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Institutionalization of Internal Control System of Fraud and Detection of Fraud in Service Companies in Lagos State, Nigeria

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Abstract:

This paper investigated on the institutionalization of the internal control system in service companies in Lagos State. The objective is to understanding if organization wide processes put in place to guide against regulatory infractions are monitored; to determine the effect of the control environment in safeguarding organizational unit operation; effectiveness of control activities in mitigating against financial irregularities in the organization; to determine the effectiveness of information and communication to safeguard the organization against fraud, and evaluate if the risk assessment system implemented in the processes of the organization is not sufficient according to the regulatory requirement to checkmate and prevent financial irregularities. The primary data were questionnaire administered to two hundred and fifty (250) respondents selected service companies in Lagos State while secondary data were from the internet, journals and textbooks. Self-designed questionnaires were used to collect data and were analyzed using simple percentage, and bar chart. Therefore, the findings recorded that the performance of any organization cannot do without internal control as true and fair presentation of financial statement may never be possible if the board and senior management are not committed to providing a well-planned internal control system. It was Recommended that management should ensure that there are adequate organizational controls and that each staff knows his duties and equally ensures effective segregation of duties to reduce interference in terms of funds, assets management and controls and the auditor's work is to make a critical review of the internal control in order to decide the extent of examination of the available evidence which is necessary.

Keywords: Institutionalization, internal, control, system, service, organization

1. Introduction

Every organization has objectives it strives to achieve based on its vision and mission to fulfill its obligation to stakeholders, especially the shareholders who hold the stock of the organization with the objective of maximizing their wealth. In pursuit of their corporate objectives, organizations may encounter events and circumstances which may threaten their corporate existence. These potential events and circumstances create risks which organizations must identify, define, analyze, and address. Some risks may be accepted (in whole part) and some may be fully or partially mitigated to a point where they are at a level acceptable to the organization.

In the global scene, worrisome trends which have emerged due to corporate governance failure have led to the demise of a number of organizations and have brought the need to institutionalize effective control systems in business organizations to the limelight. A number of ways are available in which organizations could mitigate risks, such as management controls, internal control, financial control, security, risk management, quality, inspection, compliance, and internal audit.

One key method of mitigating risk is the design and implementation of effective internal control. The internal control system is an efficient and effective process by which organizations monitor and control its various activities and operations with effective systems of checks and balances which are put in place to forestall fraudulent activities and detect mistakes that may occur in the process of carrying out organization activities to safeguard the organization as a whole¹. The Committee of Sponsoring Organizations of the Tread way Commission, COSO, internal control – integrated framework (the Framework) outlines the components, principles, and factors necessary for an organization to effectively manage its risks through the implementation of internal control².

Business is operated in a complex and dynamic environment which is not only competitive but continuously changing at a very fast pace. Hence, those businesses that are apt and prepared to cope with the dictates of the

environmental perform better and deliver expected returns, values, and benefits to their various stakeholders. In the global scene, the failure of major businesses resulting from corporate governance failure is alarming considering the set of businesses that have been affected, such businesses include: Enron, Worldcom, The Mirror and in Nigeria business like Nitel and the banking scandal involving Oceanic bank plc., Bank PHB plc³. Therefore, for organizations to remain relevant and to deliver on their objectives it is required that they do those things that will safeguard their activities and processes as approved by management⁴. Hence, these corporate failures have led to the establishment of a number of regulatory frameworks such as the Sarbanes-Oxley (SOX) Act, the COSO Internal control framework, and in Nigeria the first corporate governance code, the code of best practices on corporate governance which has brought about the evolving of the regulatory environment and has continued to impact on the operations of business organizations the world over including Nigeria⁵. It is important to highlight the need for business organizations to institutionalize relevant codes that will not only safeguard their assets and operations but also safeguard shareholder's funds.

