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Internal Audit and Financial Performance of Financial Institutions in Ghana: Societe Generale Ghana As A Case Study

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Abstract: The study examined the internal audit and financial performance of one of the financial institutions in Ghana. That is Societe Generale, Ghana. The main purpose of the study is to assess the impact of the internal audit on financial performance of the bank. The study used both primary and secondary data. The secondary data was sought from the financial statements of the bank while primary data was sought through questionnaire. Return on assets and return on equity were used as dependent variables while professional competence, internal audit standards, internal control and independence of internal audit were used as independent variables The study revealed that the independence of the internal audit has a significant impact on Societe Generale Ghana's financial performance. It also illustrates that there is a positive association between internal audit independence and financial performance and that increasing internal audit independence generates a rise in financial performance. The results demonstrated that professional competence has a significant impact on Societe Generale Ghana's financial performance. It also revealed that professional competence had a positive correlation with financial performance and that an increase of one unit in professional competence led to a rise in financial performance. The analysis indicated that internal controls had a significant impact on Societe Generale Ghana's financial performance. It also demonstrates that internal controls had a negative correlation with financial performance and that an increase of one unit in internal control led to a decline in Societe Generale Ghana's financial performance.

Keywords: Examined, Financial, Performance, Societe, Generale.

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1. Introduction

When it comes to financial performance, it is necessary to implement internal auditing procedures that will increase productivity (Nancy M. Ondieki, 2013). Regarding administrative difficulties, an internal audit's significance cannot be discounted (Yee, Sujan, James, & Leung, 2017). It is the main way that institutions

keep track of records, count assets, and report their findings to management, internal auditors, or the Board of Directors so that the right steps can be taken (Baltaci& Yilmaz, 2006).

Internal audit is viewed as a crucial element of a corporate governance system and as a contributor to the organization's value (Mihret& Grant, 2017). Adding value is defined by the Institute of Internal Auditors (IIA) (2006) as a company that exists to produce value or benefits for its owners, other stakeholders, customers, and clients. Internal audit is an impartial, objective assurance and consulting activity aimed to provide value and enhance an organization's operations, as defined by Nancy M. Ondieki (2013).Over the years, however, audit committees have assumed a critical role in regulating and organizing communications between management, internal auditors, and external auditors. The failure of the majority of commercial banks and microfinance institutions in Ghana and other nations can be largely linked to problems with corporate governance (Mang'Unyi, 2011). In light of this, the majority of businesses and organizations rely on the results of their internal audit for decision-making and good governance. Due to a paucity of funding, many organizations demand internal audits to demonstrate vastly increased risk identification and proof capabilities.

Internal audit services have improved as a result of the use of current technology, which makes audit sector results reliable and easily accessible. Technology has enabled internal auditors to monitor and study facts with increased rapidity, hence enhancing the internal audit sector. This has facilitated the simplification and acceleration of audit monitoring and evaluation. The conclusion is that the internal audit activity can give management previously unmatched services in the fulfilment of their tasks. Over the years, it has become apparent that it is possible to convert these concealed inhibiting variables into numbers for analytical reasons. According to Aikins (2011), financial organizations have realized that internal audit is a vital agency for enhancing the management of assets within their institutions, hence resulting in improved financial performance.

Financial Institutions in Ghana

Ghana's central bank, the Bank of Ghana, has established a well-defined formal financial sector (BOG). Since the financial sector reforms, the sector has seen significant growth in terms of the number and types of financial institutions. Capital markets, banks, rural and community banks, non-bank financial institutions, insurance firms, pension and provident funds, and microfinance organizations are the primary players in Ghana's financial industry. Individuals, corporations, and both are served by financial institutions, which offer a wide range of deposit, lending, and investing products. Some financial institutions focus on providing services and accounts to the general public, while others are more likely to provide specialized services to a select group of customers. The primary goal of this research is to see if an internal audit can affect the financial performance of Societe Generale Ghana Limited, one of Ghana's financial institutions.

Profile of Societe Generale Ghana Limited

The company was founded in 1975 as "Security Guarantee Trust Limited" and afterwards renamed "Social Security Bank Limited," or "SSB." Under a World Bank program, SSB and the "National Savings and Credit Bank" amalgamated in 1994. (Gadzo, Gatsi, & Akoto, 2014). The government of Ghana (GoG) sold its 21% stake in the bank the next year, and it was turned into a public limited liability company and listed on

the Ghana Stock Exchange. After Societe Generale bought a 51 per cent controlling interest in the bank in 2004, it rebranded as SG-SSB, and in 2013, it re launched as Societe Generale Ghana (SG Ghana) to align with the group's name.

Societe Generale Ghana is one of the seventeen (17) Societe Generale subsidiaries in Africa. With 42 networked branches across Ghana, Societe Generale Ghana is one of the country's biggest banks. The bank offers focused, innovative products and services to both retail and business clients to meet and anticipate their demands. The bank is known for assisting people and businesses of all sizes and backgrounds in realizing their full potential. SG: To satisfy the demands of its consumers, Ghana is the leading innovator in the banking business, championing major innovations such as doorstep banking, factoring, cash management, foreign exchange, commodities hedging, consumer credit loans, and bill payment, Sika Card, Sikatel, and Sikatext.

Problem Statement

An audit is concerned with maintaining an organization's internal control systems by identifying important risks and making relevant suggestions to help better address the risk (Asare, 2009). Internal audit is an important component of financial institutions' internal control systems. The importance of audit functions and the impact of the internal audit system in banking cannot be overstated. Internal audit has been regarded as a method for assuring an effective manner of working in internal control systems by organizations (Asare, 2009). Internal audit is a control system within financial organizations that is manned by specially appointed professionals who report to the audit committee on the board of directors. Though the recent failure of certain banks in Ghana has been linked to corporate governance concerns, the banking sector's crisis also reveals a lack of effective control measures and likely management influence on audit activities (Asare, 2009). The failure of banks and other financial institutions in Ghana and other countries seemed to indicate that internal audit and audit control systems in the various organizations needed to be strengthened.

Internal audit plays such an important part in the credibility of banks, financial institutions, and other companies that various academics have done studies in this field all around the world. Nancy Moraa Ondieki (2013) investigated the impact of internal audits on the financial performance of Kenyan commercial banks. Nancy M. Ondieki (2013) also looked into the impact of internal audits on the financial performance of Kenyan commercial banks. The effects of internal audits on financial institutions in different countries have been studied by Ejoh and Ejom (2014), Appiah (2012), and other scholars. However, studies on the influence of internal audit functions in Ghana's banking industry have not been adequately utilized, and there appears to be no study in Ghana on the effect of internal audits on commercial banks' financial performance. And it remains to be seen whether the findings/results of research in other countries on the impact of internal audits on commercial bank financial performance can be implemented in Ghana. Internal audit's impact on commercial banks' financial performance may range from one jurisdiction to the next.

