Effects of Internal Controls on Financial Management Efficiency of Regional Universities in Vietnam

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Abstract:
In the roadmap towards complete financial autonomy, in the face of increasingly stricter requirements of society, regional universities must always self-improve and improve the quality of training in order to create quality labor resources. High, affirming its role as a key national university, increasing competitiveness in the new era. To achieve these goals, the regional university needs a reasonable organizational structure; flexible and advanced training program; improve the quality of the management team, faculty and staff; promote scientific research and technology transfer; strengthening international cooperation; Investing in adequate and modern facilities and equipment to meet the needs of learning, teaching, and research ... However, this also means that a strong financial resource is required, This is a big challenge for public universities in general and regional universities in particular, which are self-financed non-business units that partially cover operating costs. In particular, after being delegated autonomy of universities, this pressure on universities becomes more stressful when budget cuts, autonomy spending, but revenue and revenue levels are still dependent and limited.

Keywords: Internal controls on financial management

1. Introduction

"Regional University" is a model that brings together many universities with multi-disciplinary and multi-disciplinary training, adapting to fundamental changes and requirements of the economy. Universities are merged and merged with the purpose of using the same faculty, school facilities, research rooms ..., the state budget focuses on one focal point, creating favorable conditions. favorable conditions for management and use. Compared to independent universities, regional universities have many advantages in making use of common facilities, faculty resources, and strengths in size. However, in the context of autonomy, regional universities cannot avoid difficulties in improving financial autonomy:

First. Funding is concentrated on an easy to manage, but it must be allocated in 2 steps, namely university level and level of expenditure, if the determination of appropriate allocation criteria will lead to inadequacies in the allocation of funds. not to encourage and promote the development of member units as well as of the whole University;

Monday. Regional University includes many schools, faculties, institutes, centers ... members. The financial management of the member units and the whole university is complicated by ensuring autonomy and uniformity, which requires an appropriate financial control and management mechanism. and efficiency;

Tuesday. For schools that are in the process of expanding their scales, occupations, training fields, and capital construction, ensuring the achievement of their goals in limited financial conditions is a real challenge;

Wednesday. The role of regional universities is likely to become blurred in the context of public universities, including affiliated universities of regional universities, gradually given full autonomy if the regional university is not. expand the mechanism of action.

As one of the first three regional universities in Vietnam, Thai Nguyen University has always perfected and improved its training quality to create a high-quality workforce, affirming its role as a key national university., increase competitiveness and meet increasingly stricter requirements of the society. Over the past years, Thai Nguyen University has made great strides in opening new training disciplines, establishing new universities, centers and research institutes with increasingly expanding training scale. . However, in the context of...
university autonomy, along with the continuous development, Thai Nguyen University also faces many difficulties, especially in terms of finance. In addition to the challenges mentioned, the level of financial autonomy of the universities in the University still has many shortcomings due to the rigid autonomy mechanism, the funding is allocated to the member units based on the number of births. Teachers and teachers, having difficulty in site clearance while there are many newly established units, are in the process of building facilities that require great financial resources. This pressure is becoming more and more tense on the roadmap. The universities are given complete autonomy, budget cuts, and autonomy in spending, but revenue sources and revenue levels are still dependent and limited. In addition, the conflict between Circular 08/2014 / TT-BGDDT on the Regulation on Organization and Operation of regional universities and member higher education institutions and Decree 16/2015 / ND-CP Quy The autonomy mechanism of public non-business units has made regional universities in general and Thai Nguyen University in particular unable to promote their development potentials as well as face the risk of dissolution, and that would be a loss. enormous harm due to wasted resources after an historic process.

In the future, if the regional universities are granted high autonomy similar to the two national universities, it will open a new development period for regional universities in general and Thai Nguyen University in particular. There will be necessary changes in the operating mechanism, organizational structure as well as management methods throughout the University in order to achieve development goals, in which financial management is one of the most important issues. The same level of necessity is mentioned. Thai Nguyen University in particular and regional universities in general need to have an effective control mechanism to improve financial autonomy in the new context, while ensuring the development of each member, ensure consistency throughout the University. The problem is that, given the new situation, with the specific characteristics of regional universities, what changes in internal control should Thai Nguyen University have in order to achieve effectiveness in financial management? What is the most important and core problem that needs to be addressed in order to achieve the goal?

