The role of internal control in improving the quality of banking services: A case study of Libyan banks

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دور الرقابة الداخلية في تحسين جودة الخدمات المصرفية:
دراسة حالة المصارف الليبية

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الملخص :

تتمحور هذه الدراسة على أحد المواضيع المهمة التي تخص إدارة المصرف وهي دور الرقابة الداخلية في تحسين جودة الخدمات المصرفية، وتهدف هذه الورقة إلى توضيح مفهوم الرقابة الداخلية والجودة في الخدمات المصرفية والعلاقة بينهما. تم استعراض الكتب والدوريات والابحاث حول متغيرات الدراسة. والجانب العملي تم إعداد استبيان عن بيئة الرقابة الداخلية وجودة الخدمة المصرفية، وبناء على ما ورد في القسم النظري، وزع الاستبيان على عينة البحث وعددهم 22 من العاملين في مصرف الجمهورية زليتن وكانت نسبه 88% بعد استرجاع وفرز الاستبيانات الموزعة، تم تحليلها إحصائيا باستخدام برنامج **SPSS** حيث تم التحقق من صحة فرضيات الدراسة، وإن النتائج المتوصل إليها تؤكد على الدور الفعال الذي تلعبه الرقابة الداخلية في تحسين جودة الخدمة المصرفية في الوقوف على مكامن التطوير والتحسين فيها ومعالجة الثغرات.

الكلمات الدالة: البنوك الليبية، جودة الخدمات المصرفية، الرقابة الداخلية، المؤسسات.

Abstract:

This paper focuses on a crucial aspect of bank management, namely the role of internal control in enhancing the quality of banking services. The study aims to clarify the concepts of internal control and quality in banking services, as well as the relationship between them. A comprehensive review of literature, including books, journals, and research studies, was conducted to inform the study. For the empirical component, a questionnaire was developed to assess the internal control environment and banking service quality, based on the theoretical framework. The questionnaire was distributed to a sample of 22 employees at the Zliten branch of the Jumhouria Bank, achieving an impressive 88% response rate. After collecting and sorting the questionnaires, the data were statistically analyzed using SPSS software to verify the study

hypotheses. The findings confirm the effective role of internal control in improving banking service quality by identifying areas for development, improvement, and addressing shortcomings.

1-Introduction:

Banks are among the most important institutions that national economies rely on, serving as the driving force behind economic development and growth. They achieve this by setting specific objectives and improving banking methods and procedures, leveraging both financial and human resources to ensure the bank's longevity and success. To support this goal, banks establish systems and methods that promote continuity and mitigate surrounding risks, including internal control. Internal control is a vital tool for enhancing the quality of banking services, helping management achieve planned objectives. In today's fast-paced environment, institutions need an effective internal control system to stay competitive and provide the best products to their employees. The internal control system is a fundamental pillar that various institutions rely on to achieve their goals (Alasady et al., 2025).

Internal control has witnessed a continuous evolution in its concepts, starting from viewing its importance in protecting assets from theft and misuse, ensuring the accuracy of information, and detecting violations and deficiencies, up to the broader concept that includes raising operational efficiency and commitment to applying the laws and policies set, as well as the credibility of financial reports, improving the quality of financial reports, reducing audit work and wasted time, in addition to reducing costs and reducing losses, as a guiding reference for the bank's operations (Musioki, 2023).

Internal control in banks is considered an essential part of overall banking supervision. Due to its importance, it has received significant attention from bank management, as it represents the first line of defense in preventing, mitigating, and reducing risks and errors that banks may encounter in their daily operations, and in improving their performance (Hassani et al., 2024). Internal control focuses on a set of controls governing the bank's operations to ensure the accuracy of the accounting records, protect the bank's assets, enhance employee efficiency, and encourage adherence to established administrative and financial policies (Sultan, 2005).

Research Problem

The internal control system is considered one of the most important procedures that an organization takes to confront and reduce risks. Establishing an efficient and effective internal control system, implemented by individuals and management, protects the organization from the risks it faces and reduces the likelihood of exposure to risks to the lowest possible level. Undoubtedly, studying and evaluating the internal control system used in the organization is the cornerstone from which the auditor starts and is the point of reference for the auditor when preparing the audit program and determining the percentages of tests and samples. The stronger, more effective, and coherent the control system is, the more the auditor will rely on the sampling method to obtain evidence and proof. The weaker it is, the more the auditor will resort to increasing and expanding the size of the representative sample (Elder et al., 2013).

However, the quality of banking services is one of the most significant challenges facing banks in the modern era. Customers expect high-quality banking services that meet their needs. In this context, internal control plays a crucial role in improving the quality of banking services by identifying errors and deviations and providing recommendations for improving banking operations. Nevertheless, internal control in Libyan banks faces several challenges, such as a shortage of human and material resources and inefficient banking systems.