In light of the foregoing, the study aims to assess the influence of internal audits on the financial performance of Societe Generale Ghana, one of Ghana's financial institutions, given the importance of

financial institutions to the economy's existence. Because of time constraints and limited resources, this study has focused on one financial institution in Ghana, Societe Generale Ghana Limited.

Objectives of the Study

The major goal of this research is to see how an internal audit affects the financial performance of Societe Generale Ghana Limited, one of Ghana's financial institutions. Within this fundamental goal, the research aims to:

1. Examine the impact of internal auditing standards on financial results.

2. Investigate the impact of internal audit independence on financial results.

3. To look into how professional competency affects financial performance.

4. To look into how internal controls affect financial performance.

Significance of the Study

Transparency and accountability in financial institutions and other organizations have improved significantly as a result of audit services (Cameron, 2004). This necessitates more of it in all human undertakings. Internal audits have been the subject of research in numerous nations and industries, with differing conclusions being drawn. In Ghana, this presented the question, "How dependable are these results when it comes to utilizing conclusions and recommendations from these studies?" Because the economic elements linked with the economies of the two countries are fundamentally distinct. Using Societe Generale Ghana as a case study, the paper aims to clarify how internal audit has influenced the financial performance of major Ghanaian financial institutions. The conclusion of the investigation will be a recommendation to strengthen the identified weak areas and an additional piece of literature on the issue. This will enable researchers and the general public to comprehend how internal audits can assist management in achieving profitability.

Additionally, the study will assist in enhancing the role and reputation of internal audit at Societe Generale Ghana to make it more effective and professional as required. According to Allegrini and D'Onza (2003), the general scope of an internal audit includes the following: the examination and evaluation of the adequacy and effectiveness of the internal control systems; the review of the application and effectiveness of risk management procedures and risk assessment methodologies; the management and financial information systems, including the electronic information systems and electronic banking services; the accuracy of the financial statements; and the evaluation of the risk management procedures and risk assessment methodologies. The purpose of the study is to assist Societe Generale Ghana and other financial institutions in understanding the significance of internal audit as one of the most crucial managerial control systems in a company necessary to protect its stakeholders' interests.

LITERATURE REVIEW

Theoretical Review

Various ideas have been developed on internal audit and financial performance. The agency theory, the contingency theory, and the lending credibility theory are examples of these theories. These are explained in depth below.

Agency Theory

Agency theory is a crucial paradigm for establishing institutional governance and controls. The concept provides a comprehensive introduction to the issue by examining its strengths and shortcomings and using case study data to explain how the theory has been applied in various industries and circumstances, as well as providing metrics and success criteria (Housman, Jennings, Payne, & Daily, 2003). According to Davis (1991), agency theory is a paradigm used to describe and address problems in the connection between corporate executives and their agents. This view connects, in most situations, the connection between shareholders as principals and firm officials as agents. According to this idea, an agency relationship is a contractual arrangement in which one or more parties (the principal(s)) engage another party (the agent) to perform a service on their behalf, transferring decision-making authority to the agent. The primary objective of agency theory is to overcome potential conflicts in agency relationships, between principals (such as shareholders) and agents of the principals (such as corporate executives) (Nyberg, Fulmer, Gerhart, & Carpenter, 2010). The Agency theory addresses challenges such as those that develop when the desires or aims of the principal and agent conflict and the principal is unable to verify what the agent is doing, as well as those that arise when the principal and agent have different risk attitudes. Due to varying risk aversions, the principal and agent may be inclined to perform distinct behaviours.

According to Nancy Moraa Ondieki (2013), the agency theory provides a deeper and more meaningful understanding of the internal audit discipline. According to agency theory, internal auditing, like other intervention methods such as financial reporting and external audit, contributes to the maintenance of cost-effective contracts between owners and management. Agency theory may help to explain not only the existence of internal audits in businesses but also some of the characteristics of the internal audit department, such as its size and scope of activities, such as financial auditing versus operational auditing. The agency theory can be used to find out if cross-sectional differences in internal auditing methods are caused by different contracting relationships that come about when an organization changes its form.

Despite the enormous impact agency theory has on the financial performance of institutions, several enhancements have been made to the theory's resilience. According to Ogden (1993), the relatively simplified model of organizational conflict and the contrastingly complicated mathematics necessary to find answers to the agency problem have been mentioned extensively as weaknesses of agency theory. The purpose of his research was to draw attention to the agency model's simplistic conceptualization of the conflict of interest inherent in employer-employee relations and its inadequacy to deal with the complexities and contradictions surrounding the uses of accounting information encountered in evaluating and controlling employee performance as well as the financial performance of the institutions.

Contingency Theory

There is no optimal method to organize a corporation, lead a business, or make choices, according to the contingency theory, which is an organizational theory. Instead, the ideal course of action depends on the internal and external circumstances (Cancel, Cameron, Sallot, &Mitrook, 1997). Leaders that execute this idea and adhere to the criteria consistently use their leadership style effectively in the appropriate situation.

According to Luthans and Stewart (1977), tracing the history of the contingency theory will take us back to the early 1950s, when the contingency approach to leadership in the majority of sectors was impacted by two earlier research programs that sought to uncover effective leadership behaviours. During this period, researchers at the Ohio State University disseminated numerous questionnaires measuring a variety of potential leadership traits in a variety of institutional contexts (Bass & Stogdill, 1990). Although multiple sets of leadership behaviours were initially identified based on these questionnaires, two types of behaviours emerged as particularly characteristic of effective leaders: first, the consideration leader behaviours, which include building good rapport and interpersonal relationships and displaying support and concern for subordinates; and second, the initiating structure leadership behaviours, which provide a structure through role assignment, planning, and scheduling. Approximately during the same time, researchers from the Survey Research Center at the University of Michigan conducted interviews and distributed questionnaires to institutions, and their findings were comparable to those of the preceding group.

However, researchers from the University of Michigan referred to these leadership behaviours as relation-oriented behaviour and task-oriented conduct. Robert Blake and Jane Mouton continued this line of inquiry in 1964 to argue that good leaders score highly on both of these traits. They argued that previous theories, such as Weber's bureaucracy and Taylor's scientific management, had failed because they did not take into account that the management style and organizational structure may also be affected by environmental circumstances, such as contingency factors. There can never be "one best approach" to organising or leading. Historically, contingency theory has attempted to make broad generalizations regarding the official structures that are frequently associated with or best suited for the usage of certain technologies. The origin of this perspective can be traced to the work of Woodward (1958), who suggested that technical expertise determines directly differences in institutional characteristics such as control span, centralization of authority, and formalization of rules or procedures.

