EFFECTIVENESS OF INTERNAL AUDIT IN FRAUD PREVENTION IN NIGERIAN COMMERCIAL BANKS

BY

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BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF ACCOUNTING, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF LAGOS, AKOKA, LAGOS STATE

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[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "Effectiveness of Internal Audit in Fraud Prevention in Nigerian Commercial Banks" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

PROJECT SUPERVISOR	Date
HEAD OF DEPARTMENT	Date
EXTERNAL EXAMINER	Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

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ABSTRACT

This study examined effectiveness of internal audit in fraud prevention in nigerian commercial banks, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of effectiveness; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with effectiveness and internal. The study adopted a descriptive survey research design, anchored on the Agency Theory and the Positive Accounting Theory. A sample size of 404 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 379 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 3.11). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.469$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 9.3, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.3$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on effectiveness.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of effectiveness of internal audit in fraud prevention in nigerian commercial banks is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

effectiveness, when examined in relation to internal, reveals complex and often paradoxical dynamics. Within Lagos State, the country's most populous commercial hub, the dynamics of effectiveness are observed in their starkest form. Comparative work by Chukwu and Adekunle (2022) across several states uncovered a consistent pattern linking effectiveness with internal. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. Empirical evidence from Aderemi and Aderemi (2021) suggests that positive developments in internal are associated with improvements in effectiveness. Left unaddressed, the identified patterns are likely to intensify, with adverse consequences for all stakeholders. Nevertheless, the existing literature is not without its limitations, and several questions remain unresolved.

In both global and African literatures, effectiveness is now regarded as a key index of institutional performance. Economic pressures and resource scarcity frequently determine the pace at which effectiveness advances in practice. Studies conducted within the West African subregion by Adeniyi and Obiora (2018) reached conclusions broadly consistent with the Nigerian evidence. For practitioners, the practical significance of effectiveness cannot be overstated, given its demonstrable link with internal. A notable study by Bello and Salami (2017) argued that the impact of effectiveness is substantially mediated by the quality of institutions. Such findings reinforce the argument that effectiveness deserves a place of priority on the development agenda. Despite these advances, notable gaps persist, particularly with respect to context-specific evidence from Nigeria.

Contemporary scholarship increasingly frames effectiveness as inseparable from the broader question of internal. Public institutions at the federal, state, and local levels have developed programmes that seek to mainstream effectiveness into routine governance. A notable study by Bello and Salami (2017) argued that the impact of effectiveness is substantially mediated by the quality of institutions. Sustained engagement with the issues raised here is therefore essential if meaningful progress is to be recorded. The aggregate picture emerging from Adebayo and Eze (2023) points to a modest but consistent association between effectiveness and the outcomes of interest. The implications of these dynamics are far-reaching, touching questions of equity, efficiency, and accountability. Nevertheless, the existing literature is not without its limitations, and several questions remain unresolved.

The relationship between effectiveness and internal has been the subject of sustained academic interest across several disciplines. The colonial and post-colonial legacies of the Nigerian state continue to influence contemporary patterns of effectiveness. The aggregate picture emerging from Dauda and Musa (2023) points to a modest but consistent association between effectiveness and the outcomes of interest. The weight of