentiality refers to the protection of the institute's and our customer's non-public information and use of such information only for legitimate business purposes.
Data Privacy	Refers to the technical, contractual, administrative and physical steps taken by the institute to protect against unauthorized access to and disclosure of personally identifiable data of employees and customers and other third parties that we possess.
Disclosure of Confidential Information	Unlawful and unauthorized disclosure or use of sensitive information, not to be used other than for specifically identified purposes, to unauthorized individuals or for personal gain or advantage.
Environmental and Safety Matters	Failure to meet the requirements of any applicable law, rule or regulation relating to the environment, working conditions or workplace safety, including, without limitation, regulations promulgated by the Occupational Safety and Health Administration, the Environmental Protection Agency, and similar agencies in other jurisdictions
Improper Supplier or Contractor Activity	Supplier or contractor activity in violation of institute's policies and procedures; improper supplier or contractor selection based on personal gain, improper negotiation or diversion of contract awards.
Improper Use of Intellectual Property, Copyright Violations or Software Piracy	Unauthorized and unlawful disclosure of confidential information including inventions, research and technical data, formulas, discoveries, designs, improvements, ideas, manufacturing directives, computer programs, trademarks, patents, copyrights, unpublished financial or pricing information and all related documentation. Any misuse of the institution's information technology.
Sabotage or Vandalism	Destruction of institute's property (as tools or materials) or the hindering of manufacturing by discontented workers. (Examples include: Equipment destruction, stealing, work slowdown, computer virus)
Public Safety	Do not use this site to report events presenting an immediate threat to life or property. Reports submitted through this service may not receive an immediate response. If you require emergency assistance, please contact your local authorities immediately.
Unsafe working conditions	Failure of meeting requirements needed to perform all duties in a secure environment. Potential areas of harm. (Examples include: environmental damage, supervisor directive, poor housekeeping)
Waste, Abuse or Misuse of Resources	Improper or unauthorized use of this institutes resources and technologies for personal gain. The misuse/abuse of institute support services, equipment, or assets.

Source: EthicsPoint Whitepaper

Table 6 shows the Risks and Safety Matters applicable to university libraries. Issues with data privacy; information confidentiality; environmental and safety matters relating to library environment, equipment and building; public safety, copyright violation in the use of information, vandalism of library properties and misuse of library resources.

Techniques for Internal Control and Risk Management for Quality Assurance in University Libraries

University libraries need to identify and manage essential risks related to operational strategies and protection of library assets by adopting reasonable assurance techniques. Aguolu (2008) identifies various techniques which library management may adopt in order to ensure the basic controls are functioning. According to Aguolu, methods of record keeping and inbuilt control techniques are basic controls as they are part of the system and hence operate automatically, the discipline over basic controls are not part of the system and must be initiated by the library management. The control techniques include: custodial controls, supervisory control, separation of duties and management structure.

Custodial Controls

Custodial controls are designed to ensure that assets such as library materials, budget allocation / internally generated revenue and documents related to cheques or material purchases are secured. The control may also involve: Suitable physical arrangement or shelving of library collection for easy access and retrieval of information resources; the use of safes and enclosed barriers for cash and security documents; suitable reserve system for sensitive information resources items; the installation of fire devices to prevent / fight fire; the prevention of access to certain library equipment to unauthorized persons; the protection of certain stocks against harsh weather condition; the erection of concrete walls or wire fencing for company premises.

Supervisory Controls

Supervisory controls are the same with authorization controls whereby the jobs performed by one staff is subject to the approval of a more responsible official. This could be in the form of: direct supervision by higher ranked library staff; checks carried out on the job of subordinates by supervisors; authorization from a head of section for a job to be performed; direct controls to enforce the performance of a job and follow-up action to ensure that a specified corrective action is carried out in cases where an established control fails to operate.

Separation of Duties

There should be a well defined separation of duties between departments and individuals, such that no one person or department handles a particular transaction from the beginning to the end. This is known as segregation of duties. Segregation of duties should be distinguished from division of duties. The segregation of duties for the purpose of adequate internal control is designed to ensure that no one person is in a position, both to misappropriate the asset and conceal his action by falsifying the relevant records (Aguolu, 2008).

Segregation of duties is an internal control according to American Institute of Certified Public Accountants (2009) that ensures that individuals do not perform incompatible duties. It says that, “duties should be segregated such that the work of one individual provides a crosscheck on the work of another individual”. Applying this in library system yields a better result. In the university library’s cataloguing and classification tasks for example, such procedure ensures uniformity, consistency and accuracy.

Adeniji (2012) states that internal control involves separation of responsibilities or duties that will enable an individual to record and process a complete business transaction. When there is separation of duties, it reduces the risk of intentional manipulation, mistakes or error and increases the element of checking. Duties to be separated include those of authorization of access, execution of project and record in case of a computer based library, system maintenance, development and daily operation (p. 47-55).