In his work, Morgan (1981) outlines the fundamental notions driving contingency in a variety of fractures. According to Morgan (1981), organizations are open systems that require careful management to satisfy and balance internal needs and adapt to environmental situations. Further, he argued that there is no single optimal method of organization, which turned out to be partially false (Bass & Stogdill, 1990). The appropriate form depends on the nature of the job or the environment being addressed. Priority number one for management must be achieving alignments and good fits. Different sorts or species of organizations are required for various environmental conditions (Achrol, 1991). Based on these findings, others develop models for the theory of contingency. Fred Fiedler's contingency model focused on a contingency model of organizational leadership (Fiedler, 1974). This model illustrates the connection between leadership style and situational adversity.

The Least Preferred Coworker is a metric devised by Fielder to evaluate the leadership style. The test has 16–22 items that are to be rated on a scale of one to eight about the coworker with whom they experienced the most difficulties. A high score indicates the test taker has a relational style, whereas a low score indicates a task-oriented style. The scenario was beneficial in three empirically derived aspects, as outlined by Fiedler. First, the leader-member connection was evaluated; when it was high, it indicated that the leader is widely recognized and respected, and his or her orders are followed by the subordinates. Second, the degree of task structure was assessed; a high score indicates that the leader is highly structured. The positional power of the leader was also accessed. These were some of the indicators utilized in the creation of Fred Fiedler's probability model.

Additionally, William Richard Scott characterizes contingency theory as follows: "The optimal organizational structure relies on the nature of the environment with which the organization must interact." This remark is complemented by the work of other researchers, including Paul R. Lawrence, Jay Lorsch, and James D. Thompson. They were primarily concerned with the influence of contingency elements on the institutional structure (Tushman, 1979). For the majority of the 1970s, their structural contingency theory dominated organizational structural theories (Dewar &Werbel, 1979). Johannes M. Pennings provided a significant empirical test by examining the connection between environmental unpredictability, organizational structure, and many characteristics of performance (Pennings, 1995). Pennings conducted an empirical study on a sample of retail brokerage offices in which aspects of their market environment, such as competitiveness, change, and magnanimity, were juxtaposed with organizational arrangements, such as decision-making templates and power distribution, to determine the potential performance implications. While structural characteristics had a significant impact on performance, the evidence for contingency was less convincing.

To produce an audit report or result rapidly, audit teams use a combination of structure and contingency (Hossain & Taylor, 1998). According to Zadek, Evans, and Pruzan (2013), auditing projects can cover numerous topics, such as review of production processes, an inspection of corporate accounts, and evaluation of compliance with industry standards. Selecting auditors with specialized training or a specific skill set in the subject area lessens the learning curve and the likelihood of making mistakes. When audit teams utilize resources based on their expertise and experience, and when auditors are flexible and able to react to process changes (Doube, Stephens, Davoren, & Ryder, 1994), audit quality and output are assured.

Lending Credibility Theory

This view, according to Khurana and Raman (2004), stems from a different public perception that the primary job of auditing is to provide credibility to financial statements or reports. The audited financial statements are being used by management to increase the confidence of stakeholders in their stewardship. If investors, such as governments, stockholders, or creditors, are required to base their judgments on the information they acquire, they must have confidence that it accurately reflects the firm's economic value. Therefore, an audit reduces the "information asymmetries" between management and other stakeholders. However, according to the notion of efficient markets, audited information is not the primary basis for investors' investment decisions. From this perspective, the service that auditors offer their clients is credibility (Alexander, 2003). Auditors must examine financial statements to bolster stakeholders'

confidence in managers. When stakeholders, such as creditors, are required to base their decisions and evaluations on the financial information, they must have confidence that it accurately reflects the worth of the company.

Auditing enhances the quality of investment decisions as a result (Jackson, Moldrich, & Roebuck, 2008). The shareholders of a corporation appoint the auditor who reports the company's financial statements to its clients. The goal of the auditor's report is to comment on the accuracy with which the company reports its financial status and how its performance is improving. This will reassure shareholders that their investment is secure and reduce the prevalence of accounting practices aimed to portray the company positively. Ruiz-Barbadillo, Gómez-Aguilar, De Fuentes-Barberá, and Garca-Benau (2004) describe the audit as a process aimed to evaluate the veracity of the information contained in a company's financial reports.

Empirical Literature Review

In the financial industry, financial performance is a crucial component that is constantly studied. Auditing is necessary to establish whether a financial institution is doing well. A study on the impact of audits on the financial performance of banks and other financial institutions worldwide is required. Despite the significance of the function audits play in the financial performance of financial institutions, few empirical consultations are accessible. Also, only a few academic scholars have examined the effectiveness of internal audits, and even fewer have done so empirically.

Westman and Eden (1996) analyzed the influence of internal auditing on institutional performance. I selected 224 bank branches using a simple sampling technique to evaluate their financial performance. They audited a random sampling of these banks, while others were not examined for almost a year. These two categories' progress reports were recorded and tracked. The results suggested that performance in the sampled branches that were designated to be audited improved significantly in the six months following the audit. However, the branches whose financial performance was not audited experienced a deterioration, and some even went out of business due to deteriorating economic conditions. They highlighted auditing's contribution to performance as crucial and analyzed the auditing process in terms of learning, motivation, deterrent, and process enhancement. In line with the findings of Ibrahim, Diibuzie, and Abubakari (2017), Westman and Eden (1996) stated that auditing has a major impact on the performance of financial institutions and recommended that all financial institutions utilize the services of auditors for good financial performance. Although their study provides a very significant bridge to understanding how competent auditing can improve a company's performance, it did not explain in depth when, why, and how internal audit works, as well as the variables that facilitate or impede it.

Cooper et al., (2009) investigated the usage and compliance with the Institute of Internal Auditors (IIA) International Standards for the Professional Practices of Internal Auditing (Standards) by organizations' internal audit activities in five Asia-Pacific countries to provide a brief overview of the profile of internal audit in financial institutions (IAAs). Their research illustrates the disparities that exist between China, Australia, New Zealand, Taiwan, and Japan. Their research utilized data about Australia and Asia-Pacific nations collected from the IIARF's 2006-2007 CBOK (2006) database. Three study teams from Europe and Africa, Asia and the Pacific, and the Americas and the Caribbean participated in this international initiative. Their study objective is to compile the most comprehensive database yet to document the current

global situation of the internal auditing profession (Burnaby, 2007). They distributed three surveys to internal auditors across the globe to collect information on how they conform to the requirements, how their IAAs operate, and the evolving role of the IAA inside the firm. After processing the data, it was determined that the internal audit was quite beneficial.

Karen Van Peursem (2004) partnered with internal auditors on a study and solicited their opinions on whether or not the activities they perform in conjunction with internal audit engagements are essential and to what extent. Inspired by Greenspan, Colsky, Schoenbach, and Shear's (1954) concept of the real professional, there is an underlying interest in analyzing whether, and under what circumstances, internal auditors will have the authority over and independence from management that we might expect of a professional. The findings emanate from research conducted by New Zealand auditors who are all IIA branch members. A 73 per cent response rate was attained in both the initial and follow-up questionnaires, according to the findings. They used component analysis to identify convergent issues, and t-tests separated responses by employment status, experience, disciplinary history, and audit charter existence.