Therefore, this study aims to explore the role of internal control in improving the quality of banking services in Libyan banks and to identify the factors that affect the effectiveness of internal control. Given that banks face many challenges, represented by the rapid increase in their numbers and the diversification and branching out of their activities and operations, in addition to financial pressures and crises, and legal and procedural complexities that affect the effectiveness and efficiency of performance in those banks, and despite the widespread interest in internal control and its various elements, the matter becomes necessary to link internal control with the quality of banking services.

Accordingly, this study aims to examine the relationship between the elements of internal control and the quality of banking services. The main question of the study can be formulated as follows:

What role does the internal control system play in improving the quality of banking services in Libyan banks؟

The following sub-questions stem from this main question:

 1- Are there effective internal controls in Libyan banks؟
 2- Are banking services in Libyan banks of high quality?

Research hypothesis:

This study is based on a main hypothesis:

There is a statistically significant relationship between the internal control system and the quality of banking services in Libyan banks.

The main hypothesis leads to the following sub-hypotheses:

1- Effective internal controls exist in Libyan banks.

2- Banking services in Libyan banks are of high quality.

Research Objectives:

This research aims to:

  1- Define the concept of internal control and its fundamental components upon which an effective internal control system is built.
  2- Determine the impact of internal control in Libyan commercial banks on the quality of banking services in these banks.

The Importance of the Research:

The importance of this research can be summarized as follows:

1- Demonstrating the role of the internal control system in improving the quality of banking services in Libyan banks and its contribution to achieving banking supervision.

2- The role of the internal control system in helping Libyan banks detect deviations and errors before they occur, thus enabling their prevention and improvement.

3- The importance of having an effective internal control system within Libyan banks, which is reflected in the quality of banking services.

Research Scope:

1. Temporal Scope: The timeframe for this study is 2025, during which data was collected.

2. Geographical Scope: The geographical scope of this study is limited to Libyan banks, specifically the Zliten branch of the Jumhouria Bank.

3. Thematic Scope: The thematic scope of this study focuses primarily on the role of internal control in improving the quality of banking services.

4. Human Scope: The human scope of this study consists of Libyan bank employees who were given the questionnaire and from whom data was collected.

5. Methodological Scope: The methodological scope of this study is the use of a descriptive-analytical approach, employing questionnaires to collect data.

Research Methodology:

Due to the nature of the research topic, the descriptive method was used to study the theoretical aspects based on the available references on the subject under study. The analytical method was also used to analyse the results obtained using the statistical program (SPSS).

1- Theoretical Background:

2-1 Previous Studies -:

1- **A study by Yousef and Ghanem (2023): entitled The Role of Internal Control in Commercial Banks:**

This study aims to clarify some overlapping terms, such as internal control and control in commercial banks, as the primary control tools in the banking process. It also seeks to understand the objectives and methods of the control system, and to explain the features and limitations of the control system in banks and its role in achieving stability in banking transactions and institutions. The study concluded that there is a positive relationship between the efficiency of commercial banks' performance and the effectiveness of their internal control systems. Conversely, a weak internal control system leads to an increase in the risks to which commercial banks are exposed.

2- **A study by Abdeljalil and Qadri (2020) entitled: The Role of Internal Control in Improving the Quality of Banking Services:**

This study focuses on one of the important topics concerning bank management: the role of internal control in improving the quality of services provided from the perspective of their customers. Therefore, this research aims to clarify the concept of quality in banking services and its relationship to internal control, in addition to reviewing the effectiveness of the internal control system. The study concluded by emphasizing the effective role that internal control plays in improving service quality by identifying areas for development and improvement and addressing shortcomings. The results also showed that customer satisfaction with the services provided is the basis for continued banking relationships and increased loyalty.

3- **A study by Al-Awran (2016) entitled: The Impact of Electronic Control Implementation on the Quality of Internal Services in Commercial Banks in the Southern Governorates of Jordan from the Perspective of Their Employees:**

This study aimed to identify the impact of electronic control in its three stages (input control, processing control, and output control) on service quality in its dimensions (reliability, responsiveness, tangibility, trust, and employee professionalism) in commercial banks in the southern governorates of Jordan. The study reached several conclusions, most notably that the overall average level of implementation of electronic control systems in Jordanian commercial banks, across all dimensions, was high, with a mean score of (3.892). Input control ranked first. The overall average level of the internal service quality dimension was also high, reaching (3.960), with the responsiveness dimension ranking first, with a mean score of (4.065). The study recommended several measures, most importantly: emphasizing the importance of control at all stages—input, output, and processing—and the continuous updating of the hardware and software used. Databases must be updated to keep pace with the continuous developments in information systems and to match the standards of developed countries in this field. This is achieved by acquiring the necessary hardware and modern software, and by having, specialists in this field update the databases to suit the workload.