Segregation of duties involves the separation of the transactions of the organization into the constituent parts such that no one person or department is responsible for more than one aspect of a transaction that is authorization, custodial and recording. For instance, in the library, the acquisition department is responsible for selection, ordering and the purchase of library material. For this transaction, the acquisition department is responsible for placing the order (authorization), the inspection receiving while the cataloguing department will be responsible for processing the materials and circulation department is responsible for displaying the materials on the shelf. The basic principle of segregation of duties is that the work of one employee should, without a duplication of effort, provides a reliable basis for evaluating the work of another employee (Aguolu, 2008).

Management Structure

In order to prevent friction and ensure the smooth running of the business, there should be a clear organization structure defining the authority and responsibility of each librarian or department. It is an essential feature of internal control that responsibilities must be well defined together with officials in whom such responsibilities are vested. Complementary authority must also be vested in such library staff to enable them carry out those responsibilities effectively and efficiently. Such responsibility and authority are often defined on an organization chart. Specific duties should be assigned to staff with the relevant skill and competence (Aguolu, 2008).

Internal Audit

Internal audit connotes different procedures used for checking the internal efficiency of the operational performance. According to Mohammed (2012), effective and efficient measures in managerial decision constitute the procedures for control of operation and feedback necessary to check performance, errors, fraud and other irregularities. Internal auditing is the process of determining whether the control system adopted by the management is adequate or not. This process involves reviewing and evaluating the effectiveness of management and the adequacy of controls within the library. Anthony (2002) opines that internal audit plays vital roles and contributes very much to organizational success. This assertion entails that internal audit plays a prominent role in ensuring that librarians in the university library discharge their duties effectively towards achieving the university library objectives. It also ensures that the financial records, newly acquired library resources and the general holdings of the library are properly reviewed and evaluated.

In line with foregoing, Aderibigbe (2006) defined internal audit as a series of process by which the employer or management of an organization reviews the whole system in the institution by means of first hand, on the job observation, whether established management control are adequate and are effectively maintained, and whether records and reports reflect actual operations. Unegbu and Obi (2007) assert that internal audit is the process of analyzing and evaluating the effectiveness of other controls established by management in order to ensure effective administration, minimize cost and maximize benefit.

Internal audit is part of the internal control system put in place by management of an organization to enhance the general performance of an institution. Being an aid to the

management, internal audit contributes to internal control by examining its adequacy and effectiveness and adherence to stipulated work procedure and as aid to management (Dandago, 2002, Adeniyi, 2012, Unegbu and Obi, 2007). In a similar vein, Barnabas and Iheonkhan (2012) admit that internal audit is an aid to management to ensuring that organizational operations are correctly carried out according to stipulated procedures and the wishes of the board or councils. Unegbu and Akida (2011) view internal audit as a branch of management control that enforces compliance with established financial instructions on expenditures.

Internal audit requires careful evaluation of sensitive records in a given organization to determine the accuracy of the records. In agreement with the statement, Mohammed (2012) opines that auditing is an activity that involves examination of records including financial statements and performance of an enterprise by qualified auditor in sufficient details to enable him to determine the truth and fairness of the records. In his point of view, Ricchiute (2002) opines that auditing is a systematic process of objectively obtaining and evaluating evidence regarding assertions about the welfare of the institution and events to determine the degree of independence between those assertions and established criteria and to pass the result to interested users. This invariably entails that auditing functions is a process of investigation on the overall departments of the organization' operations as to generate information about the state of affairs and reports to the interested users. In a similar vein, Odoh and Nwadiolor (2004) define auditing as a systematic process of evaluating the accuracy of records with respect to assertions about the welfare of the institution and events to determine the degree of relationship between those assertions and established criteria and transmit the results to the interested users.

Different kinds of internal audit system useful in the library include operational, compliance and financial statements audit. The audit system evaluates the efficiency and effectiveness of management's operation, assesses whether responsible officers (librarians) follow specified procedures, rules or regulations guiding an organization to determine the extent to which management has complied with the established internal control of the enterprise. Effective internal audit could be an instrument for effective and efficient control of operations in all organizations including libraries (Mohammed, 2012).

One of the major objectives of internal audit is to give management the assurance that the internal check which operate continuously as part of the routine system in which the work of one person is proved independently or is contemporary to the work of another are effective in

design and operation (Mainoma, 2004). However, he adds that, the internal audit objectives includes, among others, to prevent fraud, errors and manipulation of accounts; ensure reliability of the record, ensure that information provided is reliable and confirm whether the accounting system and internal control are functioning effectively. The above assertion entails that internal audit is concerned with the assurance of accuracy of information and reliability of details pertaining to financial records. Mohammad (2012) opines that the scope and objectives of internal audit depend on the responsibilities assigned to the internal audit by the management and other factors such as the size and structure of the organization, the skill and experience of the internal auditor.