Their findings indicate that characteristics of a "real" profession indeed exist, but do not lead. Significantly, and as subcategories, general practice and experienced auditors may have a greater influence on management, and accountancy-trained auditors may enjoy a higher standing due to the "charismatic" nature of their work. These internal auditors' observations give additional information on these outcomes. According to their conclusion, their findings provided avenues for future investigation, as proposed by Saleh and Harrison (2007). Prior research by Carpenter et al. (1983), Myers & Gramling (1997), and S. Cooper & Andrews (1966) demonstrating major reservations regarding the effectiveness of the internal auditor's position was corroborated by this study. In a follow-up study conducted in New Zealand, Peursem evaluated the job of the New Zealand internal auditor and formulated hypotheses regarding the auditor's impact in this capacity. The important question is how a competent internal auditor can overcome the conflict of working with management to improve performance while maintaining enough distance to report on management's performance. The research indicated that individuals who successfully balanced their jobs shared three characteristics: the external professional standing of the internal auditor, the presence of formal and informal communication networks, and the internal auditor's participation in deciding their function.

According to Resti (2002), for a bank to perform its duties and responsibilities, it must have a permanent internal audit function. Senior management should take all necessary steps to ensure that the bank can always rely on an internal audit function that is proportional to its size and operations. These methods include allocating adequate money and personnel to internal These notions are supported by the auditor's capacity to manage uncertainty. The researcher took observations, analyzed documents, and conducted interviews with senior internal auditors at six New Zealand firms as part of a qualitative study employing a multiple-case-based methodology. Nonetheless, it is a well-organized study that provides insights that may not be as readily accessible in more conventional quantitative research.

Ernst & Young surveyed 695 chief audit executives and C-suite executives and discovered that 80% of them said their organization's internal audit function has room for improvement (Ostrenga, Ozan, McIlhattan, & Harwood, 1992). Seventy-five per cent of respondents to the study feel that excellent risk management has a

favourable impact on their long-term earnings success. In their study, a similar proportion of respondents stated that their internal audit function positively impacts their overall risk management initiatives. Internal audit duties demand competencies that go beyond the more typical technical skills, such as the capacity to collaborate with management and business units on significant business issues, as the internal auditor's responsibilities expand and stakeholder expectations rise (Arena &Azzone, 2009a).

The influence of internal control systems on financial performance in Ugandan institutions of higher learning, according to Mawanda (2008) The study looked into and evaluated the relationship between internal control systems and financial performance in Ugandan higher education institutions. Internal controls were looked at in terms of the control environment, internal audit, and control activities, whilst the financial performance was measured in terms of liquidity, accountability, and reporting. From the standpoint of internal controls, the researcher set out to determine the causes of persistently poor financial performance. Internal control systems and financial performance have a considerable relationship, according to their research. According to their findings, the internal audit department must establish internal controls that affect financial institutions' financial performance.

They suggested that all institutions seek the services of a capable internal audit department, either internally or externally, based on what the university wants the internal audit to do and how many people would be needed to do the work. To boost efficiency, adequate internal auditing methods are required (Kasiva, 2012). As a result, Nancy Moraa Ondieki (2013) was tasked with investigating the influence of internal audits on financial performance in Kenyan commercial banks. Internal auditing was examined in terms of professional competency, internal audit standards, internal controls, and internal audit independence in his study. Nancy Moraa Ondieki (2013) employed quantitative analysis and regression analysis as analytical tools to administer a survey questionnaire to each member of the target group. Internal audit standards, independence of internal audit, professional competency, and internal control all had a favourable link with commercial bank financial performance, according to his results. A unit increase in internal audit standards would lead to an increase in commercial bank financial performance; a unit increase in internal audit independence would lead to an increase in commercial bank financial performance; a unit increase in professional competency would lead to an increase in commercial bank financial performance, and a further unit increase in internal control would lead to an increase in commercial bank financial performance. To improve the financial performance of commercial banks in Kenya, the study recommended that management adopt effective internal audit practices such as internal auditing standards, internal audit independence, professional competency, and internal controls.

According to research conducted by Rajput et al. (2012) on the performance and financial ratios of commercial banks in Kenya, an internal audit is a crucial indication of financial performance. The purpose of the study was to find elements in the form of a ratio of bank performance as measured by his research, he determined that return on assets and return on equity can be employed as financial performance indicators for Kenyan banks. Internal audit activities and recommendations do not only have a short-term impact on the operation of an institution; they are the institution's central pillar and determine its prosperity or demise. To strengthen its viability, the acceptability and efficacy of audit institutions should be stressed at all levels, particularly during management. In contrast, Nancy Moraa Ondieki (2013) seems to

believe that laxity has crept in, and it is in light of this belief that they analyzed the factors affecting the execution of internal audit reports in Kenyan banks.

Obeng (2016) set out to determine the elements that influence internal audit effectiveness in savings and loan institutions. The goal of the research was to find an acceptable set of criteria or framework for evaluating the performance of internal audit activities in microfinance firms (MFIs). Obeng (2016) used data from three of Ghana's most prominent microfinance institutions. In the study, about 30 people were asked to participate. According to their findings, there was a negative association between technical skill and internal audit effectiveness, but no such relationship existed between independence and internal audit effectiveness. To improve the effectiveness of the internal audit function, he proposed that technical competence in audit staff be upgraded through in-service training programs.

Internal auditor roles in promoting public governance in underdeveloped countries were studied by Ferry, Zakaria, Zakaria, and Slack (2017). About 17 chief audit executives from Malaysian local government entities were interviewed for the study. Internal auditors aim to legitimate their position through compliance (watchdog) and performance (helper and protector) audits, according to their research, which was based on critical theory. Internal auditors are not colonized by governance norms and managerial control at the micro-level of practices when executing their dual responsibilities but are instead enabled to perform communicative action by them. However, their research revealed that this notion was dismissed due to money and management issues that are frequent in poor countries.

Internal Audit

The audit is not a one-way variable; it is defined in a variety of ways by different persons. These definitions are written from various angles and use different terms, yet they all convey the same concept. An audit, according to Gray and Manson (2007), is a process that ends with the expression of an opinion on whether the financial statements present a true and fair picture of an entity's affairs at the end of the period and whether they were properly prepared following the applicable accounting standards. An audit, according to the Association of Certified Chartered Accountants (A.C.C.A.) (1992), is the independent evaluation and expression of an opinion on a company's or organization's financial accounts. The internal auditing department is an important aspect of the corporation, and it operates under management or board policies. The internal auditing department's mission, authority, and responsibilities must be established in a formal written document that has been approved by management or the board. The goal of the internal auditing department, the extent of its activity, and a declaration that auditors have no authority or responsibility for the activities they audit should all be clearly stated in the document. Internal auditing is carried out in a variety of situations and inside companies that differ in purpose, size, and structure around the world (Leung, Cooper, Abdolmohammadi, Burnaby, & Hass, 2006). Furthermore, the laws and practices of different countries/states differ from one another. Internal auditing may be affected by these differences in each context. As a result, adhering to the existing norms, standards, and best practices is even more critical.