4- **A study by Dhiab (2010), entitled: The Impact of Internal Control Elements on the Quality of Banking Services - A Field Study on the Arab Bank:**

This study aimed to clarify the nature of the relationship between the five elements of internal control (control environment, information systems, risk assessment process, control procedures and activities, and monitoring of control methods) and the dimensions of service quality (tangible

elements, reliability, responsiveness, trust in dealings, and empathy) at the Arab Bank in the Hashemite Kingdom of Jordan. It also aimed to identify the strengths and weaknesses of the internal control elements at the Arab Bank. The researcher used the descriptive-analytical method. One of the most important findings was that there is a statistically significant relationship between the internal control elements represented by the control environment, information and communication systems, risk analysis, control systems, and monitoring and supervision procedures. Among the dimensions of service quality, one of its most important recommendations was that to ensure the quality of work in banks, internal control procedures must be strengthened, relying on modern approaches to evaluating these procedures through risk analysis. The importance of this approach becomes apparent with the increasing use of technology to cover all bank activities.

5- **A study by Al-Hakim (2010) on the possibility of auditing automated accounting information systems in public economic institutions by inspectors from the Central Financial Control Authority**:

This study aimed to measure the possibility of evaluating the structure of automated internal control by inspectors from the Authority when auditing economic institutions that use automated accounting information systems, according to information systems control standards, in line with the developments in the use of information technology in accounting systems. The study used a mixed inductive-deductive approach, starting with an examination of these standards, an examination of the possibility of their application by inspectors from the Central Financial Control Authority and the feasibility of this application, and concluding with a set of proposals and recommendations consistent with these results.

6- **A study by Hamada (2010) on the impact of General Controls for Electronic Accounting Information Systems and Their Impact on Increasing the Reliability of Accounting Information:**

This study aimed to examine the general controls for electronic accounting information systems and their effect on increasing the reliability of accounting information in audit firms in Damascus. The study concluded with several key findings, the most prominent of these are control mechanisms, with their various components, have a significant impact on increasing the reliability of accounting information. The study also recommended that all public and private sector companies in Syria adopt general control mechanisms for accounting information systems and that training courses be conducted for information systems management personnel to enhance their expertise in these controls.

7- **A study by Al-Hadithi (1993) entitled: "Evaluating Internal Control Systems in Computer-Used Institutions:**

A Field Study on Financial and Banking Institutions in the Hashemite Kingdom of Jordan" aimed to assess the robustness of general and applied internal control procedures in Jordanian financial institutions. It examined the factors influencing this robustness, such as institutional size as measured by capital, the number of employees in the computer department and the institution as a whole, and the number of departments benefiting from the computer department's services. The study also examined the relationship between internal control procedures and the age of the institution, the age of the computer department, the number of applications, and the job level of the computer department manager. The study concluded that there were weaknesses in the application of procedures for organizational control, control over access to system data, control over data and file security, and general control. It also found moderate application of control procedures for documentation steps, systems development, operational control, applied control, and internal control.

What distinguishes this study from previous studies:
The current study agrees with previous studies in that all are descriptive, desk-based, and field-based, and all used questionnaires as the data collection tool from the study sample.
The current study differs from previous studies in that it examined the role of internal control (as the independent variable) in improving the quality of banking services in Libyan commercial banks (as the dependent variable), and it was conducted in a local environment with conditions different from those of the other studies.

2-2 The Concept of Internal Control:
The traditional concept of internal control systems was to protect an organization's assets and ensure the accuracy of the accounting records. However, this concept has broadened considerably, extending beyond simply supervising accounting operations and preserving assets (Ishtawi, 1993).
The American Institute of Certified Public Accountants (AICPA) defined internal control as the procedures and methods used within an organization to safeguard cash and other assets, in addition to ensuring the accuracy of bookkeeping (Wilson et al., 2014).
While this definition highlights the importance of cash preservation, as internal control systems were initially considered a means of tracking and detecting cash misuse, some accountants believe that internal control procedures related to cash collection and disbursement are given less prominence than those for other current assets, particularly accounts receivable, investments, and inventory, even though cash preservation is a fundamental function of internal control. Internal control has been defined by the Committee on Auditing Methods of the American Institute of Certified Public Accountants as (Abdullah, 2004): "It includes the organizational plan, coordination methods, and standards followed in the establishment with the aim of protecting its assets, controlling and reviewing accounting data, ensuring its accuracy and reliability, increasing productive efficiency, and encouraging employees to adhere to established administrative policies".