2. Literature review

2.1. Study general issues of Internal Control (Internal Control)

In the years 1970 - 1980, the economy in the United States and developed countries strongly, companies competed fiercely, creating many risks, leading to fraud, illegal violations of the law, causing damage. big for the economy. In 1977, the Law on foreign bribery was born, AICPA established a Special Committee on Internal Control (1979), the Securities and Exchange Commission (SEC) made the regulation. It is imperative that the directors report on internal control of the accounting work in enterprises. Facing this situation, many committees were formed to study how to overcome the consequences and prevent fraud, to support economic development, including the Committee Of Sponsoring Organizations (COSO), born in 1985 is a committee of many professional organizations to support the Treadway Committee such as: American Association of Chartered Accountants (AICPA), American Association of Accountants (AAA), Association of Administrators Finance (FEI), the Association of Internal Auditors (IIA) and the Association of Management Accountants (IMA) have come up with a standard theoretical framework for internal control. The 1992 COSO Report is the first document in the world to fully and systematically study and define internal control, providing a broad and governance vision. Internal control is not only an issue related to financial reporting but is also extended to the aspects of operations and compliance.

Research on Internal Control by Charles A. Saia (1992) discusses COSO's ability to apply / implement framework standards of internal control in companies. The author did an investigation at a leading manufacturing company in Connecticut about staff's explanations at all levels about KSNB and the limitations of the system. Explaining this choice, the author said that asking the accountant leader and the employees at a large organization will result in better inspection of the information flow between upper management and junior staff. The two groups interviewed were the “staff” group (including financial analyst, senior financial analyst,
senior systems analyst, and internal auditor) and “line” group (including control assistant, accounting expenses supervisor, and managerial staff).

The total number of people interviewed was 25, in which the “staff” group consisted of 20 people, the “line” group consisted of 5 people. The author has collected information using questionnaires with 11 questions focusing on clarifying the perception and understanding of the respondents about internal control, combining observations and in-depth interviews. The research results showed that the managers had a good understanding of internal control but the staff did not, most of the employees were confused when asked about their understanding of internal control, and they do not understand the elements required to achieve a good internal control system. The author concludes, the reports provided by COSO can help people of all professions better understand internal control, and in some cases, information systems may have to exercise control internally a more difficult way to maintain. The author also said that, if there are similar studies done in units of the same size, the results will be more reliable, and the core issue is that the employees in the unit need to know about the audit. internal control as well as the importance of this system. Through an in-depth analysis of the concepts and elements of internal control mentioned in the COSO report, combined with a factual survey of the level of knowledge of a specific enterprise, author Charles A. Saia gave a more specific view of the elements constituting the internal control system: control environment, risk assessment, control activities, information and communication, and monitoring. It can be said that this study is a practical survey for the COSO report in the early days of the COSO draft referendum issuance and report release.

Many studies on internal control by researchers mention the concept of internal control, types of control in relation to internal audit or financial audit such as: Principles of audit, authors O. Ray Wittington and Kurt Pany (1995); Auditing, author Jack C. Robertson (1996); Modern internal audit by Victor Z. Brink and Herbert Witt (2000); Modern internal audit inherits the view of Brink, author Robert R. Moeller (2009). In which, author Robert R. Moeller (2009), when developing more theoretical COSO application for the purpose of internal audit, added some objectives of internal control to be achieved and generalized. “Internal control is a process designed by the manager and applied within the organization to provide reasonable assurance of: The reliability of financial and operational information; Compliance with policies, procedures, rules, regulations and laws; Property protection; Achieve the mission, objectives and results of the entity's activities or programs; Ensuring integrity and moral values”.

In Vietnam, studies on the concept of the internal control system, the constituent elements of the internal control system, the roles and responsibilities of the objects related to the internal control, the potential limitations of the internal control system, the auditors' methods of internal control system are mainly textbooks, books, magazines, articles.

2.2. Studies of internal control in universities

The important role of internal control to management has long been the subject of interest in both practice and theory. Researchers have exploited this topic from many different perspectives and fields. It can be seen that internal control in enterprises receives special attention from scientists because it is associated with the formation and development of each enterprise as well as the existence, prosperity or The downturn of each of these businesses. However, besides, there are also researchers interested in internal control in another quite special field - higher education. The specialties are brought from the roles, functions, tasks and specific activities of educational institutions. Although the number of studies on university internal control is still limited, researchers have also contributed to gradually improve the picture of internal control in higher education institutions.

