

EFFECT OF INTERNAL CONTROL ON FRAUD PREVENTION IN EBONYI STATE MINISTRIES, DEPARTMENT AND AGENCIES (MDAs)

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Abstract

This study examined the effect of internal control on fraud prevention in Ebonyi State Ministries Department and Agencies (MDAs). The main objective of this study is to determine the effect of internal control on fraud prevention in Ebonyi State Ministries, Department and Agencies (MDAs). Specifically the study sought to ascertain the effect of control activities on fraud prevention in Ebonyi State Ministries Department and Agencies (MDAs), to determine the effect of control environment on fraud prevention in Ebonyi State Ministries Department and Agencies (MDAs) and to examine the effect of monitoring activities on fraud prevention in Ebonyi State Ministries Department and Agencies (MDAs). The study employed cross survey design and ordinary least square estimation technique complimented by statistical package for social sciences (SPSS) primary data was generated from the respondents using structured questionnaire. The study finding underline that control environment, control activities and monitoring activities has significant effect on fraud prevention in Ebonyi State Ministries Department and Agencies (MDAs). The study recommended that Ebonyi State Ministries Department and Agencies (MDAs) should ensure that an effective and adequate internal control system such as control environment, control activities and monitoring activities should be put in place since internal control system prevent fraud occurrences in the Ministries

Introduction

The effect of internal control on prevention of fraud in ministries, Department and agencies (MDAs) cannot be over emphasized as each case of fraud has its devastating effect on not only in ministries, Department and agencies (MDAs) also the national economy at large. The Nigerian economy due to persistence of fraud and mismanagement has been plunged into debt crisis which a part of wider crisis of accumulation which has already resulted in a market deterioration in the aggregate performance of the production sector of the economy, a balance of payment. The menace of fraud in nation building cannot be over-emphasized as it contributes to retardation and decay of infrastructure of many nations (Agwor and Akani, 2017). Fraud is a deliberate deception with the aim of securing a personal benefit by taking advantage of others. It could be in the form of miss appropriation, theft or embezzlement of public assets in a particular economic environment. It is embedded deeply in the Nigerian public sector to the extent that an attempt to fighting it makes one look like an alien.

In a bid to remedy this ugly situation, There is need for the establishment of a robust system of internal control to provide assurances that government funds and other assets are used for purposes they were meant. One major ways of achieving this is through the institution of internal control. Internal control is a whole system of control, financial and non-financial, established by management in order to secure as far as possible, the accuracy and reliability of the records, run

the business in an orderly manner and safeguard the organization’s assets, its aim being the prevention or early detection of fraud and errors (Benjamin, 2001).

Internal control systems operate at different levels of effectiveness. for the purpose of this study I will dwell on this three components of internal control and these are as follows: Control Environment, Control Activities and Monitoring, which I narrowed down to its three major components which includes the followings: : Control Environment, Control Activities, and Monitoring activities.

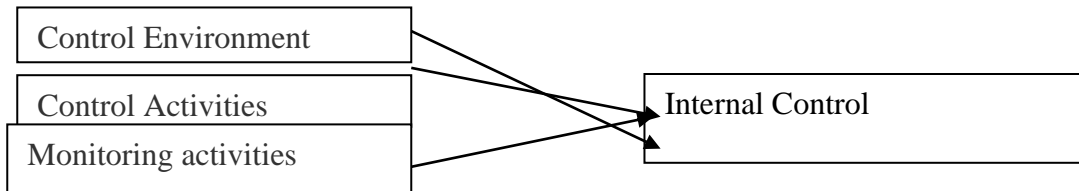


Figure I: component of internal control

1.2. Statement of the Problem

Incessant cases of fraud are one of the greatest challenges facing the civil service of Ebonyi State ministries. In recent times, Ebonyi State recorded an increase in its wage bill without a corresponding increase in the workforce. This unfortunate situation aroused government curiosity to determine the actual workforce through various exercises such as biometric capturing and personnel verification amongst other measures. Result of the exercises showed that a good percentage of the workers whose names appear on the payroll are fictitious (Adongoi and Victor, 2016). Therefore, it is a viable threat to the economy of the state which requires the attention of scholar to determine ways *whereby control environment, control activities and monitoring activities* will be effectively carried out in order to provide some assurance that scarce resources like money and any other related resources will not be diverted way from basic considerations level inherent in financial management design of the ministries.

