

## DIAGNOSIS OF INTERNAL CONTROL AND ORGANIZATIONAL MANAGEMENT OF THE DISTRICT MUNICIPALITY OF LAGUNAS – PROVINCE OF ALTO AMAZONAS – LORETO REGION

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### Abstract

This study examines the relationship between internal control systems and organizational management within the District Municipality of Lagunas, located in the Province of Alto Amazonas, Loreto Region. A quantitative, non-experimental, and correlational approach was employed, utilizing structured surveys applied to a census of 50 municipal employees. Instruments were validated through expert judgment and statistical reliability analysis via Cronbach's alpha. Results demonstrate a strong and statistically significant correlation between internal control and the quality of organizational management ( $r = 0.788$ ;  $p < 0.001$ ). Notably, the dimensions of internal control—goal achievement, regulatory compliance, and monitoring—show meaningful associations with key aspects of management, including institutional development, financial stewardship, service delivery, and democratic governance. Despite the presence of internal control mechanisms, their performance remains moderate, signaling the need for more robust institutional capacities, continuous training, digitalization of control processes, and participatory governance practices. These findings align with contemporary public administration paradigms that emphasize accountability, transparency, and evidence-based decision-making as pillars for local government effectiveness (OECD, 2023; UNDP, 2022).

**Keywords:** Internal Control, Organizational Management, Public Governance, Institutional Effectiveness, Local Government

### 1. Introduction

The main aim of this research is to explore the relationship between internal control and management within the District Municipality of Lagunas, located in the Alto Amazonas Province of the Loreto Region. This link is vital for enhancing institutional capabilities in the public sector, where effective control systems need to be merged with management practices that prioritize results, clarity, and efficiency. As stated by Boufounou, Papadaki, and Papadakis (2024), “strong internal control systems are essential in fighting corruption and promoting economic growth” (p. 10), particularly at the local level. Additionally,

Ramírez-Gonzales, Rodríguez-Román, Mendoza-Aguilar, and Carbonell-García (2024) stress that “internal control has a significant impact on the administration of public organizations” (p. 207), highlighting its key role in strategy.

On a global scale, private companies have implemented the advice from their internal control agencies as a strategy to enhance performance and stay competitive. Conversely, numerous public organizations, especially in Latin America, still view control as a bureaucratic hindrance or a form of punitive oversight, leading to resistance against its effective adoption. This limited viewpoint constrains the ability of internal control to serve as a strategic asset for improved governance and performance (Sánchez-Chávez, Guizado-Sánchez, and Albitres-Rivera, 2024).

In Peru, despite the regulatory frameworks established by the Comptroller General of the Republic and the Institutional Control Offices (OCI), significant shortcomings continue in the implementation and establishment of internal control systems at both local and regional scales. Quispe Curo (2025) points out that “financial auditing and internal control influence 69. 70% of the budget execution in the regional government,” highlighting their importance as well as current challenges (p. 4). Furthermore, Sánchez-Chávez et al. (2024) report that over 60% of local government employees surveyed feel that internal control processes are either inconsistently or inadequately executed.

At a local level, the District Municipality of Lagunas suffers from foundational issues, such as the lack of a formally established internal control system and a weak organizational culture that does not focus on self-assessment or ongoing improvement. Although officials comply with basic regulatory obligations, there is minimal integration of control procedures into everyday operations. These problems are reflected in ineffective self-evaluation practices, disjointed departmental management, poor communication of information, and a lack of performance metrics needed for informed decision-making.

Additionally, the municipality does not possess effective strategies for identifying and managing risks within its administrative operations. Budget implementation, procurement, and service delivery methods are inadequately coordinated with preventive, corrective, and concurrent control systems. As noted by Ramírez-Gonzales et al. (2024), “aspects of internal control—such as risk evaluation and supervision—exhibit a substantial statistical connection with planning and performance execution” (p. 208), making their integration crucial. The lack of regular training in public administration and control systems diminishes the adoption of best governance practices.

In view of these issues, the following research question arises:

What is the degree and importance of the interaction between internal control and organizational management in the District Municipality of Lagunas?

This primary question is further supported by the following sub-questions:

What is the relationship between the achievement of area-specific goals and organizational management?

What is the relationship between the enforcement of rules and the management of organizations?

In what ways does oversight influence the management practices of the organization?

This research adds value to the realm of public administration within decentralized environments by examining a fundamental concern: the insufficient integration of oversight and management. Its significance extends beyond mere identification of issues, providing practical evidence and suggestions to enhance internal control as a means to achieve objectives, ensure accountability, and promote collaborative governance (Galanis, Pazarskis, and Kyriakou, 2024). In summary, this study aims to establish a foundation for a culture of ongoing enhancement and effective administration in local government.

## **2. Objectives**

### **2.1 General objective**

Analyze the degree and meaning of the relationship between internal control and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.

### **2.2 Specific objectives**

- a) Determine the degree and direction of the relationship between the achievement of objectives in the area and the organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.
- b) Determine the degree and direction of the relationship between the application of regulations and the organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.
- c) Determine the degree and direction of the relationship between monitoring and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Region of Loreto.

## **3. Hypothesis**

### **3.1 General hypothesis**

There is a direct and significant relationship between internal control and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.