The establishment of the internal control frame system of college (Weixing Wang, 2010) study established a framework of internal control for universities. In this study, the author affirms, the key to establishing the internal control system of universities is to determine the internal control objectives and its factors. According to the author, the university is also an economic organization, so it has many requirements in internal control
like businesses, but the university is a non-profit organization and, moreover, the operational target of the university. The university has a significant difference from the goals of the business, so the goal of the KSNB of the universities is not simply to copy the COSO reports. According to the characteristics and actual operation, the internal control objectives of the universities can be verified from the following aspects: the safety and integrity of the property; Practical, complete and useful accounting information; The effectiveness and efficiency of training activities; and Comply with the provisions of the law. The author thinks that, based on the management characteristics of universities, the internal control elements in these organizations should be divided into 2 classes. The first class includes: Control Environment, Control Activities, and Monitoring and Evaluation. In that, the control environment is fundamental, control activities are core, and monitoring and evaluation are warranted. Factors such as: Organization and culture; Information and communication; Budget management; Control procedures and methods of control; Identifying and controlling risks, is the second layer of factors of internal control. Organizational structure and culture, Information and communication is the second layer of factors analyzed from the Control Environment. The remaining factors are the second layer of analytical factors of Control Activity. Monitoring evaluation is only one factor, but there are 2 aspects: Monitoring is to pass information to inspection agencies by taking into consideration the results of certain time, to correct deviations. of goals; The assessments are for monitoring and controlling the internal control of different functional departments, and by assessing the basic situation of internal control can be described, and weak Poor in internal control can be consulted and improved. Thus, compared to the usual studies on internal control, the study of author Weixing Wang had a clear classification, at the same time, Organizational and cultural factors were mentioned as factors. important of KSNB. However, the author's research just stops at establishing an Internal Audit framework for universities, the factors in the control framework are explained simply. Although the author affirms that the elements of Internal Audit will control different factors to achieve the system's goal, but the degree of influence of these elements on the goal, the research has not yet solved determined.

Authors M. Popescu and A. Dacălu (2012), in the study Improving the internal control system within universities confirmed that the major risks in higher education institutions are basically the same, the control system Internal is a management tool used to make sure that the management goals are met. Based on data from documents on the implementation of internal control in public sector universities, the research team analyzed the requirements of national regulations on internal control systems for Public institutions and quality assurance requirements in higher education, at the same time analyzing the relationship between Internal Audit and quality management processes in universities and emphasizing the importance of the process. risk assessment and integration of risk management systems in universities. The implementation of internal control and risk management in universities is based on the specific regulations of each country. These requirements are reflected in various documentation on control and reporting methods. Through the analysis process, the authors highlighted the biggest similarity between Internal Control (ICS) and Quality Management (QMS) is that both systems aim to strengthen risk prevention. While the risk approach is not an explicit requirement in the quality assurance models as specified by internal control, risk identification is performed during a periodic assessment of the Universities and research institutes. Accordingly, the self-assessment includes an internal and external analysis (SWOT analysis), highlighting the hazards posed by the external environment, and a basic improvement plan. Elements of the internal control system identified include: 1) Control environment, 2) Risk management, 3) Information and Communication, 4) Control activities, 5) Auditing and reviews. In that the implementation of risk management in units has become imperative. The internal audit process is important in quality management and they aim to check QMS compliance with reference standards and with internal documents / procedures. ICS integrates internal audit processes, which are conducted by independent university structures under the Ministry of Finance. Their role (as defined by law), is to provide advice on confidentiality and management over the revenues and costs of completing the operations of public institutions; to help achieve its goals through a systematic and methodical approach, which assesses and improves management effectiveness and efficiency, based on risk management, control, and treatment administrative. The research
also confirms that it is important for universities to maintain a comprehensive risk management program in order to achieve overall goals. However, in the framework of the article, the authors have not clarified the relationship between the elements of the internal control system and the quality management process in universities, especially the impact of the risk management process. To QMS that only analyzes the similarities and differences between these two systems (ICS & QMS), and asserts that control is a management tool.