Factors that helped in the emergence and development of internal control:
There are several factors that help in increasing interest in internal control, the most important of which are the large size of the establishment and the multiplicity of its activities, the need for management to delegate powers and responsibilities to some of the sub-departments of the establishment, the need of management for accurate periodic data, the need of the establishment's management to protect and maintain the establishment's funds, and also the need of government agencies and others for accurate data, and the development of auditing procedures (Al-Mashhadi, 2021).

Types of Internal Control (Lartey, 2020):
1- Preventive Control: This type of control prevents problems before they occur and is effective if the following are in place:
*   The accounting department should include highly qualified employees.
*   Employee duties are properly separated.
*   Effective control over physical access to assets, facilities, and information.

2- Detective Control: This type of control arose because it is impossible to prevent all control problems before they occur. It works by detecting problems as soon as they happen. Its procedures include:
*   Double-entry bookkeeping for accounts.
*   Preparing bank reconciliations.
*   Preparing monthly trial balances.

3- Corrective Control: This type of control resolves detected control problems. It includes procedures for identifying the cause of the problem, correcting the resulting errors or difficulties, and modifying the system to reduce or eliminate future problems. Its procedures include:
- Maintaining backups of key files.
- Adhering to procedures for correcting data entry errors.
- Compliance with the procedures for re-entering transactions.

Components of Internal Control:

Internal control has five main components that overlap with each other to form an integrated framework. These were established by the Commission on the Protection of Organizations and adopted by the American Institute of Certified Public Accountants. The management approach to information management and the integration of its processes was adopted. This information is presented in the following table (Mahdi, 2011):

Table (1) shows the components of internal control:

Components of Internal Control	Description of Internal Control Components	Elements of Internal Control Components
The control environment	Policies, procedures, general direction, senior management, and owners of the economic unit are related to internal control controls and are the most important.	•Values، ethics، and integrity. •Commitment to competence. •Management philosophy and operating style. •Organizational structure. •Definition of authorities and responsibilities. •Human resources policy.
Risk assessment	Identifying and analysing by management the risks that could affect the preparation of financial statements in accordance with the International Framework for Auditing.	•The risk assessment process. •Identifying the factors that influence risk. • The likelihood of risk occurring.
Control activities	The procedures and policies established by management to meet the objectives and purposes of the financial report.	•Types of control activities. •Segregation of duties. •Adequate planning of activities and processes. •Sufficient records and documentation. • Physical control of assets.
Information and Communication	Methods used to identify, compile, record, and report on an organization's processes.	Audit objectives related to categorization, timing, posting, and summarizing processes.
Monitoring	Continuous and periodic evaluation of management	Monitoring compliance with the internal control system.

Source: (Mahdi, 2011)

Criteria for the Effectiveness of an Internal Control System:

The role of internal control in organizations should be to guide processes toward success by examining administrative and operational activities, providing information to management at all levels to implement plans correctly, identifying risks facing the organization, and monitoring how they are addressed.

For this system to be effective in achieving the desired objectives, certain criteria must be met, which are as follows (Ishtiwi, 2008):

1- The criterion of management's need to understand and grasp the purpose of the internal control system:

This criterion is the existence of an effective internal control system structure that ensures the preparation of honest, trustworthy, and reliable financial reports. Management is ultimately responsible for designing and operating this system. Furthermore, management must understand that the internal control system for the financial reporting process includes not only monitoring account balances but also monitoring the cycle of operations. This is because the accuracy of the accounts, upon which the financial report is based, depends on the accuracy of the operations and their recording.

2- The criteria for the integration of the components and parts of the internal control system:

As previously mentioned, the internal control system consists of five parts. Management must be able to design and operate the internal control system with all five parts and components in an integrated manner.

3- The criterion of the effectiveness of each part of the internal control system:

The Committee on Organizational Protection has developed a model for improving the effectiveness of the internal control system by enhancing the effectiveness of its constituent elements.

Developing internal control:

All organizations are responsible for internal control, and all employees use internal control systems or other control measures. An internal auditor is a specialist working within an organization's internal audit department who conducts and is responsible for internal audits. Internal auditing is a management discipline that has evolved from an activity primarily focused on financial and accounting matters to encompass all operational levels. The increasing decentralization of organizations has led to more complex activities and processes, necessitating control mechanisms and thus driving the growth of internal auditing. The American Institute of Internal Auditors (IIA) has strengthened the Certified Internal Auditor (CIA) profession, raising its professionalism and standards and establishing international standards for internal control.