### **3.2 Specific hypotheses**

- a) There is a direct and significant relationship between the achievement of objectives in the area and the organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.
- b) There is a direct and significant relationship between the application of regulations and the organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.
- c) There is a direct and significant relationship between monitoring and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.

## **4. Methodology**

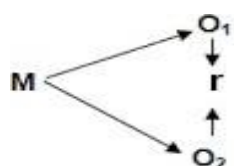
The type of research is applied, since it sought to generate knowledge with direct application to problems in society or the productive sector, seeking to be the link between theory and practice (Hernández et al., 2010).

In this regard, administrative, financial, and budgetary information, internal and external audit reports, and the annual reports of the entities surveyed are available. Likewise, the

following laws are available: framework, organic, and specific laws; statutes, internal regulations, manuals, directives, and other documents related to the planning, execution, and control of economic activities carried out by authorities and officials. This database represents the empirical and numerical basis for reaching conclusions such as those that will be obtained from the application of data collection instruments. And at the correlational level, since it analyzed the behavior of the variables and then related them.

#### 4.1 Research design

This is a non-experimental research design because data were collected and phenomena were observed as they occur in their natural context, with the aim of describing the variables under study; in other words, no variables were altered. A quantitative approach



Donde:

M = Muestra

O<sub>1</sub> = Observación de la V. 1.

O<sub>2</sub> = Observación de la V. 2.

r = Correlación entre dichas variables.

was applied, using the following scheme:

#### 4.2 Population and sample

##### 4.2.1 Population

The total number of workers employed by the District Municipality of Lagunas, in the province of Alto Amazonas, Loreto Region, in budgeted positions, is 50.

##### 4.2.2 Sample

Given that this is a manageable number, a census was conducted, meaning that all 50 municipal workers were surveyed.

#### 4.3 Techniques and tools for data collection

Two instruments were used to collect information: a questionnaire to determine the level of internal control that characterizes the entity, and another questionnaire to measure the level of staff perception of organizational management; the latter was validated by the Expert Judgment Criterion.

To determine the reliability of the instruments, a pilot test of 10 people was chosen, and Cronbach's alpha statistic was used to analyze the reliability of the instruments applied. However, the relationship between each question and its respective dimension is specified beforehand:

**Table 1:** Cronbach's alpha: Internal control

Reliability statistics	
Cronbach's alpha	N of elements
,867	15

**Table 2:** Cronbach's alpha: Organizational management

Reliability statistics	
Cronbach's alpha	N of elements
,877	20

Therefore, based on the results obtained through the pilot test, it can be concluded that both instruments are reliable, since their values exceed 0.8 (George and Mallory, 2003).

For the analysis of the responses, the Likert scale was applied, where values close to 1 imply disagreement with the statement in the item consulted, and values close to 5 imply strong agreement with the statement in the question, as shown below (considering the frequency of 5 degrees or levels):

1 = Strongly disagree

2 = Disagree

3 = Neither agree nor disagree

4 = Agree

5 = Strongly agree

To determine the levels for both variables, the following rating scale (equal amplitude distribution) has been used, from which:

VARIABLES	LEVEL	SCALE
- Internal control - Organizational management	Bajo	1.0– 2.3
	Medio	2.4– 3.6
	Alto	3.7– 5.0

With regard to the relationship between each dimension and the question that enabled its analysis, it can be said that:

VARIABLE	DIMENSION	QUESTION NO.
<b>INTERNAL CONTROL</b>	Achievement of area objectives	01,02,03,04,05
	Application of regulations	06,07,08,09,10
	Monitoring	11,12,13,14,15

**Table 3:** Dimension – questions: Internal control

VARIABLE	DIMENSION	QUESTION NO.
<b>ORGANIZATIONAL MANAGEMENT</b>	Organizational development	01,02,03,04,05
	Public finances	06,07,08,09,10
	Services and projects	11,12,13,14,15
	Democratic governance	16,17,18,19,20

**Table 4:** Dimension – questions: Organizational management

#### 4.4 Data processing and analysis techniques

Data processing was performed using SPSS statistical software version 20.0 in Spanish; the respective analysis involved the following statistical techniques:

- Frequency tables.
- Bar charts.
- Descriptive statistics (arithmetic mean and standard deviation).
- Spearman's Rho correlation coefficient.

