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RESEARCH ARTICLE

ENHANCING TRANSPARENCY IN PUBLIC FIRMS IN NIGERIA: THE ROLE OF INTERNAL AUDIT

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ABSTRACT

The importance of Internal Audit in an organisation cannot be over emphasised. Decisions made by organisations are very crucial to the progress of the organisations. Due to lack of necessary internal audit procedures, organisations have become ineffective and Unprofitable. In the light of this problem, this study examined, the role of internal audit in enhancing transparency in public firms in Nigeria. The population of this study consists of the staffs of five selected public firms listed in Nigeria stock Exchange. The data for this research were gotten from questionnaires administered and collected from 50 respondents. Data generated for the study were analysed andtranslated using frequencies and percentages. The hypotheses were tested using regression analysis at 5 per cent level of significance (0.05). The outcome of the analysis showed that Internal Audit has positive and significant effect on Fraud prevention in Nigeria Public Firms.The $R^2$of 0.554 indicates that 55.4% of the variations in fraud prevention are due to internal audit. From the result, Internal Audit also has positive and significant effect on Firm Credibility in Nigeria Public Firms. The R^2 of 0.478 indicates that47.8% of the variations in Firm Credibility are due to Internal Audit. Finally, the result indicated that internal audit has a positive and significanton Corporate Governance in Nigeria Public Firms. Based on the findings, it was concluded that internal audit has a great role to play in enhancing transparency in Nigeria public firms. We then recommend that proper internal audit department must be established and that management of organizations should co-operate with internal audit staff to prevent fraud and increase the credibility of the organizations.

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INTRODUCTION

In the current business climate, there are numerous difficulties and complexities couple with expansion in worldwide rivalry, corporate re-designing and quick advances in innovation which have serously affected business hazard. (Howard, 1998). These have made the shareholders and other players in the football field of business to be clamouring for transparency in the conduct of business.These factors, in addition to the uncertainties in the quickly changing administrative condition, the activism of shareholders and extra detailing necessities, have really emphasized the significance of internal audit process in a firm (Braiotta 2004). An effective internal audit process in a firm ensures that the interests of shareholders are protected through the provision of transparency and assurance with respect to the quality of financial reporting (Braiotta 2004).A quality financial reporting system will increase the credibility of the management of an organization.A credible financial reporting is a pointer to the fact that the business of the organization is carried out in transparent manner.

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The shareholders of today want to know what is going in the company they invested in. For them to know what is going on in the company, the activities of these organizations must be carried out in a transparent manner. Internal auditing is a form of management process that contributes to the adaptation of accountability in entities and corporate organizations. It has a pre-emptive effect as part of risk management; helps to improve corporate governance, and the quality of corporate value.It provides assurance for shareholders and also guarantees corporate reputation((Uzun, 2014). Anao (2012) opines that internal audit is an essential tools available to public firm's managersinmeeting their obligations within their organisations. He states further that internal audit gives an autonomous and target survey that the budgetary and operational controls intended to deal with the association's dangers and accomplish the element's destinations are working in a proficient, powerful, practical and moral way; and that it helps administration in enhancing the elements of business execution.It means that if internal audit system is working, it will surely prevent fraud because all activities will pass through their watchful eyes. Internal audit has turned out to be an unavoidable control instrument in both public and private sectors (Cohen &Sayag, 2010). Internal audit functions have become a critical tool for enhancing public firm processes (Usang& Salim, 2015).Internal auditing is a procedure for the most part embraced towards guaranteeing the shielding of assets and advancing operational proficiency, effectiveness and transparency in organizations. Al-Twaijry, Brierley and Gwilliam, (2003) opine that there is much perplexity in associations that don't have interior review divisions with particular parts of inward review inside their operations. Since having such a division increases the value of association in different ways which incorporate; helping the association accomplish its destinations, fortifying inner controls, enhancing hazard administration, and upgrading general corporate administration (Al-Twaijry, Brierley &Gwilliam, 2003). Internal Audit is a crucial administration device for accomplishing viable control in both public and private organizations.For internal audit to achieve its various objectives the cooperarion of the entire management is needed. Therefore there must be good corporate governance in place for internal audit department to excel in any organization.