1.1. Research Questions

The research questions addressed in this paper are as follows:

- How does the organization processes placed to guide against monitoring regulatory infraction in selected?
- What is the effect of internal control environment on safeguarding organizational unit operation?
- What is the effectiveness of control activities mitigating against financial irregularities in the organization?
- How effective are the information and communication in safeguarding the organisation against fraud?
- What are the risk assessment system implemented in the processes checkmating and preventing financial irregularities in the organisation?

1.2. Objectives of the Study

The aim of this journal is on the institutionalization of the internal control system in service companies in Lagos State. The specific objectives are to:

- Assess the organization processes put in place to guide against monitoring regulatory infractions selected organizations
- Examine the effect of control environment in safeguarding organizational unit operation;
- Investigate the effectiveness of internal control activities in mitigating against financial irregularities in the organisation;
- Analyse the effectiveness of information and communication to safeguarding the organisation against fraud,
- Evaluate if the risk assessment system implemented in the processes of the organisation is not sufficient according to regulatory requirement to checkmate and prevent financial irregularities

1.3. Review of Related Literature

This is to create a formidable link in research and bridge the academic gap. the researchers reviewed existing literature on the subject matter to provide a basis for the paper. The theoretical review which considers extant theories in the literature follows the conceptual review to provide the theoretical basis for the study. Then the study presented a review of the existing empirical literature on the subject matter

1.4. Conceptual Review: Internal Control

Internal control is an essential mechanism for asset protection. The responsibility to protect the assets of an organization is vested in the management as an integral and primary responsibility to stakeholders. This responsibility requires an effective understanding of the business environment to accomplish, given the recent events in the business environment which is characterized by speed, change, and competition, management is constantly compelled to be proactive in the discharge of their responsibility. However, the incredible advancements in technology have considerably changed how managers engage their environment given the impact of globalization on business operation as the world is now a global village. Therefore, how managers engage the control environment, risk assessment, control activities or procedures, information and communication, and monitor the operations of the organization must continue to evolve with the pace in order to be in sync with the present reality in the business place. For this reason, the job of protecting the assets of the organization requires organizations to develop and implement an effective internal control system, that are capable of safeguarding the assets of the organization and providing reasonable assurance to the stakeholders of the organization.

1.5. Objectives of Internal Control System

An internal control system consists of the various methods and measures designed into and implemented within an organization to achieve the following four objectives:

- Safeguard assets
- Recheck the accuracy and reliability of accounting data,
- Promote operational efficiency,
- Enforce prescribed managerial policies

Also, the internal control process performs the following 3 key objectives: performance objectives, information objectives, and compliance objectives. Through internal control, an entity's exposure and risk is minimized through the

following activities: Segregation of duties, building both preventive and detective controls, documentation, reconciliation, and monitoring

1.6. Risk Assessment

After the implementation of a strong control environment, the next thing to do is to conduct the risk assessment. This refers to identifying, analysing, and managing uncertainties that might confront the organization from both internal and external operation which are likely to hinder that attainment of the predetermined goals and objectives of the organization²². Without recourse to size, either big or small, every business organization is confronted with a number of inherent environmental risk from within and outside the organization such as competition, customer changes, regulatory, economic, and political changes. As such, managers should identify, analyze and assess the potential effects that detected risks might have on the operation of the organization and take proactive steps to reduce their effects on the organization. Constant risk evaluation is important to control activities, this is because internal control is a dynamic system which evolves with the situational context in which it is implemented. This evaluation may help the organization to detect the impediments to its objectives and address the impediments with the necessary response to the risks detected²³. Five basic principles that companies should carry out when performing effective risk assessment are²⁴.

- Clearly specify objectives to facilitate the identification and assessment of risks related to organizational objectives.
- Identify and analyze risks to the achievement of organizational objectives to determine how they might be managed.
- Consider potential fraud related to the achievement of objectives.
- Identify and assess changes that could impact internal control.