### 5. Results

#### 5.1 Results: Internal control

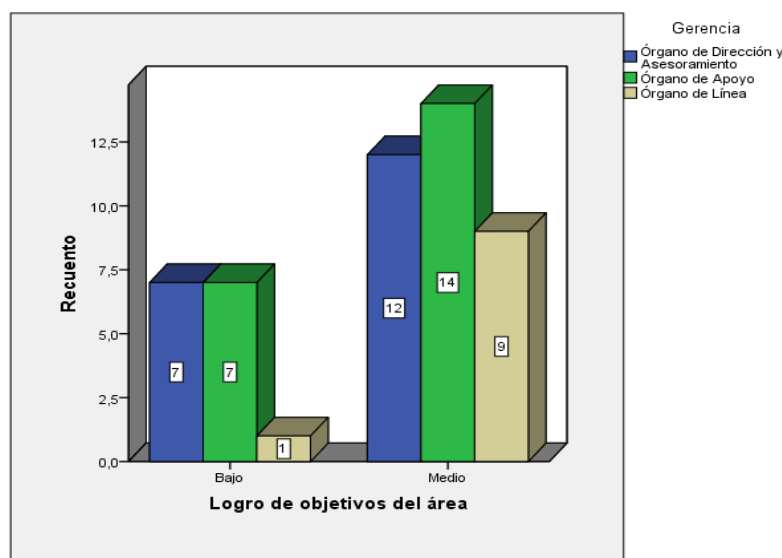
##### 5.1.1 Analysis by dimension

	Management			Total
	Management and Advisory Body	Supporting Body	Line Authority	
<div> <div>Low</div> <div>Achievement of objectives in the area</div> <div>Medium</div> </div>	7	7	1	15
	36,8%	33,3%	10,0%	30,0%
	12	14	9	35
	63,2%	66,7%	90,0%	70,0%
	19	21	10	50
Total	100,0%	100,0%	100,0%	100,0%

**Table 5:** Achievement of area objectives

**Source:** Internal Control Questionnaire

The results obtained relate to the dimension known as "Achievement of area objectives," where 70% consider that there is a fair level of achievement of the objectives set, while 30% indicate that it is low. Therefore, the staff of the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region consider that the level of internal control that characterizes the entity has little impact on the achievement of the area's objectives. Specifically, it is concluded that 35 municipal workers consider the level to be average, while 15 consider it to be low (see Figure 1, grouped by management); therefore, staff report difficulties in achieving the prioritized objectives.

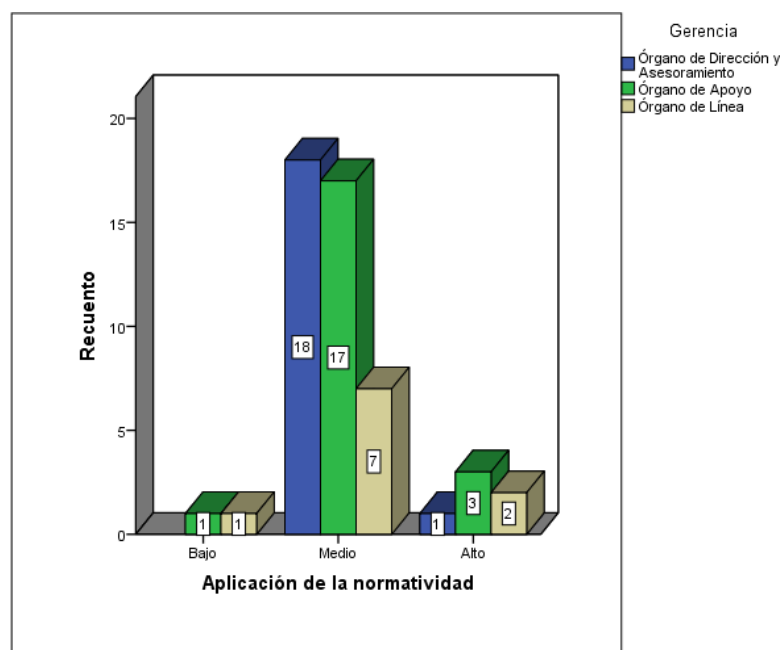


**Figure 1:** Achievement of area objectives

		Management			Total
		Management and Advisory Body	Supporting Body	Line Authority	
Application of regulations	Low	0	1	1	2
		0,0%	4,8%	10,0%	4,0%
	Medium	18	17	7	42
		94,7%	81,0%	70,0%	84,0%
	High	1	3	2	6
		5,3%	14,3%	20,0%	12,0%
Total		19	21	10	50
		100,0%	100,0%	100,0%	100,0%

**Table 6:** Application of regulations

The results obtained pertain to the dimension designated as "Application of Regulations," wherein 84% of the staff members evaluate the level of application of regulations as average, 12% as high, and a mere 4% as low. Consequently, the staff of the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region considers that the level of internal control that characterizes the entity has a regular impact on the application of rules and directives that characterize its officials. Specifically, the results indicate that 42 municipal workers consider the level to be average, while six consider it to be high and only two consider it to be low (Figure 2, grouped by management). Consequently, staff members have indicated a need to enhance their capacity to implement regulations effectively.



**Figure 2:**Application of regulations

	Management			Total
	Managemen t and Advisory Body	Supporti ng Body	Line Mana gemen t	
Low	4	1	1	6
Medium	21,1% 15	4,8% 20	10,0% 5	12,0% 40
High	78,9% 0	95,2% 0	50,0% 4	80,0% 4
Total	19	21	10	50
	100,0%	100,0%	100,0%	100,0%