Statement of the Problem

With the increase in the occurrence of global and financial crises and the major financial scandals that have affected both developed and developing economies, the situation is also worrisome in Nigeria. Major public firms like Cadbury Nigeria, Intercontinental Bank have collapsed as result of a lack of transparency and financial mismanagement; these outcomes have put a lot of shareholders of these two public firms in states of distress. Thus, (Marinković, &Šestović, 2015) state that internal audit must be viewed as an administration instrument that will empower supervisors to give a reasonable representations of public firms and their operations, exhibitions, potential risks, and additionally the open doors for development. Akeem 2014, states that financial mismanagement, theft embezzlement, management ineptitude, and other illegal acts and errors have become recurring issues in the business world, and these problems have been frequently debated amongst auditors, politicians, media practitioners, regulators and the public. This debate has been increased by the collapse of both small and big corporations across the globe (Akeem, 2014). These issues have also caught the media's attention in Nigeria following financial scandals and collapse of some of the major Nigerian public firms like Intercontinental Bank, Oceanic Bank, Afri Bank, and Bank PHB among others (Akeem, 2014).Certainly, the various corporate scandals, coupled with the recent worldwide financial crisis in the last decade have fuelled debate on whether internal auditing is being performed appropriately, not only in terms of ensuring compliance with the range of controls to which public firms are subject, but also in respect of its role in risk management (Alzeban&Sawan, 2013). It is the debate that propel us to find out the role of internal audit in enhancing transparency in public firms in Nigeria.

Objectives of the study

The general objective of the study is to examine the effect of internal auditing in enhancing transparency in public firms in Nigeria, while the specific objectives are to:

- Examine the effect of Internal Audit on Fraud Prevention.
- Evaluate the influence of Internal Audit on Firm Credibility.
- Ascertain the effect of Internal Audit on Corporate Governance.

Research Questions

In analysing the effect of internal auditing in enhancing transparency in public firms in Nigeria, the following research questions will be applicable.

- What is the effect of Internal Audit on Fraud Prevention?
- What is the influence of Internal Audit on Firm Credibility?
- What is the effect of Internal Audit on Corporate Governance?

Research Hypotheses

H_{01}: Internal Audit has no statistical significant effect on Fraud Prevention.
H_{02}: There is no statistical significant influence of Internal Audit on Firm.

Credibility

H_{03}: Internal Audit has no statistical significant effect on Corporate Governance.

Scope of the Study

This study focused on the effect of internal auditing in enhancing transparency in Nigeria public firms. For the purpose of this study, five (5) firms were selected from public firms whose headquarters are situated in Lagos state, Nigeria. All firms selected are listed with the Nigerian Stock Exchange. The target population of the study were all the staff of the selected firms.Thus the study adopted simple random sampling to choose 500 staff. Data wereanalyzed using simple linear regression models.

Operationalization of the variables

"Transparency'' is the dependent variable but it will be represented with the proxy variables of: Fraud prevention, firm credibility and corporate governance while internal audit will be the independent variable

Y=f(X)
Where
X= Independent variable
Y= Dependent variable
Where
X= Internal Audit
Y= Transparency
X= X
Y= (y_1, y2, y3)
Where:
X= Internal Audit (IA)
y_1 = Fraud Prevention (FP)
y_2 = Firm Credibility (FC)
y_3 = Corporate Governance (CG)
Y = f(X)
Therefore:

Functional Relationship

FP = f (IA)..………………………………………….. Equation 1
FC = f (IA)…………………………...………… Equation 2
CG = f (IA)……………………………………….. Equation 3

Regressionally, we have;

$FP= \alpha_0 + \beta_1 IA + \mu$…………………………………..Equation 1
$FC = \alpha_0 + \beta_2 IA + \mu$………………………………… Equation 2
$CG = \alpha_0 + \beta_3 IA + \mu$………………………………… Equation 3

These are the equations to be considered in this study.

Conceptual Review

In this section, the concepts of the variables to be used in this study will be examined. Thus this section will be a review of the concepts of internal auditing and other variables such as fraud prevention, firm credibility and corporate governance.