Internal auditing, according to Lenz and Hahn (2015), can be described in a variety of ways depending on the goal. Internal audit, according to Yarrow et al. (1976), is an impartial, objective assurance and consulting activity aimed at adding value and improving an organization's operations. It assists a company in achieving its goals by evaluating and improving the efficacy of risk management, control, and governance

processes using a systematic, disciplined approach. In contrast to the previous perspective of evaluating payment transactions across time, this definition aims to highlight the depth and breadth of internal audit operations inside an institution. An internal audit is an objective and impartial assessment service within an organization that measures and evaluates the efficacy of risk management, control, and governance in accomplishing the organization's agreed-upon objectives. Furthermore, the findings of the internal audit are valuable to the Board of Directors and line management in the audited sectors. Lessing, Dumitrescu, and Stützle (2004) describe the service as "a systematic and disciplined review of the policies, procedures, and operations that management puts in place to assure the attainment of the organization's objectives and through recommendations for improvement." Internal audit is an independent, material, and consultative activity that provides value and improves the running of a company, according to the Institute of Internal Auditors' Board of Directors in June 1999. It assists the business in achieving its objectives by using a methodical, disciplined approach to assessing and enhancing the efficacy of risk management, control, and the management process.

Standard Ethics of Auditors/Audit Firms

Because of the recent wave of business failures and financial sector scandals, internal audit has become a critical job within not only financial institutions, but every corporation (Arena, Arnaboldi, &Azzone, 2006; Leung, Cooper, & Robertson, 2003). These events established internal audit as one of the contributing aspects to good corporate governance, and they have had a substantial impact on its adoption and practice. Internal auditors or their key customers, such as the board of directors and the audit committee, to whom internal audit reports; senior management, who must ensure that internal audit actions cover the main business risks; and external auditors, who have a direct interest in internal audit work (Endaya&Hanefah, 2016; Lenz & Hahn, 2015; Mihret, 2010), are all interested in audit effectiveness. However, there are divergent perspectives among these interested groups. External auditors and audit committees, for instance, are more concerned with assurance regarding controls (Hermanson & Rittenberg, 2003), but senior management prefers the internal auditor to provide both assurance and consulting information (Sarens& De Beelde, 2006). This disagreement was one of the reasons why academics were unable to agree on the factors that influence an internal audit.

Every financial institution that delegated authority within the scope of the financial institutions must have formal internal auditing standards (KA Van Peursem, 2005). Therefore, there should be a defined scope for the work of internal auditors, the position of the board of directors, and other organizational units. The internal audit must be objective and dispassionate. That is, it must do its operations without intervention, doubt, or influence. Internal audit team members should not participate in banking operations or the selection and implementation of internal control systems. The professional competence, internal motivation, and methodical professional growth of each internal auditor are crucial for the institution's entire internal audit department to work well. Rotation of auditors is recommended in the domain of the organization to avoid the routine performance of their duties and any influence that the routine pattern may have (Weick & Sutcliffe, 2011). The manager or head of the internal audit department should ensure that the department's activities adhere to the internal audit code of ethics.

Some of these established principles include: In every area of the internal audit activities, integrity is anticipated. The concepts of honesty and equity must be observed and upheld. The fundamental point

made here is that the report produced by the department or audit agency should exude trustworthiness, equity, and dependability. One of the most important ethical principles for auditors and auditing firms is objectivity. Professionally, a very competent internal auditor or auditing business is required to examine the evidence with the utmost care and demonstrate exceptional expertise. A report on an internal audit should not contain any reckless or irresponsible claims or phrases without supporting evidence. Competency: The internal auditor must effectively apply all pertinent skills and knowledge, as well as experience. The internal auditor's report must be focused within the framework's scope, and not outside it, to prevent including irrelevant information that could dilute the results.

Audit execution and compilation of the audit report require the utmost professionalism from auditing professionals that are highly trained, experienced, and knowledgeable. Each auditor must have access to continuing education to maintain proficiency and trustworthiness. This includes being up-to-date on the most recent developments in auditing standards, techniques, and procedures. All information obtained by the internal auditor should be safeguarded with the utmost care, as the vast majority of it is confidential. Unless there is a legal and professional requirement to do so, there will be no unauthorized dissemination or transfer of information. According to the definition, an internal audit is an impartial evaluation activity. Consequently, it must be carefully observed that the word "independent" is extremely significant, even though it is negated by the fact that it is part of an organization. Independence refers to the ability of an internal auditor to report key facts and statistics without being affected by internal or external factors.

Financial Performance of Financial Institutions

The effectiveness of the activities of financial institutions such as banks, insurance and pension fund companies, and government agencies is essential to the effective operation of the financial system and the growth of the economic structures of the twenty-first century. Unanswered is the question of what drives the performance of major financial organizations in the current global context. This volume's multidisciplinary and international viewpoint provides a comprehensive grasp of the performance determinants in financial institutions. World-renowned experts in marketing, economics, operations management, and finance, as well as industry leaders, contribute their knowledge. Among their complaints are the following: the definition and measurement of the efficiency of such institutions; efficiency benchmarks; the identification and measurement of performance drivers and their effects; the impact of financial innovation and information technologies on performance; the effects of process design, human resource management policies and regulations on efficiency; and the interrelationships between risk management and operational efficiency (Harker &Zenios, 2000; Nguyen & Nghiem, 2015). Return on Assets (RoA), Return on Equity (RoE), and Return on Investment are three accounting-based performance indicators stated by Marr and Schiuma (2003). (RoI). These are commonly used to evaluate the performance of businesses, such as commercial banks. RoA and RoE have been utilized by bank regulators and analysts to evaluate industry performance and forecast market structure developments, as inputs in statistical models used to predict bank failures and mergers, and for several other uses requiring a measure of profitability. This study's primary objective is to determine whether internal audits may genuinely improve financial performance, as measured by Return on Equity (ROE) and Return on Assets (ROA) (ROA).