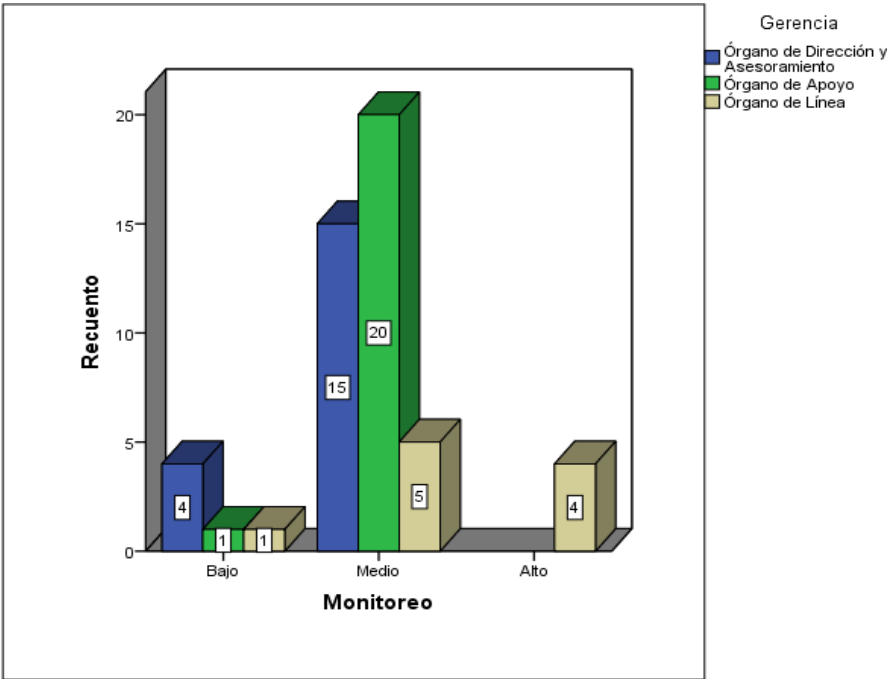
**Table 7:** Monitoring

The results obtained relate to the dimension known as “Monitoring,” where 80% of staff consider that the level of monitoring that characterizes the entity is average, 12% consider it low, and 8% consider it high. Therefore, the staff of the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region consider that the level of internal control that



characterizes the entity has a regular impact on the level of monitoring and supervision applied in the entity. Specifically, it is concluded that 40 municipal workers consider the level to be average, while 6 consider it to be low and only 4 consider it to be high (Figure 3, grouped by management). Therefore, staff consider that it is necessary to improve the monitoring and follow-up of the agreed objectives.

Figure 3: Monitoring



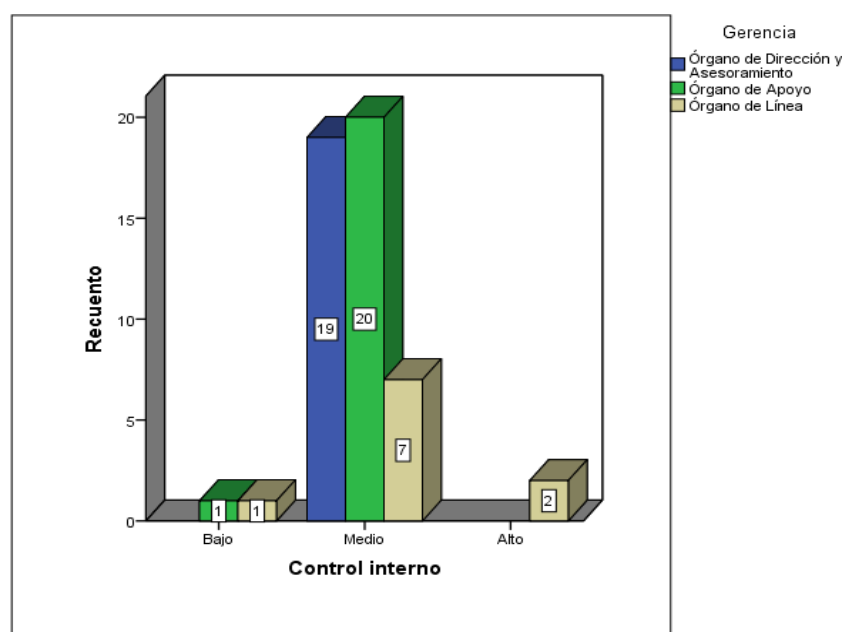
5.1.2 Summary analysis

		Management			Total
		Managemen t and Advisory Body	Supporti ng Body	Line Autho rity	
Internal control	Low	0 0,0% 19	1 4,8% 20	1 10,0% 7	2 4,0% 46
	Medium	100,0% 0	95,2% 0	70,0% 2	92,0% 2
	High	0,0%	0,0%	20,0%	4,0%
	Total	19 100,0%	21 100,0%	10 100,0%	50 100,0%

**Table 8:** Internal control

Dimension	N	Median
Achievement of area objectives	50	2,6920
Application of regulations	50	3,1160
Monitoring	50	2,9480

With regard to variable 1, 92% of staff members consider the level of internal control within the entity to be average, 4% consider it to be low, and 4% consider it to be high. Consequently, the staff of the District Municipality of Lagunas, in the province of Alto Amazonas, Loreto Region, considers that its level of internal control is satisfactory. However, there are some areas that require immediate attention and improvement. It is imperative to fortify the aptitude of managerial personnel concerning the significance of implementing control recommendations and establishing internal guidelines that delineate the formal measures to be adopted in each of the administrative procedures that are designed to minimize management errors. Specifically, 46 municipal workers indicated that internal control is at a regular level, 2 indicated that it is low, and 2 indicated that it is high



(Figure 4, grouped by management).