The need for internal control has increased as a result of significant economic development and the expansion of administrative and institutional activities. Therefore, an effective control system is essential for reviewing and detecting errors or manipulations and achieving the desired control objectives. Scientific progress and growing economic development have led to more complex projects and functions, more challenging management, and greater responsibilities in achieving goals. Given the delay in the results of external audits, internal control has become indispensable for modern scientific management, and the strength or weakness of an internal control system depends on the scope of the audit. Furthermore, the effectiveness of the system depends on the type of audit appropriate to the organization's situation. As projects grow, the need for an effective internal control system increases. This system must be applied to all aspects of project activities, becoming fundamental and essential to every process (Al-Mashhadi, 2021).

The purposes that help internal control achieve its objectives:

The success of control and the effectiveness of the internal control system in achieving management objectives depend on internal control providing management with the necessary information regarding the costs and efficiency of operations, as well as the quality and quantity of inventory in the warehouse. Control will also provide a comparison between the objectives achieved and what was planned and identify deviations. It will provide management with whether the principle of separation of duties is followed or not. Management obtains the reliability and

timeliness of information, and clarifies whether there is unauthorized access to resources or not (Turedi and Celayir, 2018).

Definition of Banking Quality:

Quality refers to the ability of a product or service to meet or even exceed consumer expectations. Quality means that the consumer receives the benefits they paid for. One of the main reasons for the decline in quality in our organizations may be due to most organizations focusing more on cost and productivity than on quality.

The success of Japanese organizations is attributed to their ability to build a strong reputation based on the quality of their products. This underscores the necessity of thoroughly examining the policies they follow and adopting approaches based on improving product quality to enhance their competitiveness. There is now a global focus on the importance of quality and addressing it not as a temporary measure, but as an integral part of products and services (Dumeljić et al., 2017).

2-3 The concept of customer service:

Customer service requires a radical change in banking services by working to change the prevailing management style, giving priority to consumer desires, and moving from the traditional management style to a modern style based on participation, interest in work, and an active participation spirit for every individual in the bank. All of this is in order to achieve distinguished customer service that contributes to improving the financial position of the institution and increasing its profits (Schary, 1992).

Quality in customer service:

This is achieved through competition based on the costs of banking services and the prices of services provided to different customers, or by competing based on the quality and nature of the service and adopting a banking excellence strategy to ensure attracting as many customers as possible, as well as strengthening its competitive advantage and increasing its ability to innovate and renew in order to ensure survival, growth and continuity (Dumeljić et al., 2017).

Factors Affecting Quality:

There are several factors that affect quality, and the most important can be summarized as follows (Sami, 2021):

1. Reliability: This represents the service provider's ability to perform and deliver the service reliably and accurately.

2. Response Time: This refers to providing the service at the appropriate time and place. This demonstrates the service provider's genuine desire to assist the beneficiary and provide immediate service. Prompt service delivery eliminates the anxiety and uncertainty that arises when waiting for the service to arrive at the desired time and place.

3. Safety and Trust: This characteristic plays a significant role in attracting customers to the service because it provides the beneficiary with safety and trust, representing one of the fundamental needs that beneficiaries seek in a service.

Internal Control and its Relationship to Commercial Banks (Al-Alaq and Al-Ta'i, 2017):

Internal control in banks is considered an essential and primary part of comprehensive banking supervision. Given its importance, the bank's management, external auditors, and monetary authorities pay special attention to it as the first line of defense in preventing and reducing risks and errors that the bank may be exposed to. This control is based, primarily on establishing basic rules and controls that govern the bank's operations. In this context, internal control systems in each bank are considered important control tools, as they serve as a precautionary measure aimed, through the means and procedures followed, at ensuring the accuracy of the accounting records, protecting the bank's assets, raising the efficiency of employees, and encouraging them to adhere to the established policies.

As is well known, internal control in banks is divided into two types:
• Preventive control, which aims to prevent and minimize violations, risks, and errors that the bank may encounter.
• Detection-based control, which aims to detect violations and errors, then address them and adjust controls to prevent their recurrence. The primary sources of this type of control are internal auditing, accounting reconciliations, and administrative and financial reviews.
To achieve a sound control system, the following fundamental elements must be present:
1- A clear and written organizational and administrative structure that considers and defines the following:
- The main and subsidiary departments within the bank.
- The administrative hierarchy، authorities، and responsibilities.
- Communication methods.
2-A sound and documented accounting system based on a comprehensive set of records، a categorized chart of accounts، and a set of documents that meet the bank's needs، as well as the design of documented accounting cycles that ensure effective control. This system generally aims to collect, summarize, record, and present the bank's transactions and determine the accounting and liability for all related assets and liabilities.
3. The existence of specific, written operational instructions that clearly outline work procedures and controls across all departments of the bank's operations.