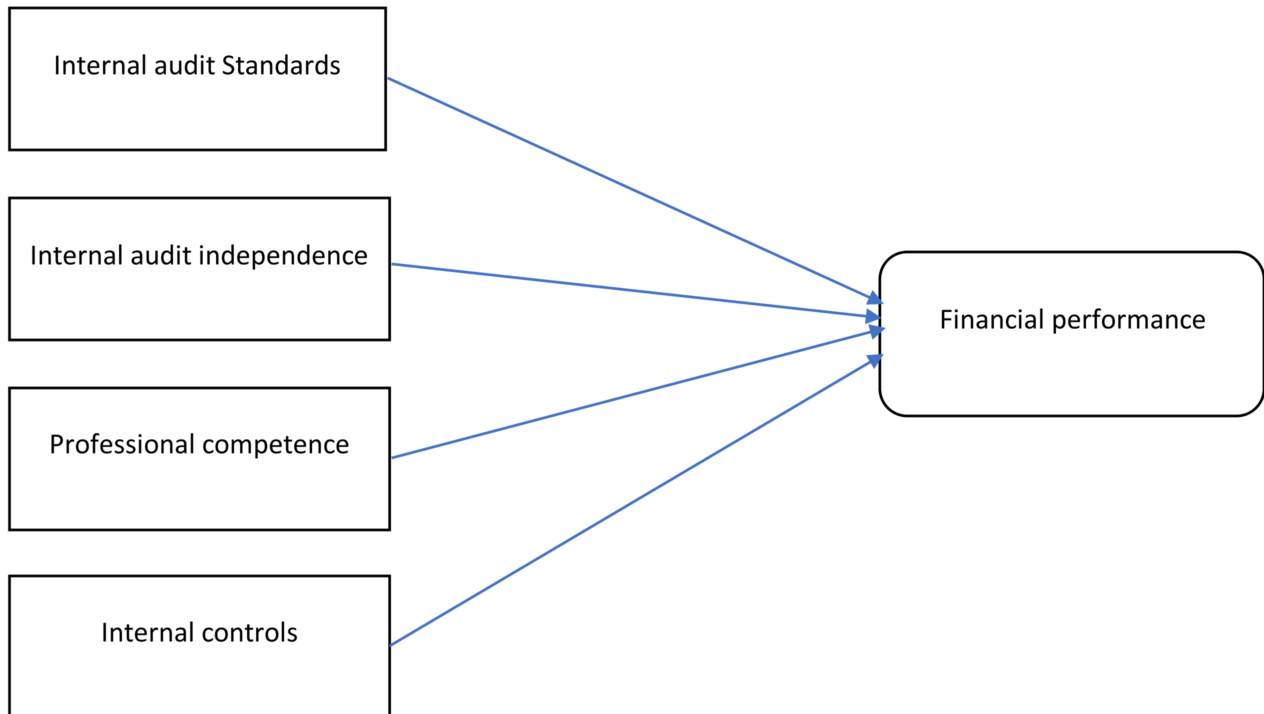
Internal Audit and Financial Performance

Professionals in internal audit contend that an efficient internal audit function correlates with enhanced financial performance. According to Beyanga (2011), an effective internal audit service can help reduce overhead, identify ways to improve efficiency and maximize exposure to potential losses from inadequately protected company assets, all of which can have a substantial impact on the financial performance of an organization. Internal audit is essential for enhancing the performance of financial institutions and their influencing elements (Beyanga, 2011). Arena and Azzone (2009b) further noted that internal auditors contribute to the effective and efficient operation of institutions, hence increasing shareholder value. KPMG, Prager, and Sealy (1999) discovered empirically that the internal audit function in firms helps significantly to performance enhancement and aids in the identification of financial fraud. Therefore, by acting as a watchdog, an internal audit could protect the business from malpractices and irregularities, allowing it to fulfil its goals of maximizing production and profits.

Conceptual Framework

The conceptual framework, according to Levine and White (1961), defines the relationship between related ideas as well as any relationships that may exist among the study variables. The literature, both theoretical and empirical reviews, have shaped the conceptual framework of this study. Internal audit has been conceptualized as an independent variable in this study, and indicators such as internal audit standards, internal audit independence, professional competence, and internal controls have been included. Financial performance is a dependent variable as well. Below is a diagrammatic illustration of the conceptual underpinning for this investigation.

Figure 1. Conceptual Framework



2. Method

Research Method and Design

A research design is a collection of methods and procedures for gathering and interpreting data on the variables stated in the study challenge (Creswell, 2008). The study was placed at the SG Ghana headquarters. The study used SG Ghana as a case study to assess the influence of internal audits on the performance of financial institutions in Ghana. This is a cross-sectional descriptive survey with a qualitative data collection method. Auditors' qualities were classified and correlated with other financial criteria. The researcher can use cross-sectional studies to see if there is a significant relationship between the variables under investigation and how strong that association is. For the primary data collection, a structured questionnaire was created.

Study Population and Sample Size

A research population is a well-defined group of people, products, businesses, services, or events being investigated. The financial institutions in Ghana are the unit of analysis, with Societe Generale Ghana as a case study. The employees of SG Ghana Ltd are the study's target population. A total of 15 employees from SG Ghana Ltd's internal audit, credit and market risk, and finance departments were surveyed. The structured questionnaire was distributed at random to study institution workers, and their responses were recorded for analysis.

Source of Data

Data was gathered primarily from primary and secondary sources. Because each source has its own set of strengths and weaknesses, combining the two would cancel out the method effect, allowing the researcher's conclusion to be more confident (Saunders, 2007). The primary data was gathered using a well-structured questionnaire that was administered following the study's objectives. Secondary data on financial performance (ROE and ROA) was taken from SG Ghana Limited's annual report, which covers the financial years 2014 to 2019. Bivariate regression analyses were used to combine these two independent sets of data.

Research Instrument

Internal Audit Managers/staff, Credit Risk Managers/staff, and staff/managers of SG Ghana Ltd's Finance Department were given questionnaires via the census. To get more information, the research team looked at related literature on internal audits and financial performance.

Methods for Data Analysis

The field data were analyzed using the Statistical Package for Social Science (SPSS, v26). Frequencies and percentages were used to code and evaluate the data. These were generally presented in the form of tables and graphs. The information provided by the respondents was used to conduct the data analysis. In addition, data analysis techniques such as qualitative analysis and regression analysis were used. The study's goal is to determine the relationship between internal audit and financial performance at Societe Generale Ghana, one of Ghana's financial institutions. To explain the impact of internal audits on financial

performance, data acquired from the field was modelled using several models. Internal audit standards, independence of internal audit, professional competency of internal audit, and internal control of Societe Generale Ghana were among the independent variables studied.

Internal audit standards, independence, professional competence, and internal controls will be employed as independent variables in this study, with financial performance (Return on Equity-ROE and Return on Asset-ROA) used as dependent variables to measure the influence of these variables. Bivariate regression analyses were used to combine these two independent sets of data. This allowed us to work out how the secondary statistics (Return on Equity, or ROE), as well as the first-hand data (the ones we acquired), fit together.

Conceptual Model

$$Y = f(X_1, X_2, X_3, X_4) \quad 1$$

Where financial performance Y is a function of Internal Audit Standards X_1, Independence of Internal Audit X_2, Professional Competency X_3, and Internal Controls X_4,

Analytical Model

The straight-line equation is used to generate the regression equation.

$$Y=\beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad 2$$

Financial performance measures would be used to assess the financial institutions' performance. This comprises the bank's profitability (return on equity and return on assets) (ROE and ROA), ROA). ROE and ROA were both viewed as financial performance measures. The conceptual internal audit is the dependent variable, whereas the conceptual internal audit is the independent variable. Various internal audit standards adopted by Society were used to assess internal audit standards. Ghana Generale The level of independence of the internal audit was used to assess its independence. Societe Generale Ghana's internal audit. The level of professional competency was used to determine the Professional competence of an internal auditor at Societe Generale Ghana Internal control was also implemented. as determined by various internal procedures at Societe Generale Ghana.