Poor Control Environment: The control environment, as established by the organization's administration to sets the tone of an institution and influences the control consciousness of its people and Leaders of each department, area or activity establish a local control environment has deviated from the standards. The foundation for all other components of internal control, providing discipline and structure are very poor.

Inadequacy of Control Activities : Controls activities which include the policies and procedures maintained by Ministries to ensure management directives are carried out in orderly manners which include a range of activities such as “approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties for achieving its aims and objectives are not adequately controlled by the people that are charged with such responsibilities (Emmanuel 2012).

Inconsistent Monitoring Activities: Internal control systems need to be monitored consistently. One of the greatest challenges facing the civil service of Ebonyi Ministries, Department and

Agencies In recent times is how quality of the system's performance over time, Although many scholars have researched on the effect of internal control and fraud prevention, but many of the studies carried out in this area were in environment outside Ebonyi state which is my case study. For instance, these studies were carried out in Turkey, Kenya and Ghana (Buyucoban and Unkaya 2016) Oguda, Odhiambo and Byaruhanga, 2015; and Oduro and Gromwell; 2018) respectively.

Cases of Fund Misappropriation and Embezzlement in Ebonyi State Ministries and Parastatals.

S/N	MINISTRIES	YEARS	AMOUNTS (N/M)
1	Ministry of Agriculture	Falsification of salary August-December 2001.	1,661,515
2	Ministry of Health	November-December 2001 June, July, August 2001.	1,700,000
3	Hospital Management board	2000 -2003	2.319 783.58m
4	State Newspaper and publishing corporation	2001 – 2003	1,400,000m
5	Ebonyi cable television	2001 – 2003	N3.173 634.95 N262,877
6	State Audit	2001 – 2003	9,54,303.12

Sources: Ebonyi state white paper on fund misappropriation in the ministries and parastatals January, 2004

1.3 Objectives of the Study

The main objective of this study is to determine the effect of internal control on fraud prevention in the Ebonyi State ministries.

Specifically the study sought.

1. To ascertain effect of control activities on fraud prevention in Ebonyi state ministries?
2. To determine the effect of control environment on fraud Prevention in Ebonyi state ministries.
3. To examine the effect of monitoring activities on fraud prevention in Ebonyi state ministries

1.4 Research Questions

In order to achieve the objectives of the study, the following research questions were formed:

1. What is effect of control activities on fraud prevention in Ebonyi state ministries?
2. What the effect of control environment on fraud Prevention in Ebonyi state ministries?
3. What is the effect of monitoring activities on fraud prevention in Ebonyi state ministries?

1.5 Hypotheses of the Study

From the above stated objectives of the study, the following null hypotheses shall be tested.

1. H₀: control activities do not significantly affect fraud prevention in Ebonyi state ministries.
2. H₀: control environment does not significantly affect fraud Prevention in Ebonyi state ministries.
3. H₀: monitoring activities does not significantly affect fraud prevention in Ebonyi state ministries

1.6 Significance of the Study

The findings of this study will be useful to the following:

Government: Ebonyi state government will benefit from this study on the following ways: it will help them to detect errors and fraud of its kind.

Academia: To the academia the finding of this study will contribute to the available literature of the current scenario of fraud prevention through the internal control system. Base on the empirical finding and analyses the result of the study will be of good benefit to the further researcher who will be researching on this topic, also prospective researcher will find this work of great relevance as a reference material to assist them in further research into similar area of study in the future.