3- Methodological Procedures of the Study:
Statistical analysis was used to study the attitudes of all employees regarding "The Role of Internal Control in the Quality of Banking Services." This analysis involved testing certain statistical hypotheses about the responses of all employees, specifically whether they agreed, were neutral, or disagreed.
1. **Statistical Population of the Study:** Banks operating in Zliten.
2. **Research Sample**: Jumhouria Bank in Zliten, one of the largest banks operating in Libya, was selected from among the banks operating in the banking sector, given that banks in Libya generally follow similar procedures. The study sample included employees responsible for internal control functions, department heads, customer service representatives, supervisors, and branch managers at Jumhouria Bank in Zliten. The sample consisted of (25) individuals, and (25) questionnaires were distributed, of which (22) were returned, representing a response rate of.(%88)

The researcher used a five-point Likert scale to assess responses to the questionnaire items, assigning scores from 1 to 5, starting with the options (strongly agree, agree, neutral, disagree, strongly disagree), which measure the respondents' attitudes and opinions.
After the review process, the questionnaire was distributed to all members of the study sample. Table 2 shows the number of questionnaire forms that were distributed and obtained, and the response rate, which is a statistically acceptable rate for generalizing the results to the entire community. Abodher (2019) suggested that the response rate of 50% in the social research is enough for analysis.

Table 2: Distributed and obtained forms and percentage of lost forms:

Forms	Distributed questionnaires	Received questionnaires	Response rate
Jumhouria Bank	25	22	88%

Data presentation, analysis, and hypothesis testing:
Analysis of personal data:
1. Academic qualification:
Table 3: Distribution of sample members according to academic qualification

Academic qualification	Frequency	Percentage
Bachelor's	18	81.8%
Other	4	18.2%
Total	22	100%

The results of the table above show that most of the study sample members have a bachelor's degree, with a percentage of 81.8%.

2. Specialization:
Table 4: Distribution of sample members according to specialization:

Specialization	Frequency	Percentage
Accounting	14	63.6%
Management	3	13.6%
Economics	1	4.5%
Statistics	1	4.5%
Finance and Banking	2	9.1%
Other	1	4.5%
Total	22	100%

It is clear from Table (4) that the most common specialization in this sample is accounting, at 63.6%.

3. Experience:
Table 5: Distribution of sample members according to years of experience:

Years of Experience	Frequency	Percentage
Less than 5 years	3	13.6%
5 to less than 10 years	8	36.4%
10 to less than 15 years	3	13.6%
15 years and above	8	36.4%
Total	22	100%

It is clear from the data in Table (5) that most of the sample members have experience (from 5 to less than 10 years) and (from 10 to less than 15 years) 36.4% for each.

4. Job title:
Table6: Distribution of sample members according to job title:

Job Title	Frequency	Percentage
Office Manager	2	9.1%
Assistant Office Manager	1	4.5%
Accountant & Auditor	5	22.7%
Employee	14	63.6%
Total	22	100%

The results of the table above show that most of the study sample members have the job title (employee), at a rate of 63.6%.

Analysis of questionnaire items:
In this aspect of the study, the direction of employees' opinions on the phrase that makes up the questionnaire will be studied, according to the following steps:

1. Questionnaire stability and validity:

Cronbach's Alpha test to ensure the stability and validity of the questionnaire and measure the degree of internal consistency of its items. The value is considered statistically acceptable for Cronbach's Alpha if it reaches 65% or more.

Table (7): Data stability and validity

Number of questionnaire items	Cronbach's alpha coefficient
28	0.94

Since the Cronbach's alpha coefficient is equal to 0.94, which is greater than 0.65, there is stability in the data, meaning that the degree of stability and reasonableness of the measurement tool is high.

2. Testing research hypotheses:

In this section, the study hypotheses were tested to confirm whether the hypothesis was rejected or accepted, as the questionnaire was unpacked and analyzed, and the study data was processed according to the Statistical Package for the Social Sciences program, which is abbreviated as (SPSS), where the researcher used the following statistical processing methods:

1- Arithmetic mean: This is used primarily for the purpose of knowing the average of employees' answers to the statements related to the study and measured by the Likert scale.

2- Standard deviation: This is to determine the responses of the study sample individuals, regarding the different study axes for each paragraph of those axes.

3- One Sample T-Test: This analysis is used for the purpose of testing the null hypothesis about the arithmetic mean of the research hypotheses.

Testing the hypotheses related to the questionnaire statements:

If the opinions of the study participants tend towards neutrality, this means rejecting the hypothesis, but if the opinions of the study participants do not tend towards neutrality (either agreement or disagreement), this means accepting the hypothesis.