Research Comparison of the present practices and the degrees of perception with regard to internal control system in the Accounting agencies of state colleges (Durmus Acar and Ozen Akcanat, 2012) is interested in the performance level in relation to the Internal control system and its level. awareness of the internal control system of the heads of the accounting departments of universities. To evaluate that, the authors have conducted a survey at 94 Turkish public universities. Likert 5-level scale is used to measure the level of leadership of the accounting department about internal control. The results show that the leaders of this department believe that the establishment of the internal control system is important. To evaluate the implementation level of Internal Audit and the level of meeting the conditions of Internal Audit of the accounting department in universities, the authors used the 3-level Likert scale. The research results show that the applications related to the internal control system cannot be implemented correctly, but can only be done "partially", meeting the current conditions for the system's applications. Internal control system is considered ineffective for the accounting department. Thus, it can be concluded, the leaders of the accounting department of universities are very interested in the internal control system, considering the internal control system is very important, but they do not pay enough attention to the actual situation of internal control in the units of and they still have many shortcomings in bringing the KSNB conditions into practice.

In the research on construction of the Chinese University internal control system (He Fan et al., 2013) affirmed that the university is a non-profit organization with a big difference with enterprises in terms of operational content. According to the authors, the university's goal is to foster talents, to do scientific research and to serve the society, so it is necessary to build an appropriate internal control system so that universities can practice currently effective and orderly teaching and research activities. The scope of KSNB in the university also includes teaching work, scientific research, infrastructure, recurrent expenditure, collection from tuition fees, business activities and other revenues ... The authors also agree with the author Weixing Wang, saying that because the university's activities and goals are different from those of enterprises, there is no need to "blindly" copy the goals of the COSO report or completely mimics what businesses define for internal control goals. "Instead, we should adjust goals in line with the functions and activities of the university." From the influence of research, the universities have started to attach importance to internal control and built for themselves a control system with its own characteristics under the guidance of the theory of internal control. Since then, the authors have built an internal control framework for universities including the following components: Control environment, Budget management, Risk recognition and response, Control methods, Information Information and Communication, Conduct Evaluation, Monitoring and Feedback. In which, from the point of view of the authors, the key to a controlled environment is to build up a reasonable governance structure in universities. It is necessary to establish a certain tolerance for risks and mechanisms of risk control in schools. Control method is the key to ensure the safety of funds, means of control can be divided into two parts: the management part of the organization level and the management of the operational levels; At the organizational level, universities should propose centralized control, especially for campus business units and the ancillary industry - where ownership is not really clear; At the operational level, significant financial activities in the infrastructure sector, regulatory agencies, indirect operating offices and research institutions should focus on procedures and audits. control.

In Vietnam, in the study on Internal Control System in the current public universities in Vietnam (Dinh The Hung, Nguyen Thi Hong Thuy, Han Thi Lan Thu, 2012) has affirmed, to ensure management For activities to achieve these goals, public universities need to establish an appropriate and effective internal control system. On the basis of studying internal control points of view, the authors gave the views on internal control and the basic elements of internal control in public universities in Vietnam. Accordingly, the internal control of public
universities in Vietnam is constituted by the following factors: Control environment, risk assessment, accounting system, accounting information system, procedures, control and supervision. According to the authors, in order for the internal control system to operate effectively and effectively, the system elements need to be effective and synchronous. However, the determination of factors under internal control in this study is not really complete. Because according to COSO, the accounting system is only part of Information and Communication, the authors did not mention the internal and external information-communication element of public universities.

2.3. Studies of financial management and financial autonomy in universities

The issue of financial management seems to be an issue that always receives a lot of attention from researchers no matter what field, financial management in universities is not an exception, especially in the context of globalization requires increasingly high competitiveness.

The author Estelle James et al. (1996) compared the efficiency of public and private education financial management through research on Finance, management, and costs of public and private schools in Indonesia. Through the investigation and analysis of data on related issues such as: cost, efficiency in proportion to the cost, income of faculty staff in universities, number of students recruited After graduating from universities, colleges, vocational training ... to bring solutions to overcome the situation of financial management in public schools. However, in the framework of the study, the authors only focus on issues related to education management in general, but have not gone into research into the factors affecting financial management in universities.