1.7 Scope and Limitation of the Study

This study will examine the effect of internal control on fraud prevention in Ebonyi state ministries. The study focuses on the major components of internal control such as control environment, control activities and monitoring activities, while the dependent variable is fraud prevention. The execution of this project research in a developing country like Nigeria can't be without its own problems, in the course of this study the researcher encounter a several obstacles and obstruction, this study was firstly limited by the inability of the researcher to reach every civil servant in Ebonyi State, However this limitation will be surmounted by the carefully selection of the civil servant in Ebonyi State,

1. Data Availability: Internal control activities involves resources which among them are men and it has been observed that among all the resources only men (people) commit fraud and errors either by processing or judgment because of this data will not be easy to generate. But this can be surmounted by systematic psychological reasoning and choice of words Plans among employee such as human cleverness, potential human errors, circumvention of control and evasion of control by top management has been designed to override internal control techniques but this will be overcome by the uses of administrative procedure.

Review of Related Literature

2.1.: Conceptual Review

2.1.1 Concept of Internal Control

The following concepts: Control Environment, Risk Assessment, Control Activities were reviewed in this section. Ministries, Department and Agencies (MDAs) Function revolves around controlling, monitoring and implementation, accounting, auditing and reporting (Nwosu and Mshelia,2015)

2.1.2: Control environment:

The control environment reflects the overall attitude, awareness and actions of board of directors, management, owners and others concerning the importance of control and the emphasis placed on control in the company policies, procedure, method and organizational structure, (Mohammed ,2016).

2.1.3 Control Activity

According to Idowu and Adedokun (2013), Control activities are referred to the policies and procedures maintained by an organization to ensure management directives are carried out. They include a range of activities such as “approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties.” Control activities are the most visible element of internal control and arguably the most important in preventing wrong actions from occurring. Emmanuel (2012) stated that control activities are the policies and procedures that help ensure that all necessary actions are taken in order to address the risks involved in the achievement of the Ministries set objectives. Control activities that are relevant to the audit include: Performance review Information processing Physical control, Segregation of duties.

2.1.4: Monitoring

Haladu (2018) assert that monitoring is used to assess the quality of Internal Control performance over time. Monitoring is a process of assessing the quality of internal control performance over time, considering whether controls are operating as intended and assuring that they are modified as appropriate for changes in condition (Mohammed, 2016). Simmons (1995). Monitoring determines whether or not policies and procedures designed and implemented by management are being conducted effectively by employees. Monitoring also helps ensure that significant control deficiencies are identified timely and rectified. Monitoring internal control requires a process. This process assesses the quality of internal control in course of time (Okonkwo and Ezegbu 2016).

2.2 Empirical Review

Idowu and Adedokun (2013) examined the effect of internal control system on fraud detection in selected commercial Bank in Nigeria. The objective the study was to determine the effect of internal control on fraud detection in selected Nigeria commercial banks. Primary data were sourced through the uses of structured questionnaires while secondary data were gathered from the published account and report of the banks base on the information supplied by CBN from return of the banks. Analysis of data was done using regression analysis anchored on ordinary least square (OLS) method while hypothesis were tested at 5% level of significance with Pearson correlation moment. The result of analysis revealed that employee enhances the chance of fraud detection in Nigeria commercial bank. The study recommended that banks should strive to remunerate their staff adequately to enable them meet up their basic needs.

Gbegi and Adebisi (2015) carried out study on analysis of fraud detection and prevention strategies in the Nigerian public sector using 30 ministries. Three hundred and ninety two (392) structured questionnaires were administered but only three hundred and fifty (350) were received. Data collected were analyzed using descriptive statistics with the aid of SPSS version 17.0, while hypotheses were tested using regression at 5% level of significance. The outcome of the analysis

indicated that there is positive and significant relationship between management policies and the Nigeria public sector fraud, secondly, it also showed that there is no strong internal control system in the Nigeria public sector and management integrity has influence on fraud prevention in that sector. The study recommended that there is need to develop strong management policies that can take advantage of modern accounting and auditing software to enhance efficient and easy detection of fraud.