The collected data were used to reach a decision regarding rejecting or not rejecting the hypotheses that were put forward to explain the phenomenon under study using the (One Sample-T-Test), through the following steps:

-Formulating the statistical hypotheses of the study statistically as follows:

$\mu=3$: Rejecting the hypothesis

$\mu \neq 3$: Accepting the hypothesis

The reason for choosing the value (3) as a hypothetical average is that the Likert scale used in the questionnaire form consists of five levels as mentioned above, and therefore, the average value in this scale is (3), which expresses the opinion (I don't know) or (neutral).

The decision will be as follows:

If the significance level value (P-value) is greater than ($0.05 = \alpha$), the decision is to reject the main hypothesis, but if the value (P-value) is less than ($0.05 = \alpha$), the decision is to accept the main hypothesis. This acceptance means that the hypothetical average is not equal to the real one, which puts us between two things: either the real average is greater than the hypothetical average (3), which means that the answers of the research participants tend towards approval, or vice versa if the real average is less than the hypothetical average (3), Which means that the answers of the research participants tend towards disapproval. This hypothesis is tested for each statement of the study and each axis of the study. The collected data were used to reach a decision regarding the rejection or non-rejection of the hypotheses that were put forward to explain the phenomenon under study using the (One Sample-T-Test). By applying a one-sample t-test to the research hypotheses, the following results were obtained:

1- Internal Control:

The first sub-hypothesis related to internal control (There is effective internal control in Libyan banks) was the results are as shown in Table (8):

Table (8): Results of the (T-Test) on the questionnaire statements for the Internal Control

Internal Control					
Items	**Mean**	**Standard deviation**	**t**	**P-value**	**Decision**
From your perspective, is efficiency and effectiveness present in the performance of the bank's board of directors	3.590	.9591	2.890	.009	**Accept**
In your opinion, is the organizational structure in place clear and flexible enough to suit the nature of the bank's work and size	3.136	1.082	.591	.561	**Reject**
The job structure can help employees achieve their objectives more effectively	3.681	1.129	2.832	.010	**Accept**
The authority delegated by management is helpful in banking operations	3.363	.953	1.789	.088	**Reject**
The procedures implemented by management are sufficient to address risks	3.500	.963	2.434	.024	**Accept**
The control systems applied by management to oversee existing and new banking services are appropriate	3.545	.962	2.658	.015	**Accept**
Management appropriately applies systems	3.727	.827	4.125	.000	**Accept**
Technical tools assist management in the risk assessment process	3.500	.672	3.487	.002	**Accept**
Internal control works to manage risk levels within the bank	3.681	.838	3.813	.001	**Accept**
Delegating authority leads to improved internal control procedures	3.954	.843	5.306	.000	**Accept**
Oversight of the bank's financial and accounting performance is effective	4.090	.9714	5.267	.000	**Accept**
Physical protection is provided for the bank's assets	3.909	.921	4.629	.000	**Accept**
Periodic reports submitted to management contribute to the success of control procedures	3.545	.800	3.196	.004	**Accept**
The control standards for monitoring and evaluating performance within the bank are adequate	3.636	.902	3.309	.003	**Accept**
Monitoring and evaluating performance within the bank is adequate and comprehensive, and work is underway to improve work methods and develop performance and services.	3.500	.912	2.569	.018	**Accept**
The evaluation of the effectiveness of internal control within the bank is sufficient	3.227	.972	1.096	.285	**Reject**

From the table it can be noted that the items (there is a clear and flexible organizational structure that is compatible with the nature of the bank's work and size), (the management delegates

powers in a manner that is appropriate for banking work), and (the effectiveness of internal control in the bank is evaluated), the P-value was greater than (0.05 = α), while for the rest of the phrases, the P-value was less than (0.05 = α), so the decision is to accept the first sub-hypothesis. Since the arithmetic mean is greater than (3), this means that the opinions of the sample members tended towards approval.

Table (9) shows the total score for the test results for the internal control:

Table (9): Total score for the (internal control)

Total score for the Internal Control					
Items	Mean	Standard deviation	t	P-value	Decision
Overall average of questionnaire responses	3.599	.250	9.485	0.000	**Accept**

It can be noted that the P-value is less than (0.05 = α), so the decision is to accept the first hypothesis. Since the arithmetic mean is greater than (3), this means that the opinions of the workers in the axis (internal control) tended towards approval.