A test of significance was also performed to evaluate whether the impact will be substantial. The F-test statistic was used to determine statistical significance. If the P-values are low ($\alpha \leq 0.05$), there will be insufficient statistical evidence to reject the null hypothesis. Pearsons' product-moment coefficient correlation (*r*) with multiple linear regression analysis is the statistical technique used for inference All statistical tests were carried out at a 95% confidence level.

3. Findings and Discussions

The findings gathered on the ground are analyzed, interpreted, and discussed in this chapter, as well as the consequences for practice. To decide on the study's outcome, descriptive and inferential statistics were used.

Because of the number of employees at the targeted constituent or divisions of Societe Generale Ghana, the study used a sample size of 15 respondents.

Impact of Internal Audit Standards on Financial Performance
The goal of the study is to find out how much respondents believe internal audit standards affect financial performance. The responses of the respondents are summarized in the table below.

Table 4.1.5a: Impact of Internal Audit Standards on Financial Performance.

	Frequency	Per cent	Valid Percent	Cumulative Percent
The valid Very great extent	2	13.3	13.3	13.3
Great extent	9	60.0	60.0	73.3
Moderate extent	4	26.7	26.7	100.0
Total	15	100.0	100.0	

Source: Researcher, (2020).

A total of fifteen questionnaires were distributed, with 60% of respondents indicating that internal audit standards had a significant impact on financial performance, followed by moderate impact (26.7%) and very significant impact (13.3%). Internal audit has little or no impact on financial performance, according to none of the respondents.

Impact of Internal Audit independent On Financial Performance
The purpose of this study is to determine the degree to which respondents feel internal audit independence influences financial performance. The following table summarizes the opinions of the respondents.

Table 4.2: Impact of Internal Audit Standards on Financial Performance.

	Frequency	Per cent	Valid Percent	Cumulative Percent
The valid Very great extent	4	26.7	26.7	26.7
Great extent	7	46.7	46.7	73.3
Moderate extent	4	26.7	26.7	100.0
Total	**15**	**100.0**	**100.0**	

Source: Researcher, (2020).

46.7 per cent of respondents to the survey indicate that internal audit independence has a significant impact on financial performance, followed by 26.7 per cent each for very significant impact and moderate impact. No one, however, agrees with the assertion that the independence of internal audits has little or no impact on financial performance.

Impact of Internal Controls on Financial Performance

Table 4.3: Impact of Internal Audit Standards on Financial Performance.

	Frequency	Per cent	Valid Percent	Cumulative Percent
The valid Very great extent	3	20.0	20.0	20.0
Great extent	10	66.7	66.7	86.7
Moderate extent	2	13.3	13.3	100.0
Total	**15**	**100.0**	**100.0**	

Source: Researcher, (2020).

A total of fifteen questionnaires were distributed, and 66.7% of respondents felt that internal controls have a significant impact on financial performance, followed by a very significant impact with 20% and a moderate impact with 13.3%. No one, however, agrees with the assertion that internal control has little or no impact on financial performance.

Impact of Professional Competence on Financial Performance

The purpose of this study is to determine the extent to which respondents believe professional competency influences financial performance. The following table summarizes the opinions of the respondents.

Table 4.3: Impact of Internal Audit Standards on Financial Performance.

	Frequency	Per cent	Valid Percent	Cumulative Percent
The valid Very great extent	5	33.3	33.3	33.3
Great extent	9	60.0	60.0	93.3
Moderate extent	1	6.7	6.7	100.0
Total	**15**	**100.0**	**100.0**	

Source: Researcher, (2020).

Sixty per cent of the fifteen questionnaires administered indicate that professional competence has a significant impact on financial success, followed by a very significant impact at 33.3% and a moderate impact at 6.7%. No one, however, agrees with the assertion that internal control has little or no impact on financial performance.

Model Summary (ROE)

The regression model was adopted to represent how the mean of the dependent variable varies under different scenarios. The regression study focused on professional competency, internal audit standards, internal control, independence of internal audit, and SG Ghana's financial performance (ROE). Using multiple regression analysis, it was determined if there was a correlation between financial performance and the independent variables.

Table 4.4: Model Summary (ROE)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	**.986a**	**.971**	**.856**	**.030000**	**.971**	**8.441**	**4**	**1**	**.252**

a. Predictors: (Constant), Independence of Internal Audit, Internal Control, Professional competence, Internal Audit Standards

Source: Researcher, (2020)

According to the study, the adjusted R square (coefficient of determination) was 0.856, indicating that Societe Generale Ghana's financial performance varied by 85.6% due to variations in internal audits with a 95% level of confidence. This suggests that 85,6 per cent of the variations in Societe Generale Ghana's financial performance may be attributed to changes in internal audits. As evidenced by the R-Square, the study also determined that the changes in the four independent variables (professional competence, internal audit standards, internal control, and independence of internal audit) explained 97.1 per cent of the variance in financial performance (ROE). Other variables contributed around 2.9% to the financial performance. These variables were not examined in this study because they are not crucial to Societe Generale's financial success.

Table 4.5 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.030	4	.008	8.441	.252a
Residual	.001	1	.001		
Total	.031	5			

Source: Researcher, (2020)

A P-value of 0.252 indicates that the model is not statistically significant. However, this may be related to the limited sample size.

Table 4.6: Coefficients of variables

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	.094	.060		1.567	.362
Professional competence	.003	.040	.021	.076	.952
Internal Audit Standards	-.055	.040	-.440	-1.386	.398
Internal Control	-.067	.040	-.464	-1.688	.340
Independence of Internal Audit	.168	.052	1.599	3.233	.191

Dependent Variable: ROE

Source: Researcher, (2020)

The association between financial performance and the independent factors was investigated using multiple regression analysis. The equation was created using the SPSS table findings.

$Y=\beta 0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ becoming $Y= 0.094 + 0.003X_1 + -0.055X_2 + -0.067X_3 + 0.0168X_4$

From the developed regression equation and taking into account all factors (professional competence, internal audit standards, internal control, and internal audit independence), with the constant set to zero, the internal audit independence may be determined. 0.094% was the financial performance. A unit improvement in professional competence will result in a 0.003 rise in financial performance, assuming that all other independent factors remain the same. When internal audit criteria are raised by one unit, financial performance will fall by 0.055 percentage points. Financial performance will drop by 0.067% when internal control is enhanced by one unit. When the independence of internal audit is increased by one unit, financial performance will rise by 0.168. At a confidence level of 95 per cent and a significance level of 5 per cent, the level of significance for professional competence was 0.952, for internal audit standards it was 0.398, for internal controls it was 0.340, and for the independence of internal audit, it was 0.191.