Internal Audit

Auditing is an exercise that is carried out in order to lend evidence to the financial statement prepared by directors of the company for the use by the owners or shareholders of the company Nwaobia, Ogundajo and Theogen (2016). Internal audit is to providecedibility to the financial report and accounts of a firm. Danbatta (2004) defines internal audit as a process that is expected to reveal errors, strengths or weaknesses of internal control system of the organization. Jurchescu (2010) goes further by describing internal audit as an independent and objective activity which provides an organization with security and management advice with the aim of ensuring effective management of public income and expenditure, ensuring proper activities within public organization. Internal audit also helps public firms to achieve their objective through systematic and methodical approaches, improving the efficiency and effectiveness of their internal control system, risk management and management processes. Unegbu and Kida (2011) define internal audit as "an aspect of the internal control system established by management of a firm in order to ensure proper compliance with the stipulated policies and procedure in order to achieve management objectives. Internal control is a systematic process that incorporates internal audit. It is designed to provide reasonable assurance regarding the achievement of objectives in various categories (Uzun, 2014).

Uzun (2014) goes further to define internal control as a key element of the reliability of financial reporting, effective and efficient entity operations, and compliance with laws and regulations. Internal control increases the efficiency of operations by applying the standardized procedures; it adds value to control processes, Standard definitions of processes, job definitions, and rule regulations (Uzun, 2014).The objective of internal auditing is to review and evaluate the core activities of a firm with a view to express an opinion on the efficiency and effectiveness of management, as well as the adequacy of internal control within an organization (Uzun, 2014). This assignment is usually undertaken by an internal auditor, whose responsibility is to help reduce overhead, identify ways to improve efficiency and maximize exposure to possible losses from inadequately safeguarded company assets all of which can have a significant effect on the financial performance of an organisation (Beyanga, 2011). It is the duty of an internal auditor(s) to identify, and communicate all the relevant information in an appropriate manner and within a timeframe in order to accomplish the financial reporting objectives of the organization (Abushaiba&Zainuddin, 2012). Gay, Schelluh and Reid (1997) note that an auditor has the responsibility for the prevention, detection and reporting of fraud and other illegal acts within the operations of a firm. Holmes and Burns (1995) opine that the objectives of internal auditors are to assist all members of management in the effective discharge of their responsibility by furnishing them with analysis appraisals, recommendations and pertinent comments concerning the activities reviewed. This view is also supported by (Lawal, 2015) who adds the independent auditor owes the independence duty to the shareholders of the firm, the public, management and the board of directors.

Fraud Prevention

Accounting fraud is widely defined as an intentional manipulation of financial statements. It is an alteration of a firm's accounting records regarding sales, revenues, expenses and other factors for wither profit motives, obtaining more favourable financing, inflating company stock value or avoiding debt obligations. Fraud is the primary killer of the major public firms in the world. Akanbi (2012) notes that the East Asian crisis of 1997/98 loosely caused by Daewoo in South Korea (1998) was as a result of accounting fraud and embezzlement by top management; in America the collapse of Enron (2001) was due to accounting fraud. The same could be said for WorldCom (2002), a company that collapsed with US$41bn in debt as a result of fraudulent accounting. These examples were big public multinational firms in the global business environment collapsing, creating situations where economies of the world faced negative headwinds and asset insolvency to the barest minimum. To reduce the incidence of fraud in an organization, internal auditing is essential.

Firm Credibility

The spate of financial scandals and fraud cases synonymous with public firms have weakened the credibility of these firms in the eyes of potential shareholders who are sceptical of investing their funds into these firms, denying the public firms of essential capital. Firm credibility is an often overlooked factor in a list of factors than enhance the profit margins of public firms. Transparency of a public firm in carrying out its operations creates firm credibility, as both factors are integral in maximizing the economic value of any firm. To ensure transparency in a firm and enhance its credibility, there must be a proper internal audit system. This is because internal audit quality plays an important role in maintaining an efficient organisation, underpins confidence in the credibility and integrity of financial statements which is essential for the value of the firm and enhanced financial performance (Farouk & Hassan, 2014). Power, Walsh and O'Meara (2001) add that the function of internal audit is to determine the reliability and validity of the financial information of a firm in order to enhance the firm's credibility.