In the Study Challenges to Financial Sustainability (Estermann, T. et al., 2011) points out that the school's financial resources include: Public funding; Tuition and fee collection; Contracts with the private sector, businesses and other organizations; Charity activities; Trade, provide services and other revenues; Revenue from financial activities. This same author and co-author in another study (2011) on the diversification of the financial resources of universities in Europe have pointed out the factors that affect financial autonomy include: management, control; How to finance the budget; The dynamism and creativity of the university; Organizational structure; Legal form; Ownership and Financial Diversity.

In Vietnam, there are many authors studying financial management issues in universities. Including LATS, Accounting organization at the universities under the Ministry of Education and Training, author Nguyen Thi Minh Huong (2004); Ministry level topic, Improving the financial management mechanism for public universities in the economic sector in Vietnam, author Vu Duy Hao (2005); LATS, Improving financial management mechanism for universities in Vietnam, author Nguyen Anh Thai (2008); Master thesis, perfecting financial management at self-financed public universities in the city. HCM, author Nguyen Tan Luong (2011); LATS. Perfecting accounting information systems in public universities in Vietnam, author Nguyen Huu Dong (2012). In which, the author Vu Duy Hao (2005) has surveyed and analyzed the current financial management mechanism situation of the current public universities in Vietnam, from which the results obtained. gain as well as limitations and reasons in the current financial management mechanism; at the same time, proposing a number of solutions to improve the financial management mechanism applicable to current public universities in Vietnam. However, at the time of doing the research, all the conditions of mechanisms and policies proposed by the State were limited, so the author only proposed “pilot implementation” of the autonomy mechanism. The author Nguyen Anh Thai (2008) focuses on analyzing the content of policy mechanisms for financial management for universities in general, solutions to perfecting financial management mechanisms for universities. The proposal is academic and theoretical. The author stopped at raising the problem: creating diversified financial sources for training, building control mechanisms, policy on tuition fees, scholarships, perfecting the organizational model of the management apparatus for schools, university, without deep explanation.
It can be seen that, up to the present time, the researches in Vietnam on the field of financial management in general in universities mainly focus on solving management issues, which are topical. Research results do not aim to rule, so it can only solve specific management problems of a specific object, in a certain time period.

The authors Michael Mitsopoulos and Theodore Pelagidis (2008) in the study Comparing the Administrative and Financial Autonomy of Higher Education Institutions in 7 EU Countries consider the financial autonomy of universities as an inevitable problem. According to the authors, in recent decades, many countries have faced challenges posed by the need to increase international competition in providing quality higher education to meet workforce community and high-quality research facilities. This challenge has increased the pressure on improving the financial management efficiency of higher education institutions due to limited public budgets. In the face of this reality, most European countries have granted financial and administrative autonomy to higher education institutions while increasing the accountability of these institutions. Based on self-assessment reports of some higher education institutions published by the OECD and some relevant OECD country reports for 7 EU countries (Germany, Belgium, Spain, Greece, Italy, French and British), the authors have detailed the qualitative aspects of the financial and administrative autonomy granted to institutions of higher education in recent decades. Through a survey of 11 related OECD reports, the authors examined universities' ability to hire and reward faculty, select students for entry, and freely decide on chapter content, your curriculum; survey whether universities have correctly allocated and used their funds; evaluate scientific results through the number of highly cited publications; building indicators to measure the autonomy and accountability of educational institutions in relation to research effectiveness. The research results have concluded that there is a positive correlation between the number of publications and studies cited by a school and the autonomy of that institution.

Completing the financial autonomy mechanism of public universities in Vietnam, author Tran Duc Can (2012) approached the study of financial autonomy in public universities according to a new method. The author has built a research model with the target variable as the financial autonomy mechanism. This variable is measured through 6 criteria: effectiveness, efficiency, flexibility, fairness, organizational commitment, and community acceptance. At the same time, the author also identifies 3 factors affecting the financial autonomy mechanism of public universities, namely: Higher education development goals, State policy mechanisms, Financial mechanisms due to each building school. And make research hypotheses. In the study, the author has measured the effectiveness of the financial mechanism through: size of revenue sources, expenditures; revenue and expenditure structure; efficient use of state budget capital; area of land, premises, factories ... / 1 student; investment rate / 1 student; additional income of officials and employees; revenue and expenditure difference / total revenue source; faculty structure, faculty / student ratio; quantity and quality of articles and scientific research. However, there are many factors (variables) in the author's research that have not been measured convincingly, for example, efficiency in using budget capital, effectiveness of autonomy mechanism ... The author has not yet solved the relationship between the influencing factors with financial autonomy in the model completely.

