

Impact of Internal Control on Fraud Detection and Prevention: A Survey of Selected Organisations in Nigeria

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Abstract : The aim of this study is to evaluate the internal control system on fraud prevention in Nigerian business organizations. A survey research was undertaken in five organizations from the banking and manufacturing sectors in Nigeria using the simple random sampling technique and primary data was obtained with the aid structured questionnaire drawn on five likert's scale. Four Hypotheses were formulated and tested using the T-test Statistics, Correlation and Regression Analysis at 95% confidence interval. It was discovered that internal control has a significant positive relationship with fraud prevention and that a weak internal control system permits fraudulent activities among staff. Based on the findings, it was recommended that organizations should continually and methodically review and evaluate the components of its internal control system whether activities are working as planned or not and that every organization should have pre-determined guidelines for conducting its operations and ensures compliance with these set guidelines while proactive steps should be taken to establish the independence of the internal audit by making the audit reportable to the governing council of an organization and not the chief executive officer.

Keywords : internal control, internal system, internal audit, fraud prevention, fraud detection

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