**Figure 5:** Internal control

## 5.2 Results: Organizational management

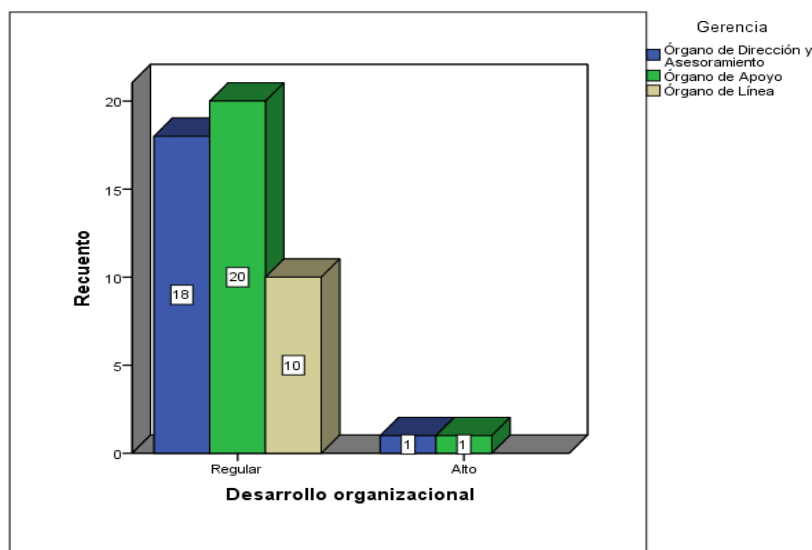
### 5.2.1 Analysis by dimension

	Management			Total
	Management and Advisory Body	Supporting Body	Line Management	

Organizational Development	Regular	18	20	10	48
		94,7%	95,2%	100,0%	96,0%
	High	1	1	0	2
		5,3%	4,8%	0,0%	4,0%
Total		19	21	10	50
		100,0%	100,0%	100,0%	100,0%

**Table 9:** Organizational development

The results obtained pertain to the dimension designated as "Organizational Development," wherein 96% of the staff members indicate that the organizational development that characterizes the entity is at a regular level, while 4% report that it is at a high level. Consequently, the staff of the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region considers that their level of institutional development is regular. Specifically, the results of the study indicate that 48 municipal workers consider the level to be average, while two consider it to be high (Figure 5, grouped by management). Consequently, staff members regard the enhancement of institutional development as a paramount concern.

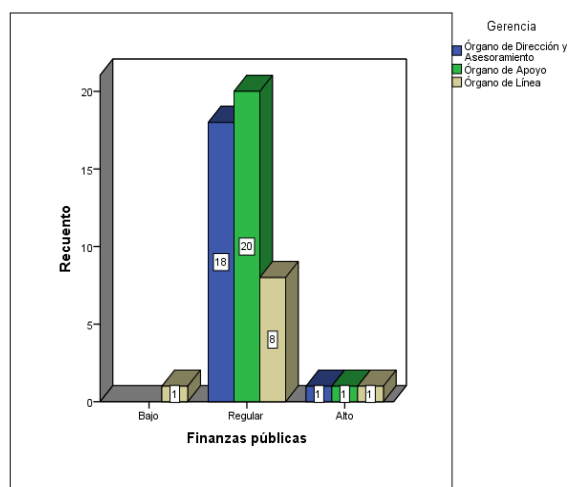


**Figure 5:** Organizational development

	Management			Total
	Management and Advisory Body	Supporting Body	Line Management	
Public finances	Low	0	1	1
	0,0%	0,0%	10,0%	2,0%
	18	20	8	46
	Regular	94,7%	80,0%	92,0%
	High	1	1	3
Total	19	21	10	50
	100,0%	100,0%	100,0%	100,0%

**Table 10:** Public finances

The results obtained relate to the dimension known as "Public finances," where 92% of staff consider the entity's public finance management to be at a regular level, 6% consider it to be high, and 2% consider it to be low. Therefore, the staff of the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region consider that there is a regular level of public finance management. Specifically, it is concluded that 46 municipal workers consider the level to be average, while three consider it to be high, and only one considers it to be low (Figure 6, grouped by management). Therefore, staff consider it a priority to improve the collection of resources to meet the entity's greater needs.

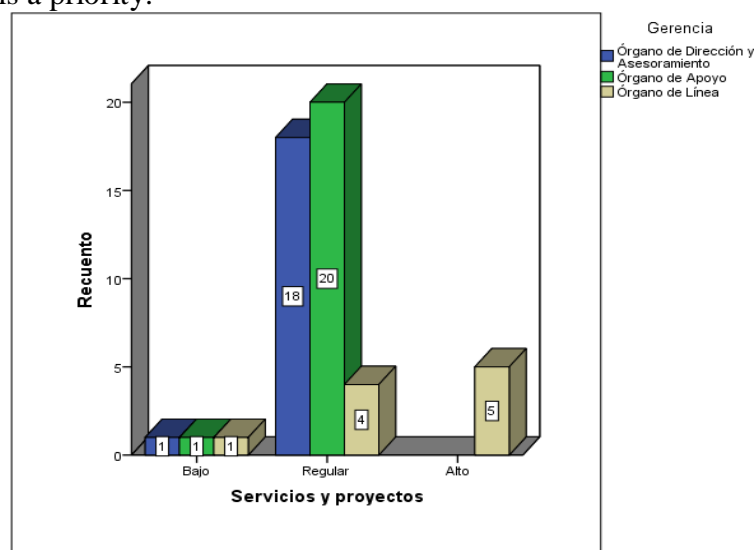


**Figure 6:** Public finances

		Management			Total
		Management and Advisory Body	Supporting Body	Line Management	
Services and projects	Low	1	1	1	3
		5,3%	4,8%	10,0%	6,0%
	Regular	18	20	4	42
		94,7%	95,2%	40,0%	84,0%
	High	0	0	5	5
		0,0%	0,0%	50,0%	10,0%
Total		19	21	10	50
		100,0%	100,0%	100,0%	100,0%