Onyefulu and Ofor (2016) investigated the effect of internal control on fraud prevention and detection in the Nigeria public sector. The study aimed at determining the effect of internal control practices on fraud prevention and detection in Anambra State. Structured questionnaires administered to 399 targeted respondents were used in data collection. Data were analyzed using Pearson’s moment correlation coefficient. Result of the analysis revealed that the public sector of Anambra State is not adequately staff of equipped with qualified personnel to prevent and detect fraud. It was recommended that their accounting systems should provide an efficient means of recording and reporting financial transactions and other management information required so that public assets will be protected from fraud.

2.2.1 Gap in Literature

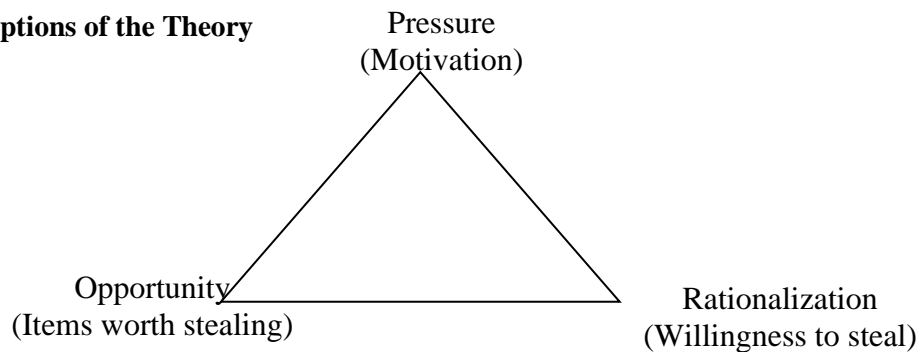
The empirical studies reviewed revealed that most researches carried out were mainly on fraud and internal control in the states Ministries Department and Agencies (MDAs). Most of the studies were directed at the insufficiency and lack of staff motivation and non-provision to the workers causes fraud. This study is carried out to bridge the empirical gap of the effect of internal control on fraud prevention in Ebonyi state, a case of Ebonyi state Ministries Department and Agencies (MDAs)

2.3. Theoretical Framework

2.3.1 Theory Fraud Triangle

This theory was propounded by Donald Cressey in 1953. The theories argued that lack of internal control create opportunity for the fraud to take place. The theory went further to states that three things are responsible for the causes of fraud. These are (1) pressures. (2) Opportunity. (3) Rationalization

Assumptions of the Theory



Sources: Well 2006

Figure 1.0 Fraud Triangle

Methodology

3.1. Research Design

This study employed cross-sectional survey design. The type of design allows the research to collect data from a population at a specific point in time. This design is appropriate in this study due to its ability to be used in measuring perceptions, attitudes, knowledge and orientation of people in a given population. Rubin and Babbie, 2005).

3.2.: Area of the Study

The study was carried out in seventeen (9) Ministries of Ebonyi State which are located in the capital city of the state.

3.3: Population of the Study

The population of the study is 75 senior staff from grade level (GL) 7 and above in the 17 ministries. This number (149) are made up of 88 senior staff in account department 22 senior staff in internal audit department and 39 senior staff in the central administration department (see table 1 below).

Table 1: Table of population of the study

S/N	MINISTRIES	Account	Audit	Admin	Total
1	Head of service (HODS)	5	1	3	9
2	Ministry of finance	6	1	3	10
3	Ministry of information/state orientation	5	2	2	9
4	Ministry of Agriculture	4	1	2	7
5	Ministry of commerce and Industry	5	2	3	10
6	Ministry of works and transport	5	1	2	8
7	Ministry of culture and tourism	4	1	2	7
8	Ministry of land and survey	5	1	3	9
9	Ministry of power	5	1	1	7
	Grand total	45	11	19	75