2. Quality of banking services:

The second sub-hypothesis related to the axis of quality of banking services (Banking services in Libyan banks are characterized by high quality) and a (t-Test) was conducted on the questionnaire statements as shown in Table (10):

Table (10): Results of the (t-Test) on the questionnaire statements for the Quality of banking services:

Quality of banking services					
Items	Mean	Standard deviation	t	P-value	Decision
The bank is committed to implementing work at the specified times	3.727	.767	4.446	.000	Accept
The bank cares about customers' problems and answers their inquiries	4.090	.971	5.267	.000	Accept
The bank is keen to provide the service in the required manner from the first time	3.818	1.097	3.498	.002	Accept
The bank provides the service at the agreed and specified times	3.318	.8387	1.779	.090	Reject
The bank accurately informs the time required to complete the service	3.409	.796	2.409	.025	Accept
The service is provided to the bank's customers immediately	3.318	.716	2.084	.050	Reject
The bank's employees are always ready to help customers	3.681	.779	4.101	.001	Accept
The employees' busyness does not prevent them from meeting the immediate requests of customers	3.318	.945	1.578	.129	Reject
The behaviour of the bank's employees gives customers an impression of confidence	4.045	.722	6.789	.000	Accept
Customers feel safe in dealing with the bank's employees	3.727	.767	4.446	.000	Accept

Quality of banking services					
Items	Mean	Standard deviation	t	P-value	Decision
The bank's employees are polite and courteous when dealing with customers	3.909	.867	4.913	.000	Accept
The bank's employees have sufficient knowledge to answer customers' questions and inquiries	3.681	.994	3.215	.004	Accept

From the table it can be noted that the items (the bank provides the service at the agreed and specified times), (the service is provided to the bank's customers immediately), and (employees' preoccupation does not prevent them from meeting the customers' immediate requests), the P-value was greater than $(0.05 = \alpha)$, so the decision was to reject the second sub-hypothesis, which means that the opinions of the sample members tended towards neutrality. As for the rest of the phrases, the P-value was less than $(0.05 = \alpha)$, so the decision was to accept the second sub-hypothesis.

Since the arithmetic mean is greater than (3), this means that the opinions of the sample members tended towards approval. Table (11) shows the overall score for the quality of banking services:

Table No. (11): The overall score for the quality of banking services

Total score for the quality of banking services					
Items	Mean	Standard deviation	t	P-value	Decision
Overall average of questionnaire responses	**3.670**	**.276**	**8.387**	**0.000**	**Accept**

It can be noted that the P-value is less than $(0.05 = \alpha)$, so the decision is to accept the second sub-hypothesis, and since the arithmetic mean is greater than (3), this means that the opinions of the workers in the axis (quality of banking services) tended towards approval.

3- The relationship between internal control and the quality of banking services:

To test the main hypothesis (There is a statistically significant relationship between the internal control system and the quality of banking services in Libyan banks), Pearson's correlation coefficient test was conducted to determine the statistical significance of the correlation coefficients between internal control and the quality of banking services, and Table (12) shows this relationship.

Table (12): The relationship between internal control and the quality of services

		Internal control	The quality of banking services
Internal control	Pearson Correlation	1	.628[**]
	Sig. (2-tailed)		002
	N	22	22
The quality of banking services	Pearson Correlation	.628[**]	1
	Sig. (2-tailed)	.002	
	N	22	22

From the table, it can be noted that the value of the correlation coefficient is equal to 0.628. This means that there is a strong direct relationship between internal control and the quality of banking services. Since P-value = 0.002 is less than (α = 0.05), this means that the correlation coefficient is significant.

4- Results and Recommendations

4.1 Results: After analysing the data, the research reached the following results:

1. There is internal control in the bank and there is quality in banking services in the bank.
2. Internal control plays a vital role in improving the quality of banking services at the bank, as there is a direct and strong relationship between them.
3. Management responds appropriately to address risks.
4. Management appropriately applies control systems to available and new banking services.
5. There are control standards to monitor and evaluate performance in the bank.
6. The bank is committed to implementing work at the specified times.
7. The bank employees are always ready to help customers.
8. The behaviour of bank employees gives customers an impression of trust.

4.2 Recommendations: After presenting the results obtained, the following recommendations can be formulated:

1. Establish a strict control system in order to improve the quality of banking services provided to customers.
2. The necessity of adopting internal control to improve the quality of banking services, as it is an effective competitive tool that banks adopt as a means to distinguish their services and improve their performance.
3. Allow employees who have high skills to make improvements to some banking operations.
4. The necessity of banking sector institutions seeking to evaluate the quality of their services using various models.
5. The necessity of continuing banking reforms, and paying attention to the quality of banking services and reaching customer satisfaction.
6. Spreading the culture of quality banking services among employees.
7. Comparing the results of this study with previous studies that addressed the research topic.

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