1.7. Misappropriation of Asset

Asset misappropriation encompasses theft of company asset for personal use at the company's expense or misuse of a company's resources in one's care or disposal⁵. The misappropriation of assets, funds or property, perpetrated by employees and managers within the organization is a major impediment to corporate existence⁶. Organizations in which the chief executive officer (CEO) also holds the position of chairperson of the board of directors, known in the literature as chief executive duality, are more prone to misappropriation of funds, and the proportion of independent directors on the audit committee is inversely related to the occurrence of fraud in an organization⁷. Chief executive duality mitigates the monitoring function of the chairman of the board, hence allowing the chief executive who also doubles as the chairman of the board to set agendas that are in his best interest and not necessarily in the best interest of the shareholders. In 1992, COSO established the relationship between fraud and inadequate internal controls⁸.

Misappropriation of fund/assets could be perpetrated by the following means⁶². Outright taking away of corporate or government assets for personal use, payment of salary for non-workers, payment for fictitious purchase and contract, payment for no return inwards, teeming and landing, manipulation of any form for personal gains, over-stating of the contract price, conversion of government money into personal use, conversion of office impress to the personal allowance, unauthorized use of public funds or asset, payment against uncleared cheques, the claim of disease staff gratuity and pension benefits, misuse of medical allowances and reimbursements, embezzlement, larceny, cheque fraud and some fraudulent behavior may include cutting costs and manipulating financial records for personal needs.

2. Theoretical Review: Theoretical Perspectives on Institutionalization of Internal Control Systems

This study presents a review of the relevant theories on institutionalization. This review examines the existing theories on institutionalization in the context of internal control in service companies in Nigeria. From the sociological perspective, many efforts have been harnessed for the development of the theoretical perspectives for an empirical consideration of institutionalization. Over the years, the theoretical basis for institutionalization has undergone key improvements and increased popularity; however, some weighty theoretical and methodological issues still exist which stand to limit its operationalization and effectiveness⁹. Therefore, the following theories are discussed in this section to provide the theoretical support and basis for this present study: Institutional theory, agency theory, stewardship theory, and stakeholder theory.

2.1. Institutional Theory

The promoters of the institutional theory include Selznick; Berger and Luckman, Meyer and Rowan; DiMaggio and Powell¹⁰. The theory has been presented with different approaches by scholars, these approaches include the old institutionalism, the new institutionalism, and the sociological perspective¹¹. 'Despite many varying approaches presented in the literature, the institutional theory focuses on explaining the isomorphism of organizational fields specifically pertaining to institutional norms'¹². The theoretical basis of this thesis is built on the perspective of institutional theory. The theory holds that institutions are fundamental to the analysis of organizations'¹⁴. Therefore, in the design and administration of organizations, it is important to understand this theory because organizations are seen as the creation of institutions which shape the organizational forms, design features, and practices by providing relevance to organizations as guided by beliefs, rules, and norms. Organizations that conform to these institutional norms become 'optimal, if not efficient, and they prolong their survival by making use of these norms;' therefore, it minimizes the risk of organizational death¹³⁵. Hence, adhering to the institutionalized provisions guarantees organizational legitimacy in the society. However, a great number of institutions and forces contained in these institutions impinge on organizations, and by extension on the

society¹⁶. Internal control policies and procedures are organizational rules and routines, which are used to achieve the desired structure of institutions and the day-to-day actions and thoughts of organizational members. In order to understand the practices of accounting control policies and procedures, the institutional concept is used to explain these practices and their legitimacy as organizational standards of acceptable conduct. This will further bring clarity to the use of specific routines, including control procedures to administer an entity's affairs.

