



De La Salle University – Dasmariñas
GRADUATE PROGRAM

**THE INTERNAL CONTROL MANAGEMENT SYSTEM OF
THE PHILIPPINE ARMY**

A Thesis

Presented to

the Faculty of the Graduate School of Business

In Partial Fulfillment

of the Requirements for the Degree

Master in Business Administration

By

Gilmar N. Galicia

March 2003



ABSTRACT

| | |
|-----------------------|---|
| Title | The Internal Control Management System of the Philippine Army |
| Researcher | Gilmar N Galicia |
| Adviser | Dr. Reynaldo Banzon |
| Subject Area | Philippine Army Internal Control |
| Year Completed | 2003 |
| Degree | Master in Business Administration |
| No. of Pages | 116 |

Statement of the Problem

The problem investigated in this study was the efficiency and effectiveness of the internal control management system of the Management Branch, G6 of the Philippine Army.

Statement of Hypothesis

The null hypothesis seeks to test the internal control management system of the management branch G6 of the Philippine Army through its accountable officers assigned within the post units Fort Andres Bonifacio, Makati City, Metro Manila is not effective on the basis of 7 structures of Mckinsey.



Findings of the Study

The findings proved that based on Table Organization and Equipment of post unit, majority of its positions are properly occupied. Most of those accountable officers were at the middle ages and has been more than ten (10) years in the service. While, Management branch structures have been ranked the highest on its efficiency and effectiveness. While, in terms of its own management strategies it got the lowest rating.

Conclusions

This study concluded that Internal Control Management System of the Management Branch G6 through its accountable officers in post units is not efficient and effective. However, their effectiveness was impaired by the rotation of accountable officers while their efficiency in terms of fund management was affected by late releases due to non-availability of Notice of Transfer of Allocation (NTA) and the manner of liquidating cash advances.

Recommendations

The age of accountable officers should be considered in assigning of accountable officers at post or field units. Likewise, appropriate selection must be applied in the selection process. More so, adopt the current New Government Accounting system and seek constant advised from Army internal auditors.



While, the alternate hypothesis seeks to test whether the internal control management system being implemented by its Management Branch, G6 on the basis of 7 structures under Mckinsey is effective.

Scope and Limitations

The conduct of evaluation of the study is limited only within the post unit of Headquarters, Philippine Army.

Method and Research Design

The study utilized the descriptive method of research. It used questionnaires with structured questions to provide insights and perceptions to the research. The respondents of this study were Responsible Supply Officers and Special Disbursing Officers of different post units of Philippine Army at Fort Andres Bonifacio, Makati City. The sampling procedure used was stratified with a parameter of not less than 20% of the personnel involved in the utilization of fund and property. The statistical instrument utilized were Central Limit Tendency, percentage, ranking weighted mean, one-way Anova and the Likert scale.

Treatment of Data

The statistical treatment used is Central Limit from sample sizes of 30 out of 100 accountable officers. Percentage distribution was used to get the proportion of the frequencies of responses. Ranking is a statistical method that arranges number score from highest down to the lowest. While, the weighted mean describes the holistic appraisal of the respondents on every item found in the questionnaire and Likert scale categorized the responses based on the weighted mean.