LATS. Financial management of public universities in Vietnam, the author Vu Thi Thanh Thuy (2012) has determined the scale of financial autonomy of universities by the ratio of non-state revenues / total revenues of schools and the ability to autonomy and decide on categories and rates of expenditure. Since then, the author has analyzed the factors affecting financial autonomy including: existing public assets, faculty, university brand (assessed by entrance exam scores, year of establishment / enhancement The business dynamics of the university head (measured by the number of domestic and foreign training programs, advanced training programs, forms of cooperation in training and technology transfer) . The study also showed that: university operation time, entrance examination scores, classrooms of all kinds, the number of organic lecturers, total financial revenues related to financial autonomy, individuals The other factor did not find a relationship. It can be seen that the author's research has confirmed the regularity of the relationship between factors and university financial autonomy, this is a really meaningful contribution in terms of both theory and practice. However, the
limitation in the study of the factors makes the author unable to comprehensively evaluate the factors that have the same / opposite impact with financial autonomy, the factors of macro nature have not been research, the influence of leadership factors has not been deeply assessed.

2.4. Studies on the relationship between internal control and financial management in universities

As the authors Michael Mitsopoulos and Theodore Pelagidis (2008) have pointed out, the issue of financial autonomy of universities is an inevitable issue in the trend of developing globalization, improving governance effectiveness. Financial management of higher education institutions in the context of limited public budgets is indeed a major challenge, requiring universities to have an effective control mechanism. If the issue of internal control in universities in general received certain attention from researchers then it seems, research on internal control for general management problems and with financial management in particular in these units is still a topic that has not been exploited much by scientists.

Research by Ssuuna Pius Mawanda (2008) on the effects of internal control systems on university financial performance in Uganda - case of Ugandan Marytrs University established the relationship between the system KSNB with a university's financial activities. The proposed research hypotheses are: (H1) Control environment influences the financial performance of universities in Uganda, (H2) An effective internal audit function is related to performance. financial resources of universities in Uganda, (H3) The functions of control activities and financial effectiveness of higher education institutions are interrelated. The author has built a research model by establishing the relationship between internal control and financial performance, in which internal control as an independent variable (measured by the control environment, auditing internal and control activities) influence financial performance - a dependent variable (measured by liquidity, financial accountability and reporting), which is influenced by the variable. control (includes policies established by the Board of Directors, National Council of Higher Education and the Ministry of Education). To achieve the research objectives, the author has used a combination of qualitative and quantitative research methods, survey, correlation, case study in his research. The study sample was selected using purposeful sampling to ensure that only people with relevant information will be interviewed. In quantitative research, in addition to statistics on the gender characteristics, education, job position, age group and seniority of the respondents, the author has examined the functions of the system. internal control (through descriptive statistics on internal control systems, internal audit, and control activities), testing financial performance functions and analyzing relationships between systems internal control and financial performance by Pearson correlation analysis. The qualitative data allow the author to assess the nature of the survey results. Research results have confirmed a positive relationship between the internal control system (control environment, internal audit and control activities) and financial performance (liquidity, liability). However, measuring the control system with the above variables makes the research results not really convincing (for example: the control environment does not mention organizational structural factors). function, the variable "financial responsibility" is not shown through any specific scale ...). Factors such as the control environment, internal audit, and control activities are evaluated by many specific factors that in the author's study only mentioned the correlation between the internal control system in general. financial activities but not yet assessed the impact from specific factors (constituting the above factors) on the university's financial activities.

