

## ABSTRACT

The purpose of this research study is to assess the impact of internal audit activities on effective Managerial Control of Government Departments in Eastern Province- Sri Lanka. The data was analyzed using descriptive and Statistical analysis such as regression and correlation. The study is also aimed at finding the effect of internal audit activities and respondents to enhance the good governance and transparency system by producing necessary advices, suggestions to improve the effective managerial control over the organizational productivity, to establish good and effective internal control system.

The findings of the Statistical analysis identified that there was a significant negative relationship between internal audit activities and the managerial control, reveal that internal audit activities and their independencies are influencing on effective internal management control system of the departments.

There is no doubt that this dissertation can be used as an effective tool of mechanism to do the further analysis on internal audit activities in any sectors and strengthen to improve the internal control systems of an entity.

The coefficient of determination of the contribution of Managing System to Independence of Internal Audit the  $R^2$ , value which was 0.371 Adjusted  $R^2$  0.364 Indicated a shared variation of about 37% between Managing System data and Independence of Internal Audit data. That is, approximately 37% of the variances in can be accounted for by Knowledge of Managing System.

The MS component data show an ANOVA significance of 0.001 or one chance in 1000 of Type – I error implying that the data between Managing System and Independence of Internal Audit are strongly correlated and there is a good model.

There was a significantly strong correlation between Audit Independence and Independence of Internal Audit, this study performed correlation and regression analysis,  $r = -0.86$   $p < 0.001$ .