2.2. Agency Theory

Agent Theory was developed by Jensen and Meckling in 1976. An agency relationship is defined as 'A contract in which one or several persons [the principal] recruits another person [the agent] with the intention of accomplishing a task in his place, which requires a delegation of decision to the agent'¹⁸. Although a plurality of theories is evident among theorist's on the institutionalization of internal control systems in corporate organization, this theory is based on the nature of the relationship between the partners i.e. the shareholders (Principal) who are the owners of the business and providers of investment capital for the operations of the business, and the management team (agent) engaged by the management to oversee the day to day activities of the organization and protect the interest of all stakeholders while pursuing the stated objectives of the organization. Agency relationships occur when one partner in a transaction - the principal, delegates to another - the agent to take charge of his affairs, as such the agent is authorized to make choices on behalf of the principal hence the welfare of the principal is affected by the choices of the agent. The assumptions of the agency relationships are three; the first is that of bounded rationality, secondly is that of opportunism and lastly is on information asymmetry. In such a relationship, the interest of the principal and agent may differ, in this situation, the principal cannot perfectly and without cost monitor the activities of the agent and the principal cannot perfectly and without cost monitor and acquire the information available to or possessed by the agent. This usually creates an agency problem i.e., the possibility of opportunistic behaviour on the part of the agent that works against the welfare of the principal. To address the agency problem, certain measures which usually involves a cost to be known as agency costs and often includes those of monitoring, bonding/contracting and residual loss to the principal.

2.3. Conceptual Framework and Model Specification: Three Lines of Defense Model

The Three Lines of Defense (the Model) addresses how specific duties related to risk and control could be assigned and coordinated within an organization, regardless of its size or complexity.

The first line of defense in the Model is primarily handled by front-line and mid-line managers who have day-to-day ownership and management of risk and control. Operational managers develop and implement the organization's control and risk management processes. These include internal control processes designed to identify and assess significant risks, execute activities as intended, highlight inadequate processes, address control breakdowns, and communicate to key stakeholders of the activity.

The second line of defense includes various risk management and compliance functions put in place by management to help ensure controls and risk management processes implemented by the first line of defense are designed appropriately and operating as intended. These are management functions; separate from first-line operating management, but still under the control and direction of senior management. Functions in the second line are typically responsible for ongoing monitoring of control and risk. They often work closely with operating management to help define implementation strategy, provide expertise in risk, implement policies and procedures, and collect information to create an enterprise-wide view of risk and control.

The composition of the second line can vary significantly depending on the organization's size and industry. In large, publicly traded, complex, and/or highly regulated organizations, these functions may all be separate and distinct. In smaller, privately owned, less complex and/or less regulated organizations, some of the second-line functions may be combined or nonexistent. For example, some organizations may combine the legal and compliance functions into a single department or may combine a health and safety department with an environmental function. Some or all of the duties of the second line may also be retained by managers within the first line of defense in certain organizations²⁰. Financial controller, security, risk management, quality, inspection, and compliance are the major components of the second line of defense.

Internal auditors serve as an organization's third line of defense. Among other roles, internal audit provides assurance regarding the efficiency and effectiveness of governance, risk management, and internal control. The scope of internal audit work can encompass all aspects of an organization's operations and activities²¹. What distinguishes internal audit from other lines of defense is its high level of organizational independence and objectivity. Internal auditors do not design or implement controls as part of their normal responsibilities and are not responsible for the organization's operations. In most organizations, internal audit independence is maintained.