In the study The effect of internal control systems on the financial performance of higher education institutions in Puntland (Mohamed Hassan Abdullali, 2016) looked at internal control from an information system perspective and communication, internal audit and internal monitoring. The logistic model is used to test hypotheses about the existence of a relationship between financial performance and three independent variables: information and communication systems, internal audit and internal monitoring. To achieve the research goal, the author performed the sampling purposefully and conveniently. The people selected to answer questions include heads of departments, members of management board, internal control, internal audit, financial staff, deans, heads of departments ... stakeholders and knowledgeable about the entity's internal control and finances. The study found that administrators of higher education institutions were committed to controlling, monitoring
and monitoring school dynamics; All activities of the unit originate from the top manager. The study also shows that most of the internal audit departments are effective, perform audit activities and generate regular audit reports. The study results confirm that internal control (information and communication systems, internal audit, internal monitoring) have a positive effect on financial performance. However, in this study, the author only assesses the impact of internal control on financial performance through information and communication systems, internal audit and internal monitoring. The remaining factors such as control environment, risk assessment process and control activities have not been mentioned.

Research by Benson Mugi Muhunyo (2018) on the Effects of Internal Control on Financial Performance of Public Higher Education Institutions in Nairobi, Kenya has established a relationship between internal control and Financial performance, the objective is to determine the impact of the control environment, control activities, risk assessment, information and communication, and monitoring on financial performance in higher education institutions, public school. The author has built a research model with 5 independent variables: Control environment (organizational structure, authority, personnel policies and procedures); Risk assessment (access, security control, defined procedures); Control operations (authorization, physical control, assignment of duties); Information and Communication (transfer information, record transactions, liability for assets); Monitoring (independent audit, supervision, routine management) and 1 dependent variable is Financial Performance (surplus, accountability, reporting, cost management, and investment. capital). Descriptive statistics are used in data analysis and information is presented in statistical form. The author used multivariate regression to analyze the relationship between the dependent variable and the independent variable. Research has found that the control environment, risk assessment, control activity, information and communication significantly affect the financial performance of public higher education institutions in Nairobi, Kenya. Accordingly, research has shown that the weak control environment will negatively affect financial management performance and vice versa; Poor risk assessment procedures undermine internal control mechanisms and systems; Ineffective controls lead to weak internal control systems, poor financial performance, and vice versa; A good information and communication system will lead to an increase in revenue, costs and income.

In Vietnam, there are also a number of studies on the influence of Internal Audit on financial management in non-business units in general and in universities in particular. These studies can be mentioned such as: Master's thesis, Strengthening internal control of budget revenue and expenditure at Quang Nam University, author Tran Thi Tai (2010); Master's thesis, Completing internal control with revenues and expenditures at Danang University of Sports and Sports, author Le Thi Tra Ly (2010); Master's thesis, Strengthening the control of state budget spending for non-business units with revenue made by the State Treasury of Da Nang, author Phan Xuan Tuong (2012) These authors all affirm the importance KSNB's importance to the financial activities of non-business units in general and universities in particular, but the resolution level of these studies is similar to other studies in Vietnam when only set a goal to solve management problems without mentioning the normative relationships between influencing factors. This is the biggest limitation in studies in general and in studies on the effect of control on performance in particular. All studies confirm the relationship between Internal Audit and financial management in general and on that basis, solve outstanding problems in practice but have not studied and studied in depth about the impact level. Internal control of internal control for the financial management of the unit has not yet evaluated which factors of Internal Audit have the most powerful influence, and therefore, the mentioned solutions can only solve the "manifestation", has not reached the point of the essence, the essence.

Thus, through the document review process, according to the author's understanding, there still exist quite a lot of gaps in the research on internal control and financial autonomy in public universities in Vietnam in general.

First. Studies on internal control systems and financial management of universities around the world have brought new knowledge about the internal control frameworks in universities, the factors affecting financial autonomy. university and the relationship between the internal control system and financial management in this
type of organization with particular objectives and activities, but the generality and law of these studies may not be relevant. It is suitable with higher education units in Vietnam because Vietnam may have political and legal institutions, social characteristics and educational policies have many differences with other countries in the world.

Monday. Researches on internal control and financial management in Vietnam only focus on assessing the current situation, finding the limited causes of the research status to propose solutions to overcome and solve problems. management subject. There are no studies showing the rule of the relationship between internal control and financial management.

Tuesday. Financial management studies in public non-business units often focus on solving accounting information system problems or perfecting the tools to manage and use the State Budget. There are no studies to assess the impact of macro management decisions on the establishment and operation of internal control by State budget-using units.