**Table 11:** Services and projects

The results obtained relate to the dimension known as “Services and projects,” where 84% of staff consider that the implementation of services and projects that characterize the entity is at a regular level, 10% consider it to be at a high level, and 6% consider it to be at a low level. Therefore, the staff of the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region consider that there is a regular level of management of the services and projects that the entity has prioritized to meet local needs. Specifically, it is concluded that 42 municipal workers consider the level to be average, while 5 consider it to be high, and only 3 consider it to be low (Figure 7, grouped by management); therefore, staff consider that improving the achievement of the objectives of the prioritized projects and services is a priority.

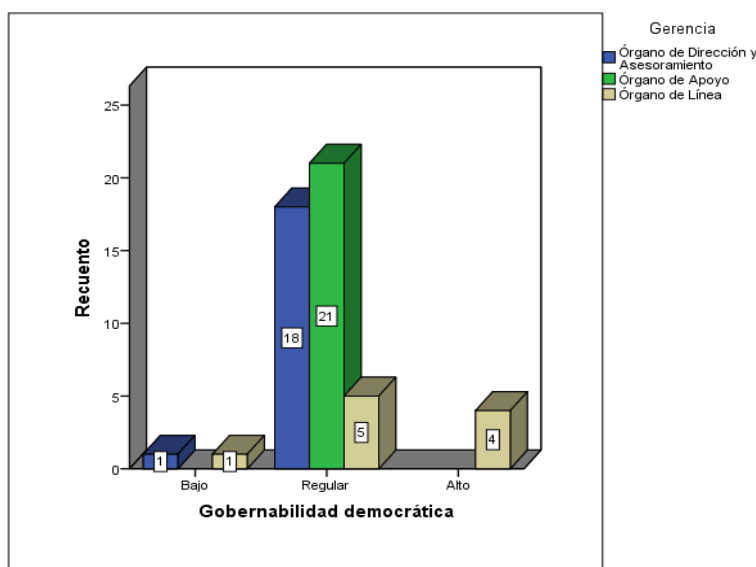


**Figure 7:** Services and projects

		Management			Total
		Management and Advisory Body	Supporting Body	Line Management	
Democratic governance	Low	1 5,3% 18	0 0,0% 21	1 10,0% 5	2 4,0% 44
	Regular	94,7% 0	100,0% 0	50,0% 4	88,0% 4
	High	0,0% 19	0,0% 21	40,0% 10	8,0% 50
	Total	100,0%	100,0%	100,0%	100,0%

**Table 12:** Democratic governance

The results obtained relate to the dimension known as “Democratic governance,” where 88% of staff consider that the level of democratic governance that characterizes the entity is average, 8% consider it to be high, and only 4% consider it to be low. Therefore, the staff of the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region consider that there is a fair level of consideration of the population in the decision-making process related to budget management and investment execution. Specifically, it is concluded that 44 municipal workers consider the level to be average, while 4 consider it to be high, and only 2 consider it to be low (Figure 8, grouped by management); therefore, staff consider it a priority to improve the participation of existing stakeholders in decision-making.



**Figure 8:**Democratic governance

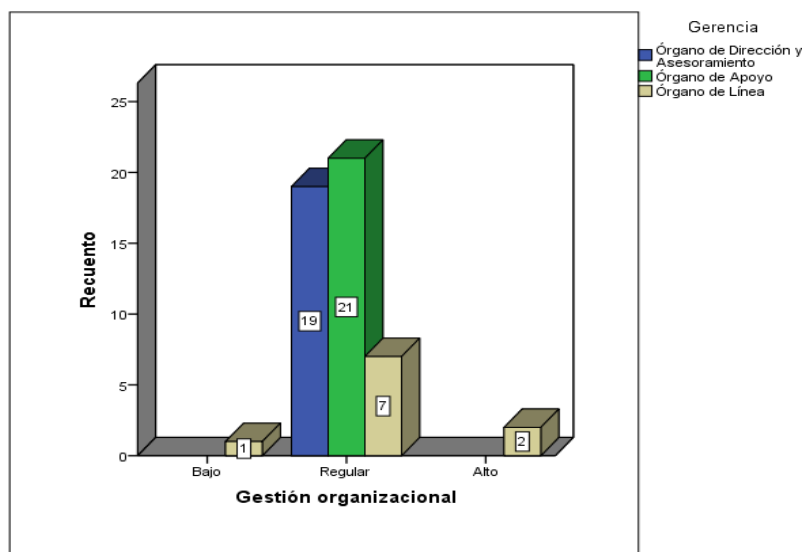
### 5.2.2 Summary analysis

	Management			Total
	Management and Advisory Body	Supporting Body	Line Management	
Organizational management	Low	0	1	1
	0,0%	0,0%	10,0%	2,0%
	19	21	7	47
	Regular	100,0%	70,0%	94,0%
	High	0	2	2
Total	0,0%	0,0%	20,0%	4,0%
	19	21	10	50
	100,0%	100,0%	100,0%	100,0%