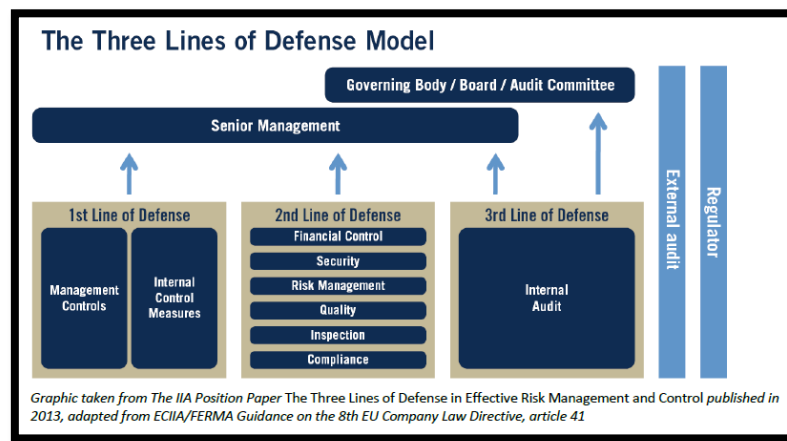


Figure 1: The Three Lines of Defense Model

In the management of organizations, three lines of defense are available against fraud, these three lines of defense and their interaction with senior management and the governing body/audit committees are depicted in the above diagram.

2.4. Review of Empirical Studies

Extant literature on internal control have revealed that a number of scholars, researchers, and consultants both in the private and public sector have conducted empirical studies on internal control in service organizations. A number of these studies shall be considered in this section of the study to provide an empirical basis for this thesis.

In a study conducted by Jamil and Mohamed on the effect of management control system on performance measurement system at small-medium hotel in Malaysia, the study which adopted contingency theory, deployed four Simons' levers of control as overriding variables to explain the relationship between the variables. From survey data collected from the chosen service organization, it was discovered that Performance Measurement System (PMS) had correlation with each of the four management control levers, and that developing PMS has a remarkable inclusive influence on the performance of service organization through MCS²².

In a study to determine the effectiveness of the internal control system in detecting frauds in Nigerian commercial banks in which data were collected using structured questionnaires completed by the banks' managers and published accounts of the banks. Chi-Square test was used to analyse the collected data, the results indicated a relationship between internal control and the detection of frauds in the banks¹⁷¹.

Another study was conducted in Barbados to determine the adequacy of internal controls relating to cash operations, and fraud detection and prevention at a leading supermarket in. Data were collected with a structured questionnaire covering five internal control components and interview with the supermarket's head accountant, it was concluded from the findings of the study that internal control procedures implemented in the supermarket are effective and secured for cash to foil frauds and errors among the employees of the supermarket²³.

3. Methodology

The methodology is the heart of the thesis because it spells out the various activities involved in the collection, organizing, and analysis of data for the study and how these activities were conducted by the researcher. In this present study, it provides information on the following aspects which are very important in a study of this nature, these include the research design, population of the study, the sample of the study, sampling technique adopted in the study, description of the research instrument, validity and reliability of the chosen research instrument, method of data collection and method of data analysis.

3.1. Research Design

Research design is the blueprint of the various activities and actions of the researcher to direct the study towards credible and reliable outcomes¹. In this study, the researcher adopted a cross-sectional research design anchored on a descriptive survey. The choice of this type of researcher design was due to the fact that it allowed the researcher to collect relevant data from a representative sample made up of elements in the sample frame of the population under consideration.

3.2. Population of Study

The chosen population of the study is made up of the staff of three service companies in Nigeria, which are, Ikeja Hotel Plc, Firstbank Nigeria Limited, and Globacom Nigeria Limited, one service organization were randomly selected from one from hospitality industry, banking, and network provider these companies are not only well-known in Nigeria but are major players in the country's economy and are from three distinct industry in the service sector of the economy, whereas, Ikeja Hotel Plc is in the hospitality industry, Firstbank Nigeria Limited is in the banking industry, while Globacom Nigeria Limited is in the telecommunication industry of the Nigerian economy⁷. For the purpose of this thesis, the

researcher selected a sample size of 386 respondents through Taro Yamane formula from a combined population size of 10,979 (FBN 7,000, Globacom 3,379, and Ikeja Hotels 600) employees.