Wednesday. Studies with financial autonomy units also focus on solutions to improve the autonomy of the units without assessing the impact of autonomy on financial management decisions. main.

Thursday. There have been no studies on the relationship between internal control systems and financial autonomy in universities, although the internal control system plays a very important role in achieving these goals. spending, including financial autonomy.

Friday. Up to now, the research has only focused on solving problems of internal control or financial autonomy for public universities, but there is no research to solve the problem of regional universities.

3. Proposed research model

According to Lockword (1985), universities and organizations face many problems common to most modern organizations such as resource coordination, cost control, incentives and facilitation. Event for employees… Therefore, universities have common problems like other organizations. In fact, there are many universities around the world that apply this model in management.

In the research on building a comprehensive management model of URP University (University Resource Planning) applied in universities in Vietnam, author Nguyen Thanh Tuan (2014, p.36) has affirmed: There are many unique differences between the administration, administration and management organizations in the university compared to political, social and business organizations in the economy ”. Accordingly, Financial management is identified as a management function in universities.

There are many other scientists who also study management and have differing perspectives. However, researchers all agree that, in the management process, it is indispensable to plan, organize and control to achieve the goals. Accordingly, control can be understood as a function of management, playing an important role in the adjustment of activities as needed to achieve the plan or to ensure the objectives of the system in gender. Permission term (wikipedia). From the point of view of university internal control and such an approach to the management system, the author has built a research model on the relationship between internal control and financial management, namely research. on the influence of Internal Audit on the effectiveness of financial management of regional universities in terms of financial autonomy.

On the basis of COSO framework and previous studies, especially research on internal control in universities around the world as well as in Vietnam, consider the adjustment factors according to the characteristics of public universities of Vietnam [10], according to the Auditing Curriculum (University of Economics Ho Chi Minh City), the author identifies the factors of internal control of the Regional University including: (1) Control environment; (2) Risk assessment; (3) Information and Communication; (4) Operational control; and (5) Monitoring.
The proposed research model is as follows:

![Research model diagram]

**Figure 1. Research model**

According to COSO (2013), Internal Audit ensures the achievement of the goals of the units, and can achieve effective internal control when the unit applies all 17 principles drawn from the components of internal control. Therefore, to evaluate the impact of the Internal Audit of Thai Nguyen University on the effectiveness of financial management, the thesis evaluates through 17 principles of COSO including:

**Control environment**

1. An entity demonstrating a commitment to integrity and ethical value;
2. The manager shows the independence in the management and implementation of monitoring the development and operation of the internal control system;
3. A manager under the supervision of the board of directors, establishing an organizational structure, reporting processes, assigning responsibilities and authorities in pursuit of the entity's goals;
4. An entity must demonstrate a commitment to attracting, developing, and maintaining human resources in line with its objectives;
5. The unit requires individuals to be responsible for internal control tasks in meeting objectives;

**Risk assessment**

6. Entities must establish clear and complete objectives to allow identification and assess the risks associated with achieving the goal;
7. The entity must identify the risks involved in achieving objectives throughout the entity and analyze them as a premise to determine how risks can be effectively managed;
8. The entity should consider possible fraud when assessing the risks associated with the achievement of objectives;
9. The unit needs to identify and evaluate the changes that have a significant impact on the internal control system;

**Control Activities**

10. The entity shall select and develop controls that will contribute to minimizing the risks of achieving objectives within acceptable limits;

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(11). The entity selects and develops general controls through technology to assist in the implementation of objectives;

(twelfth). Organize control activities through established policies and put these policies into practice;

Information and communication

(13). Entity that collects, communicates and uses appropriate information to support activities of KSNB;

(14). The entity should communicate internally, including the objectives and responsibilities of internal controls, to support the control function;

(15). The entity should communicate with external parties on matters affecting the activities of internal control;

Monitoring activities

(16). The entity shall select, develop and perform ongoing and / or separate audits to determine which elements of internal control are present and operational;

(17). The entity shall promptly evaluate and notify the weaknesses of internal control to responsible parties including senior management and responsible parties, including senior management and co-workers. admin for remedies.

The application of 17 COSO principles is flexibly adjusted to suit the characteristics and reality of universities in Vietnam.

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