Corporate Governance

In the view of (Adams &Mehran, 2003), corporate governance is the process through which stakeholders which include shareholders, creditors, employees, clients, suppliers, the government and the society, in general monitor the management and insiders to safeguard their own interests). Corporate governance can also be defined as a system or an arrangement that comprises of a wide range of practices (accounting standards, rules concerning financial disclosure, executive compensation, size and composition of corporate boards) and institutions (legal, economic and social) that protect the interest of corporation's owners. Corporate governance is essential for every firm due to its impact on both the firm's economic performance and its ability to access long-term, low investment capital (Mordelet, 2009). It ensures balance between the various actors i.e. shareholders and other interested parties in the capital of the entity (Tabara&Ungureanu, 2012). It encompasses policies, processes that serve the needs of shareholders and other stakeholders, by directing and controlling activities with good business savvy, objectivity, accountability and integrity. The perceived quality of a company's corporate governance seems to influence its share prices as well as the cost of raising capital; this depicts the importance of corporate governance to public firms (Olannye, 2014).

Theoretical Review

The theories used in this study are the Agency Theory and the theory of Inspired Confidence

Agency Theory

Agency theory also referred to as the principal-agent theory describes the agency relationship contract that exists between the principal(s) and the agent to perform some service on their behalf, which involves delegating some decision making authority to the agent (Meckling& Jensen, 2000). Outlines the relationship between the agent and the principal in an organization (Keasey, Thompson & Wright, 1997). Furthermore, it is concerned with resolving the problems in a relationship with conflict of interests and risk sharing when attitudes toward risk diverge (Eisenhardt, 1989).For Public firms, internal audit independence plays an important role in reducing both information asymmetry by empirically confirming the validity of financial statements and agency problems (Kiema, 2012). The role of the auditor is to supervise the relationship between the manager and the owners (Mahdi, 2010). The extent of uncertainty about whether the agent will pursue self-interest rather than comply with the requirements of the contract represents an agent risk for an investor (Fiet, 1995). Given that principals will always be interested in the outcomes generated by their agents, agency theory demonstrates that accounting and auditing have an important task in providing information and this task is often associated with stewardship, in which an agent reports to the principal on the companies' events (Ijiri, 1975).

Theory of Inspired Confidence

This theory was developed in the late 1920s by the Dutch professor Theodore Limperg Limperg's theory addresses both the demand for and the supply of audit services. The demand for audit services is the direct consequence of the participation of third parties in the company in which they demand accountability from the management, in return for their investments in the company (Sarens&Beelde, 2006). The theory of inspired confidence addresses both the demand and supply for internal audit services.Stakeholders in a firm demand accountability from the management, in return for their contribution to the company. Since information provided by management might be biased, there is a possibility of a divergence between the interest of management and outside stakeholders, and for this reason, an audit is required (Mahdi, 2011).

Empirical Review

Some empirical studies have been done on this subject matter relating to this study in some countries.Rosemary McGee & John Gaventa (2010) carried out a study called Synthesis report:Review of impact and effectiveness of transparency and accountability initiatives: The research was carriedout by researchers in the US, South Africa, Brazil and India. AQuantitative approach was adopted by analyzing aggregated survey data discovered that Transparency and accountability initiatives have contributed to Better Spending Use and better Conveyance ofadministrations and lowering of corruption.In a Research carried out by OlowolajuMonisola (2013) on Effect of Internal Audit on Prevention of Frauds, Errors And Irregularities In Corporate Organizations. In Nigeria. The method of data collection for this research was done through questionnaires and the results revealed that internal audit controls were essential for fraud prevention in a firm. Furthermore,Coram, Ferguson and Moroney (2006) Studied; The value of internal audit in fraud detection aimed to determine whether organizations that have internal audit functions are more likely to detect fraudThis research used Mixed Methodology was used for this research as secondary data was derived from KPMG and Primary was gotten from Mail Survey and was carried out by the department of Accounting and Finance of the University of Melbourne, Melbourne 3010 Australia.. The Results of this Study Suggested that keeping the internal audit functions within the organization is more effective than outsourcing that function.

Research Design

The research design adopted in this study was the survey research design.This method was adpted because it is the best way to collect data that was used for this study.

Population of the Study

The population of this study consists of all Public Firms listed in the Nigeria Stock Exchange.