3.3. Sample of the Study

A sample is a representative subset drawn from an entire population under consideration which a researcher collects relevant data from for the purpose of generalizing for the entire population due to cost saving advantages in terms of time, money, materials, human energy and ability⁷. For the purpose of this thesis, the researcher selected a sample size of 386 respondents through Taro Yamane formula from a combined population size of 10,979 (FBN 7,000, Globacom 3,379, and Ikeja Hotels 600) employees. The sample was made up of auditors, accountants, supervisors and managers involved with control activities in the organizations. The selected sample was achieved through the Taro Yamane formula for determining the sample size of a known population to ascertain the exact number of respondents from the population of the study to be drawn as a sample of the investigated population given the confidence interval of the study.

3.4. Method of Data Analysis

The study employed the use of a primary data because it helps to get first-hand information from the selected respondents and also the use of secondary data given the literature review conducted. The questionnaire was used as the instrument to collect the primary data and it was distributed and collected by the researchers from the selected respondents the method used in analyzing the primary data that were collected for the study. Microsoft excel were used to input the data collected in the study while the suggested hypotheses in the course of this study shall be tested using Pearson's correlation coefficient on Statistical Package for the Social Sciences (SPSS). Pearson's correlation coefficient measures the strength of association between variable under study.

4. Result and Discussion of Findings

Three hundred questionnaires were administered to the selected organization in Lagos State.

S/N	Names of Organization	No. of Questionnaire Distributed	Number Returned
1.	First Bank Nigeria Plc.	130	80
2.	Ikeja Hotel	130	85
3.	Globacom Nigeria Limited	126	85
	Total	386	250

Table 1: Number of Selected Organizations and Return of Questionnaires

Source: Fieldwork 2019

The table 1 indicates that out 386 copies of questionnaire distributed, only 250 were returned and 136 were discarded.

4.1. Presentation of Data

As it is noted, a total of 386 copies of questionnaire were distributed to respondents, i.e., 130 questionnaires for respondents from First Bank Nigeria Plc., only 80 were returned; 130 questionnaires for respondents from Ikeja Hotel; only 85 were returned and 126 questionnaires for respondents from Globacom Nigeria Limited, only 85 were returned. The responses of 250 respondents have been used to determine the institutionalization of internal control system in-service companies in Lagos State

4.2. Analysis of the Biodata of the Respondents

Gender	Frequency	Percentage (%)
Female	150	60
Male	100	40
Total	250	100

Table 2: Respondents by Gender

Source: Fieldwork 2019

% are male. From these outcomes, female respondents slightly outnumber male. This small difference is in line with gender distribution in the whole population of the organization under study.

Gender	Frequency	Percentage (%)
Single	140	56
Married	110	44
Total	250	100

Table 3: Respondents by Marital Status

Source: Fieldwork 2019

The table 3. shows the marital status of the respondents in which 56% of the respondents indicate that they are still single while 44% says they are married.

Age	Frequency	Percentage (%)
23 - 30	120	48
31 - 40	95	38
41 - 60	33	13
60 and above	2	1
Total	250	100

Table 4: Respondents by Age
Source: Fieldwork 2019

In examining the age distribution of the respondents, 48% of respondents are under 23 - 30 years, 38% are in 31 - 40 years, 13% of the respondents were between 41 - 60 while 1% were under 60 and above. This implies that majority of the respondents were between the age of 23 and 30 indicating that they can understand aim of control environment, risk assessment, control activities and financial performance could be measured by profitability, efficiency and liquidity.

The statistical tool chi-square [χ^2] is used thus;

$$\chi^2 = \sum \frac{[O-E]^2}{E}$$

Where;

O = observed frequencies

E = expected frequencies

Since, we are dealing with only one view variable, expected frequencies is calculated thus;

$$E = \frac{\sum F}{N}$$

Where;

EF = summation of responses

N = numbers of options

Therefore; $E = \frac{250}{2} = 125$

$$\text{Then, } \chi^2 = \frac{[220 - 125]^2}{125} + \frac{[30 - 125]^2}{125}$$

$$= 1.52 + 1.52 = 3.04$$

The critical value of χ^2 at two degree of freedom and 99% confidence limit is given as 0.99

4.2.1. Decision

Since the cal. χ^2 of 3.04 is greater than tab. χ^2 of 0.99 the null [H0] Hypothesis is rejected and alternative accepted. Therefore, it concludes that the monitoring organization wide processes contribute in guiding against regulatory infraction.