**Table 13:**Organizational management

Dimension	N	Media
Organizational development	50	3,0840
Public finances	50	3,1640
Services and projects	50	3,1440
Democratic governance	50	3,0640

With regard to variable 2, 94% of staff consider the organizational management that characterizes the entity to be average, 4% consider it to be high, and 2% consider it to be low. Therefore, the staff of the District Municipality of Lagunas, Province of Alto Amazonas, Loreto Region, consider their level of organizational management to be average, meaning that there are some aspects that need to be improved as a priority, such as: promoting the participation of the population in the prioritization of investment projects to be considered, and encouraging the improvement of staff commitment to organizational development. Specifically, 47 municipal workers indicate that organizational management is at a regular level, 2 consider it high, and 1 consider it low (Figure 9, grouped by management).



**Figure 9:**Organizational management

### 5.3 Hypothesis testing

#### 5.3.1 Testing specific hypotheses

a) The first specific hypothesis states that “There is a direct and significant relationship between the achievement of objectives in the area and the organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region”

To contrast this hypothesis, Spearman's Rho correlation coefficient was used, from which:

H0: There is no relationship between the variables.

H1: There is a relationship between the variables.

Correlations

			Achievement of objectives in the area	Organizational management
Spearman's rho	Achievement of objectives	Correlation coefficient	1,000	,493**
		Sig.(bilateral)	.	,000
		N	50	50
	Organizational management	Correlation coefficient	,493**	1,000
		Sig.(bilateral)	,000	.
		N	50	50

A value of  $r = 0.493$  ( $p\text{-value} = 0.000$ ) was obtained, since the  $p\text{-value}$  was less than 5% significance, implying that there is a direct and significant relationship between the achievement of objectives in the area and the organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.



b) The second specific hypothesis states that “There is a direct and significant relationship between the application of regulations and the organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.”

To contrast this hypothesis, Spearman's Rho correlation coefficient was used, from which:

H0: There is no relationship between the variables.

H1: There is a relationship between the variables.

Correlations

			Application of regulations	Organizational management
Spearman's rho	Application of regulations	Correlation coefficient	1,000	,511**
		Sig.(bilateral)	.	,000
		N	50	50
	Organizational management	Correlation coefficient	,511**	1,000
		Sig.(bilateral)	,000	.
		N	50	50

A value of  $r = 0.511$  ( $p\text{-value} = 0.000$ ) was obtained, since the  $p\text{-value}$  was less than 5% significance, implying that there is a direct and significant relationship between the application of regulations and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.

c) The third specific hypothesis states that “There is a direct and significant relationship between monitoring and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.”

To contrast this hypothesis, Spearman's Rho correlation coefficient was used, from which:

H0: There is no relationship between the variables.

H1: There is a relationship between the variables.

Correlations

			Monitoring	Organizational management
Spearman's rho	Monitoring	Correlation coefficient	1,000	,818**
		Sig.(bilateral)	.	,000
		N	50	50
	Organizational management	Correlation coefficient	,818**	1,000
		Sig.(bilateral)	,000	.
		N	50	50

A value of  $r = 0.818$  ( $p\text{-value} = 0.000$ ) was obtained, since the  $p\text{-value}$  was less than 5% significance, implying that there is a direct and significant relationship between monitoring and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.

### 5.3.2 General hypothesis testing

The general hypothesis states that “There is a direct and significant relationship between internal control and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.”

To contrast this hypothesis, Spearman's Rho correlation coefficient was used, from which:

H0: There is no relationship between the variables.

H1: There is a relationship between the variables.

			Internal control	Organizational management
Spearman's rho	Internal control	Correlation coefficient	1,000	,788**
		Sig.(bilateral)	.	,000
		N	50	50
	Organizational management	Correlation coefficient	,788**	1,000
		Sig.(bilateral)	,000	.
		N	50	50

A value of  $r = 0.788$  ( $p\text{-value} = 0.000$ ) was obtained, since the  $p\text{-value}$  was less than 5% significance, implying that there is a direct and significant relationship between monitoring and organizational management that characterizes the District Municipality of Lagunas - Province of Alto Amazonas - Loreto Region.

### 5.4 Discussion of results

The results obtained in this study show a direct and significant relationship between internal control and organizational management in the District Municipality of Lagunas, with a Spearman correlation coefficient of  $r = 0.788$  ( $p < 0.001$ ). This finding supports the general hypothesis of the study and confirms that a well-structured and functional internal control system contributes positively to improving institutional performance, process efficiency, and the responsiveness of the organization. In this regard, Galanis, Pazarskis, and Kyriakou (2024) point out that “internal control mechanisms, when effectively implemented, directly enhance administrative efficiency and accountability in decentralized public organizations” (p. 272).