Table 4.7: Model Summary (ROA)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	**Change Statistics**				
					R Square Change	F Change	df1	df2	Sig. F Change
1	**.986a**	**.971**	**.857**	**.03000**	**.971**	**8.509**	**4**	**1**	**.251**

a. Predictors: (Constant), Independence of Internal Audit, Internal Control, Professional Competence, Internal Audit Standards.
Source: Researcher, (2020)

According to the study, the value of the adjusted R square (coefficient of determination) was 0.856, indicating that Societe Generale Ghana's financial performance varied by 85.7% due to variations in internal audits with a confidence level of 95%. This suggests that 85.7% of the variations in Societe Generale Ghana's financial performance may be attributed to changes in internal audits. As evidenced by the R-Square, the study also determined that the changes in the four independent variables (professional competence, internal audit standards, internal control, and independence of internal audit) explained 97.1 per cent of the variance in financial performance (ROA). Other factors contributed around 2.9% to the financial performance. These variables were not analyzed in this study since their impact on Societe Generale's financial performance is negligible.

Table 4.8 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.000	4	.000	8.509	.251a
Residual	.000	1	.000		
Total	.000	5			

a. Predictors: (Constant), Independence of Internal Audit, Internal Control, Professional Competence, Internal Audit Standards b. Dependent Variable: ROA
Source: Researcher, (2020)

The model is not statistically significant based on the significance value of.251. However, this may be attributable to the limited sample size.

Table 4.9: Coefficients of variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.027	.006		4.500	.139
Professional competence	-.007	.004	-.517	-1.890	.310
Internal Audit Standards	-.008	.004	-.677	-2.142	.278
Internal Control	-.007	.004	-.517	-1.890	.310
Independence of Internal Audit	-.023	.005	2.180	4.426	.141

a. Dependent Variable: ROA
Source: Researcher, (2020)

Using multiple regression, the relationship between financial performance (ROA) and independent variables was examined. The equation was derived from the SPSS table findings.

$Y=\beta0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ becoming $Y= 0.027 + -0.007X_1 + -0.008X_2 + -0.007X_3 + -0.023X_4$

The constant at zero financial performance, based on the established regression equation and taking into account all components (professional competence, internal audit standards, internal control, and independence of internal audit), was 0.027. A unit increase in professional competence will result in a 0.007 loss in financial performance, assuming that all other independent variables remain the same. When internal audit criteria are raised by one-unit, financial performance will fall by 0.008 percentage points. Financial performance will decrease by 0.007 when internal control is enhanced by one unit. When the independence of internal audit is increased by one-unit, financial performance will rise by 0.023. At the 95% confidence level and 5% significance level, professional competence had a significance level of 0.310, internal audit standards had a significance level of 0.278, internal controls had a significance level of 0.310, and independence of internal audit had a significance level of 0.141.

Conclusion

As a case study, this study examined the internal audit and financial performance of one of Ghana's financial institutions, Societe Generale Ghana. The primary purpose of this study is to assess the effect of internal audits on financial performance. Information was received from both primary and secondary sources, and quantitative and regression analyses were employed to assess the accumulated data. Following is a summary of the most important findings based on the data acquired and provided in the preceding chapter. None of the respondents agreed with the assumption that these traits had little or no impact on financial performance, indicating that the majority of respondents considered that each of the internal audit criteria had some impact on financial success. The study revealed that the independence of the internal audit has a significant impact on Societe Generale Ghana's financial performance. It also illustrates that there is a positive association between internal audit independence and financial performance and that increasing internal audit independence generates a rise in financial performance. The results demonstrated that professional competence has a significant impact on Societe Generale Ghana's financial performance. It also revealed that professional competence had a positive correlation with financial performance and that an increase of one unit in professional competence led to a rise in financial performance. The analysis indicated that internal controls had a significant impact on Societe Generale Ghana's financial performance. It also demonstrates that internal controls had a negative correlation with financial performance and that an increase of one unit in internal control led to a decline in Societe Generale Ghana's financial performance. In addition, the results demonstrated that internal audit standards had a substantial impact on financial performance. It also demonstrates that internal audit standards have a negative correlation with financial performance and that an increase of one unit in internal audit standards will result in a decline in financial performance. According to the regression study, return on equity (ROE) was positively correlated with internal audit independence and professional competency. It had a negative association with internal controls and auditing requirements, though. Return on Assets (ROA) correlated positively with internal audit independence but negatively with internal controls, internal audit standards, and professional competence. As indicated by the R-Square, the study also determined that Societe Generale Ghana's financial performance (ROE and ROA) was accounted for by changes in the four independent variables (professional competence, internal audit standards, internal control, and independence of internal audit) to the extent of 97.1 per cent. In addition, there was a variance of 85.7%,

indicating that 85.7% of the variations in Societe Generale Ghana's financial performance may be attributed to changes in internal audit.

Internal audit is viewed as a crucial element of a corporate governance system and as a contributor to the organization's value (Mihret& Grant, 2017). The purpose of this study is to assess the effect of the internal audit on the financial performance of Societe Generale Ghana, one of Ghana's financial institutions, given the importance of financial institutions to the survival of the economy. The association between internal audit (independence, internal controls, internal audit standards, and professional competency) and financial performance was determined using both primary and secondary data (ROE and ROA). The findings demonstrated that the four internal audit characteristics (independence, internal controls, audit standards, and professional competence) had a significant impact on Societe Generale Ghana Limited's financial performance. In addition, the study demonstrates that internal audit and professional competence have a positive correlation with financial performance and that an increase of one unit in these factors would result in a rise in financial performance. Although internal audit standards and internal controls exhibited a negative correlation with financial performance, a rise of one unit in these factors would result in a decline in financial performance. According to the R-Square, Societe Generale Ghana's financial performance (ROE and ROA) is explained by changes in the four independent variables by 97.1%.

The study demonstrates that the independence of internal audit and professional competency had a favourable correlation with Societe Generale Ghana's financial performance. Therefore, Societe Generale Ghana can improve its financial performance by permitting internal auditors to prepare audit reports independently. It also demonstrates that employing qualified internal auditors might improve Societe Generale Ghana's financial performance since management would be well-advised by quality audit reports. The study reveals a variance of 85.7%, which indicates that 85.7% of the variations in Societe Generale Ghana's financial performance may be attributed to alterations in internal audit (independence, internal controls, audit standards, and professional competence). To improve its financial performance, we recommend that Societe Generale Ghana employ effective internal audit processes, such as internal auditing standards, independence of internal audit, professional competency, and internal controls. Due to time constraints, the study was limited to a single financial institution, Societe Generale Ghana, making it difficult for the researchers to generalize the findings or confirm the findings of similar studies conducted in other countries. We consequently suggest that comparable research be conducted utilizing several financial institutions in Ghana. The article must have conclusion section.

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