5. Discussion of Findings

The data reveal clearly that the research study was successful with the following number of 250 responses representing that 88% of the respondents says Yes that organizations carried out an internal control system while 12% indicate No. Staffs accept the internal control system as a process of monitoring and taking thorough checks of accounting books and its unit activities in which 100% of the respondents says Yes. 80% of the respondents indicate that there is full assurance that effectiveness of internal control system has a measure way of protecting and avoiding lapses and vices that may affects the organization and 20% says No. The effectiveness of internal control system enables full maintenance and total reviews of organization routine work, day to day activities from loss and damages, are you assure of this take in which 76% of the respondents says Yes while 24% indicate No. 60% of the respondents says that there is no organization where effectiveness of internal control system does not exist no matter how small or poorly it operated while 40% says there is organization where effectiveness of internal control system does not exist no matter how small or poorly it operated

Taking an evaluation of organizations performances through its financial strength and functions, can effectiveness of internal control system be of any viable interest or support. The followings show that 80% indicate Yes and 20% says No. Going round on audit system, do you know how effective your organization can do well if adopt the process of internal control system in it in which 92% says Yes while only 8% says No. 88% of the respondents indicate that the concentrations of an auditor through effectiveness of internal control system enable him/her to tackle areas of audit where they find some loopholes and 12% says No. At the end of auditing, auditors normally give true or fair views of their reports in which 76% indicate Yes and 24% says No. effectiveness of the internal control system will proffers new dimensions and directives that will help the organization operate successfully in which 68% says Yes and 32% says No.

The information received here shows that 100% believed that the Internal control system is the best and easy tools and a measure or vibrant methods of controlling and keeping the organization at the very best, are you accepted with this scenario. 92% of the respondents indicate that internal control system is very important to your organization while 12% says No. internal control system will helps auditors to draw up their audit work for the commencing audit in which

92% says Yes while 8% says No. 80% of the respondents says Yes that with effectiveness of internal control system in your organization, do you have an assurance that issues of committing fraud, misappropriation, errors, mistakes, embezzlement, cheating, siphoning, will definitely be wipe out and only 20% says No. Internal control system is all about management of the organization be able to sustain this as a task and work procedures to your organization in which 76% says Yes and 24% says no that internal control system is not all about management of the organization be able to sustain this as a task and work procedures to your organization

It is revealed in the table above that 92% of the respondents strongly agreed that the process of using effectiveness of internal control system as a main guide for auditors work reviews while 8% disagree. The internal control system has significant impact on the financial management of your organization in which 88% of the respondents strongly agreed while 12% of the respondents disagreed. 76% of the respondents strongly agreed that documents verification enhances financial management with the help of internal control system and 24% disagreed. Management has assigned responsibilities for the timely review of audit reports and resolution of any non-compliance items noted in those audit reports in which 80% of the respondents strongly agreed and 20% disagreed. Therefore, Independent appraisal of internal control measured by an external auditor would improve financial performance and management of your organization in which 80% strongly agreed and 20% of the respondents disagreed.

The data analyzed show that internal control ensures proper use of organization fund and assets in which 100% strongly agreed. 92% of the respondents strongly agreed that a well-documented procedure for dealing with non-financial transaction in an organization enhances financial management while 8% disagreed. A true reflection of an organizational activity is presented in financial statement through the performance of internal control in which 80% of the respondents strongly agreed and 20% disagreed. 190% of the respondents strongly agreed that perpetration of fraud and losses of revenue in an organization are as a result of weakness in the internal control system while 24% disagreed. Segregation of duties among the employees of an organization could improve financial management in which 88% of the respondents strongly agreed and 12% of the respondents disagreed

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