Sample Frame, Sample Size and Sampling Technique

The sample frame used for this study were five public firms out of the public firms quoted in the Nigeria stock exchange.Sample of five hundred staff were selected from the staff of the selected firm.

Method of Data Collection

The data for this study werecollected using structured questionnaires consisting of variables used in this study. Questionnaires were used because it is the best option to collect information on research of this nature. Five hundred (500) questionnaires were distributed within the targeted sample frame out of which Four Hundred and Sevent Two (472) were returned.

Data Analysis Technique

Data collected were analyzed using simple linear regression model.

Data Presentation, Analysis, Interpretation and Discussion

Primary Data Analysis

Table 1. Analysis of questionnaire Distributed and Collected

	Number of questionnaires	Percentage of distribution
Administered	500	100%
Collected	472	94%

Source: Field survey, April, 2017.

A response rate of 94% indicates a high response rate and thus can be regarded as a valid representative of the sample population.

Test of Hypotheses and Analysis

Hypothesis one

H_{01}: Internal Audit has no statistical significant effect on Fraud Prevention

Table 2. Regression Analysis showing the relationship between Internal Audit and Fraud Prevevtion

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744[a]	.554	.544	1.88709

a. Predictors: (Constant), internal_audit

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	199.179	1	199.179	55.932	.000[b]
	Residual	160.250	45	3.561		
	Total	359.430	46			

a. Dependent Variable: Fraud_Prevention
b. Predictors: (Constant), internal_audit

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.898	1.028		.874	.387
	internal_audit	.827	.111	.744	7.479	.000

a. Dependent Variable: Fraud_Prevention

Degrees of freedom (Df) = n-1 that is 47-1 = 46

Interpretation of result

From the regression analysis carried out on the variables, the coefficient of the independent variable (Internal Audit) is 0.744, which is positive. This shows that there is a positive relationship between internal audit and fraud prevention. This essentially means that internal audit has a positive impact on Fraud prevention of public Firms in Nigeria.The R^2 which is the overall coefficient of determination or the explanatory power of the variable is 0.554 or 55.4%, therefore R^2 = 55.4% this indicates that 55.4% of the variations in fraud prevention are due to internal audit. The remaining 44.6% of changes however, are explained by variables not considered in this work but can cause variation in the dependent variable (Fraud Prevention). The level of significance of 0.000 0r 0% is less than the normal level of significance 0.05 or 5% which shows that the relationship between the variables is positive.

The T test at 0.05 significance level and 4 degrees of freedom shows that T calculated is $|2.754|$ while T tabulated is 2.132

If T tab < T calc - Accept H_1 and Reject H_0

If T calc< T tab – Reject H_1 and Accept H_0

From this result, T tabulated (2.132) is less than T calculated $|-2.754|$; we therefore reject the null hypothesis.

DECISION: Null Hypothesis will be Rejected

Testing of Hypothesis Two

Hypothesis two

H_{02}: There is no statistical significant influence of Internal Audit on Firm Credibility

Table 3. Regression Analysis showing the realationship between Internal Audit and Firm Credibility

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.691[a]	.478	.466	1.67214

a. Predictors: (Constant), internal_audit

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	110.059	1	110.059	39.362	.000[b]
	Residual	120.231	43	2.796		
	Total	230.290	44			

a. Dependent Variable: Firm_Credibility
b. Predictors: (Constant), internal_audit

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.402	.911		3.736	.001
	internal_audit	.615	.098	.691	6.274	.000

a. Dependent Variable: Firm_Credibility

Interpretation of result

From the regression analysis carried out on the variables, the coefficient of the independent variable (lnternal Audit) is 0.691, which is positive shows that there is a positive relationship between Internal Audit and Firm Credibility. This essentially means that Internal audit have positive influence on Firm Credibility.The R^2 which is the overall coefficient of determination or the explanatory power of the variable is 0.478or 47.8%, therefore R^2 = 0.478 this indicates that47.8% of the variations in Firm Credibility are due to Internal Audit. The remaining 52.2% of changes however, are explained by variables not considered in this work but can cause variation in the dependent variable (Firm Credibility). The level of significance of 0.000 or 0% is less than the normal level of significance 0.05 or 5% which shows that the relationship between the variables is positive. The T test at 0.05 significance level and 50 degrees of freedom shows that T calculated is 14.755 while T tabulated is 1.676

If T tab < T calc - Accept H_1 and Reject H_0
If T calc< T tab – Reject H_1 and Accept H_0

From this result, T tabulated (1.676) is less than T calculated (14.755); we therefore reject the null hypothesis.