From a specific perspective, a significant correlation was identified between the achievement of objectives and organizational management ( $r = 0.493$ ;  $p < 0.001$ ), suggesting that the fulfillment of operational and strategic goals depends largely on planning, monitoring, and evaluation mechanisms. As noted by Ramírez-Gonzales,

Rodríguez-Román, Mendoza-Aguilar, and Carbonell-García (2024), “dimensions such as the control environment and risk assessment are statistically significant for effective administrative management in public institutions” (p. 208). The low perception of effectiveness in this area, expressed by a significant portion of the staff, highlights the need to strengthen the articulation between institutional planning and internal control mechanisms.

Similarly, a positive relationship was found between regulatory compliance and organizational management ( $r = 0.511$ ;  $p < 0.001$ ). This result reaffirms that adherence to legal and procedural norms is fundamental for coherent and accountable public administration. However, the medium levels of compliance reported by the staff reveal persistent gaps in institutional culture related to internal order and legal orientation. In line with this, Sánchez-Chávez, Guizado-Sánchez, and Albitres-Rivera (2024) state that “61.7% of collaborators recognize deficient development of internal control processes, especially in supervision and compliance components” (p. 245), which aligns with the diagnosis observed in this study.

The most significant finding of the research was the correlation between monitoring and organizational management ( $r = 0.818$ ;  $p < 0.001$ ), underlining the strategic importance of this dimension as a driver of effective decision-making. Monitoring allows for identifying deviations, applying corrective actions, and consolidating a culture of continuous evaluation. However, the fact that this dimension was rated as average by most staff suggests the existence of operational limitations, such as a lack of qualified personnel or technological tools. As Prabowo (2024) explains, “internal control effectiveness depends on leadership commitment, technological infrastructure, and an organizational culture aligned with preventive control practices” (p. 4).

In general terms, the findings of this study are consistent with the empirical trends described in recent literature. Research conducted in local governments in Peru and other countries consistently validates the strategic role of internal control as a governance tool. For example, Boufounou, Papadaki, and Papadakis (2024) argue that “internal control systems are key to mitigating corruption risks and improving financial performance, especially at the municipal level” (p. 10). This perspective is particularly relevant in decentralized administrative settings, where autonomy must be balanced with responsibility and transparency.

In conclusion, internal control should not be viewed as a purely corrective or punitive function, but as a transversal and strategic process that supports institutional management. Its successful implementation requires the involvement of decision-makers, ongoing staff training, a culture of results, and the integration of operational and supervisory areas under a common framework of accountability.

## 6. Conclusions

The present study found that there is a direct, positive, and statistically significant relationship between internal control and organizational management in the District Municipality of Lagunas. This reaffirms the strategic role of internal control as a

fundamental tool for institutional strengthening. The correlation obtained ( $r = 0.788$ ;  $p < 0.001$ ) provides empirical evidence in support of the general hypothesis, suggesting that a well-structured internal control system, implemented with responsibility and subject to continuous monitoring, can exert a positive influence on the efficiency, effectiveness, and transparency of public administration. As noted by Galanis, Pazarskis, and Kyriakou (2024), “internal control is essential in enabling the achievement of objectives, reducing risks, and increasing public trust” (p. 268).

The findings further indicate that the achievement of objectives at the functional level shows a significant correlation with organizational management, although the level perceived by staff members was predominantly average. This gap reveals the need to enhance the connection between institutional planning and operational execution. It is necessary to strengthen the articulation between goal setting, performance monitoring, and outcome evaluation. According to Ramírez-Gonzales, Rodríguez-Román, Mendoza-Aguilar, and Carbonell-García (2024), “risk assessment and control activities are significantly associated with the improvement of institutional performance” (p. 208), underscoring the importance of aligning internal control with strategic planning.

In addition, a statistically significant relationship was identified between regulatory compliance and organizational management. This supports the idea that adherence to legal and procedural frameworks is not only a legal obligation but also a catalyst for administrative coherence and institutional legitimacy. However, the perception of only moderate compliance levels implies the need to improve regulatory training and supervision. As Sánchez-Chávez, Guizado-Sánchez, and Albitres-Rivera (2024) report, “the main weaknesses lie in supervision, internal communication, and the control environment” (p. 245), which limits the proper implementation of internal norms and procedures.

Regarding the monitoring component, it was observed that this dimension exerts the strongest influence on organizational management ( $r = 0.818$ ;  $p < 0.001$ ), reaffirming the critical role of continuous supervision in public governance. However, the fact that this aspect was evaluated as average suggests a lack of structured monitoring practices, including the absence of specialized teams and performance verification systems. Prabowo (2024) emphasizes that “internal control effectiveness depends not only on procedures but also on the presence of IT systems, leadership commitment, and organizational learning” (p. 4), pointing to the multidimensional nature of the challenge.

In summary, the District Municipality of Lagunas faces major challenges in consolidating a modern, efficient, and citizen-oriented management system. The evidence collected in this study suggests that both internal control and organizational management require urgent improvements. These should include the professionalization of public officials, modernization of procedures, adoption of technological tools for monitoring, and promotion of a culture focused on accountability, compliance, and continuous improvement. Internal control should no longer be conceived as an isolated corrective mechanism, but rather as a central component of public planning, decision-making, and institutional performance.

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