The Canadian Institute of Chartered Accountants cited in Moses, Duah and Okenwa (2012) describe internal auditing as a procedure that aids auditors to provide an assurance on a given organization for which the management of that organization is responsible. Moses et al. opines that the owners and providers of capital need information about the utilisation of their resources while others interested in the corporate entity need information which will facilitate their economic decision. This makes auditing imperative in organizations. University Library is

Control procedures

This means those policies and procedures in addition to the control environment which management has established to achieve the entity's specific objectives. Specific control procedures include: reporting, reviewing and approving reconciliation; checking the arithmetical accuracy of the record; controlling applications and environment of computer information systems, for example, by establishing controls over: changes to computer programs; access to data files; maintaining and reviewing control accounts and trial balance; approving and controlling of documents; comparing internal data with external sources of information; comparing the results of cash, security and inventory counts with accounting records; limiting direct physical access, to assets and records and comparing and analyzing the financial results with budgeted amounts (Adeniyi, 2012).

Limitation to Effective Internal Control and Risk Management System in University Libraries

Internal controls and risk management are integral parts of any organization which required effective management to ensure appropriate application and compliance. However, there are several limitations that can hinder effective internal controls and risk management in university libraries which include:

Abuse of Authority:

This involves abuse of certain authorization controls by a library staff in which such authority is vested. This is a situation where a library staff fails to perform an expected control or performs such control to the detriment of the establishment. An example of this is a situation where the librarian grants users unauthorized access to use certain library resources for his own advantage. Another example is a situation where the university librarian divert fund approved for acquisition of library materials for an expected personal advantage.

Staff Collusion:

The idea of segregation of duties was basically to avoid staff collusion. Staff collusion is simply an act of connivance between two or more staff to take undue advantage of a situation in an organization. It could be in form falsification or alteration of the records to embezzle the organization's fund.

The system of internal control requires the segregation of duties, the essence is to ensure that no one person carries out the three aspects of any transaction that is, authorization, custodial and recording. By this arrangement, no one person is in a position both to commit fraud and conceal his action by falsifying the records. The vital control can be rendered ineffective by staff collusion. Collusion is the compensating relaxation of inter-related checks by staff that operate complementary roles for their mutual benefits (Aguolu, 2008).

An example of staff collusion is a situation where the Digital librarian agrees with the security staff to smuggle laptops or other ICT devices out of the library to be sold and to share the proceed. Secondly, it could also be a situation where the university librarian agrees with members of the library management committee to certain amount of fund allocated for purchase of library items.

Alteration in the System

Drastic or frequent alternations in the system for whatever reason can lead to a total breakdown. This may be alteration for a well intended improvement or as a result of frequent staff turnover. The introduction of computers to replace manual operations is known to have caused severe disruptions in the system (Aguolu, 2008). An example is where a library in converting from traditional to digital library. The case may be transferring from one library management software to another.

Management Overriding Establishment Controls

The responsibility of university library management is to maintain adequate controls system. According to Aguolu (2008), management is usually reluctant to enforce those controls in their personal activities or the activities of their relations and friends. For instance, management is under temptation to resist submitting themselves and their relations to personal security checks or to enforce the required controls in their own affairs. Apart from the reluctance on the part of management to comply with the established control system, the staff charged with the responsibility of enforcing these controls may not be willing to extend these controls to management out of fear, respect or intimidation by management.

Staff Incompetence

Incompetency on the part of library staff poses great limitations to internal controls system. ‘No matter how efficient internal control system may be, staff incompetence, lack of care or integrity, fatigue or human error can vitiate the effectiveness of an otherwise good system of internal control (Aguolu, 2008).’ An example is a situation where the acquisition receives an ordered materials from the vendor and fails to crosscheck the items to ensure the materials he received are exactly what he ordered for and also whether they are in good condition. Another

example is a situation where a cataloguing librarian gives wrong entries to a book therefore, making it difficult for access of such books on the shelf.

Obsolescence

An organization may change thereby rendering an existing system obsolete but management may be reluctant to effect a change either because of the cost involved or lack of the skill (Aguolu, 2008). Advent of Information Communication Technologies affects the way information is sourced, retrieved and used. However, many university libraries are reluctant to adopt the change due the cost involved.

Furthermore, limitation to effective internal control system is summarized as follows: circumvention of controls either done or through collusion with parties outside or inside the entity; abuse of responsibility; fraud; management override of controls, changes in environment making controls inadequate; human cleverness or ingenuity; potential human error caused by stress of work load, alcohol, carelessness, distraction, mistakes of judgment, and the misunderstanding of instructions; internal controls tend to be directed at routine transactions; poor remuneration system and poor working conditions (Adeniyi, 2012).

Conclusion

This paper presents the internal control and risk management system in university libraries. The study centered on application, techniques and limitations to effective internal control and risk management in university libraries. The paper analyzes applicable risks to university libraries including: financial risks, research risks, academic affairs risks, information technologies risk, human resources risks and risks and safety matters. However, the paper contributes to knowledge by extending the existing literature on the internal control system and risk management.

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