Decision: Null Hypothesis will be Rejected.

Testing of Hypothesis Three

Hypothesis three

H_{03}: Internal Audit has no statistical significant effect on Corporate Governance.

Table 4. Regression Analysis showing the relationship between Internal Audit and Corporate Governance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.983[a]	.966	.965	.47165

a. Dependent Variable: Firm_Credibility

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	282.058	1	282.058	1267.923	.000[b]
	Residual	10.011	45	.222		
	Total	292.068	46			

a. Dependent Variable: Corporate_Governance
b. Predictors: (Constant), internal_audit

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.083	.257		.322	.749
	internal_audit	.984	.028	.983	35.608	.000

a. Dependent Variable: Corporate_Governance

Interpretation of result

From the regression analysis carried out on the variables, the coefficient of the independent variable (Internal Audit) is 0.983, which is positive shows that there is a positive relationship between Internal Audit and Corporate Governance of Public Firms in Nigeria. This essentially means that Internal Audithas a significant effectonCorporate Governance on Public Firms in Nigeria.The R^2 which is the overall coefficient of determination or the explanatory power of the variable is .966or 96.6%, therefore $R^2 = 0.966$ this indicates that96.6% of the variations inCorporate Governance are due to Internal Audit. The remaining 3.4% of changes however, are explained by variables not considered in this work but can cause variation in the dependent variable (Corporate Governance). The level of significance of 0.000 or 0% is less than the normal level of significance 0.05 or 5% which shows that the relationship between the variables is positive. The T test at 0.05 significance level and 50 degrees of freedom shows that T calculated is 11.718 while T tabulated is 1.676.

If T tab < T calc - Accept H_1 and Reject H_0
If T calc< T tab – Reject H_1 and Accept H_0
From this result, T tabulated (1.676) is less than T calculated (11.718); we therefore reject the null hypothesis.

DECISION: Null Hypothesis will be Rejected

RESULTS

- In the study it was discovered that there is a positive relationship between internal audit and Fraud Prevention based on the result of the first model tested. There is a Positive relationship between Internal Audit and Fraud prevention in Public Firms of Nigeria.
- Furthermore, Internal Audit was found to have a positive effect on Firm Credibility in Public Firms of Nigeria based on the result of the second model tested.There is a positive relationship between Internal Audit and Firm Credibility in Public Firms of Nigeria.
- Finally, the study affirmed that, Internal Audit has a positive significant effect on Corporate Governance of Public Firms in Nigeria. i.e.there is a positive relationship between Internal Audit and Corporate Governance in Public Firms of Nigeria.

Conclusion and Recommendations

This Study has confirmed that Internal Audit has a significant effect on the enhancement of Transparency of Public Firms in Nigeria and that Public Firms in Nigeria Transparency can be enhanced by ensuring conclusive, satisfactory and comfortable working conditions of staff. It also shows importance of the auditors' role in the detection of fraud which is continuously growing. In order to enhance Transparency in Public Firms in Nigeria.

The Following Strategies are recommended:

They are to ensure that there is segregation of duties, efficient internal controls, jobs satisfactions and job enrichment, Training techniques should be upgraded to test honesty and integrity and not just technical skills. This should entail extensive training program are regularly done, as well as personality tests and Intelligent Quotient (IQ) tests so as to understand the personality and character of the trainee. This would reduce negligence and carelessness in carrying out basic procedures that could pose as loopholes for fraud, Public Firms in Nigeria are to increase their requirements pertaining to qualifications and draw up more efficient screening techniques, The recruitment process for internal audit staff should be thorough and transparent to ensure the enlistment of only qualified personnel, Management of Organization should co-operate with internal audit staff to promote effectiveness of the various control measures put in place andRegular training of the staff of internal audit departments is necessary to sharpen their skills of implementation of necessary procedures.

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