Source: Field survey 2023

3.4. Determination of Sample Size

Sampling means selecting a given number of subjects from a defined population as a representative of that population. Any statement made about the sample should also be true of the population (Orodho, 2003). Accordingly, the entire population of the senior staff in the three (3) selected departments of the nine (9) ministries is 75. Therefore, in order to determine the sample size, Taro Yamani's formula was used. Thus, the formula for Taro Yamani is stated below:

$$n = \frac{N}{1 + N(e)^2}$$

Where

n	=	Sample size
N	=	Population of the study
e	=	Error margin
I	=	Constant

3.5. Sample Techniques

Nine (9) ministries of Ebonyi State Government were studied in this study. Moreover, the sample size was determined by the researcher through the use of Taro Yamani's formular. Consequently, Bowley's proportionate allocation technique was also adopted to determine the appropriate share of the sample size (75) that was appropriate to each ministry, which also represented the number of questionnaires allocated to that ministry relative to the population. Thus, Bowley's appropriate allocation technique is given by:

$$nh = \frac{NHn}{N}$$

Where

Nh = Population size of each ministry

n = Sample size obtained = 75

N = total population = 75

Table 2: table of sample size distribution

Put here

3.6. Sources of Data

The data used for this study were basically collected through primary means with the aid of structural questionnaires

3.7.1. Control Environment - Deals with the set of standards, processes and structures that provide basis for carrying out internal control across the organization. Control environment factors include integrity, ethical values and competence of the organization's people; management philosophy and operating style, organizational structure and human resource policy and practice etc. (Oguda, Odhiambo and Byaruhanga, 2015).

3.7.2. Monitoring Activities: It involves the review of an organization's activities and transactions to assess the quality of performance over time and to determine whether controls are effective (Onyefulu and Ofor, 2016). It is an assessment to determine the extent to which internal control practices have been carried out in order to ascertain what has been done and what should be done, all aimed in achieving the set objectives of the organization.

3.7.3. Fraud - is an intentional misrepresentation of truth or fact by an individual or group of individuals knowing same to be false which another party relies upon (Oduro and Cromwell, 2018).

3.7.4. Fraud prevention - is a proactive fraud-fighting measure of an organization. It deals with strong internal controls, willingness of management to prosecute offenders, authority limits and transaction level procedures among others.

3.8. Model Specification – For the purpose of achieving the objectives of the study, multiple regression model (MRM) anchored on ordinary least square (OLS) was used in this study to determine the relationship between the research variables. The MRM is represented as:

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + E_t$$

Where: Y = Dependent variable X_1, X_2, X_3 = explanatory variables

B_0 = intercept of Y or constant term.

B_1, B_2, B_3 = slopes of coefficients

E_t = error term

Where

FP = FRAUD PREVENTION

CA = Control Activities

CE = control Environment

MA = Monitoring Activities

B_0 = Intercept of Y or constant

B_1, B_2, B_3 = Slopes of coefficient

E_t = error term

3.9. Instrument for Data Collection

The instrument for data collection was a set of questionnaires which was divided into two sections. The first section was on demographic anatomy of the participants; while the second section aimed at finding out relevant information on the effect of internal control on fraud prevention in Ebonyi state ministries. The questionnaires were structured in a closed-ended form using a 5-points likert scale rating of strongly agree (SA), Agree (A), undecided (U), strongly Disagree (SD) and disagree (D).

Results

In this section of the study, the result from the various tests and data analysis concerning the effect of internal control on fraud prevention in the Ebonyi State ministries. The results and data presented include the demographic information on the respondents on whom the questionnaires were administered. The information (dataset) they provided were subjected to relevant analytical procedures following the research objectives earlier set..

4.1 Demographic Characteristics of the Respondents

The demographic data for respondent included gender, age, educational levellandposition/level. Table 1 presents the reaction of the respondents on customer aggression and workplace behavior based on gender notation.

Table 1: Gender information of respondents

Item	No. of respondents	%
Gender		
Male	67	45.0
female	82	55.0

Data generated by researcher from field work 2023

Out of the 75 respondents sampled, 67 or 45% were female while 182 or 55% were male. The important observation here tallies that job-seeking in the ministries has a near-even pull on both gender. The age composition of the respondents can also provide some useful insight into the workforce of the ministries. As typical of most civil service organizations, the ministries has an attraction for middle aged persons. Table 2 below shows the respondents' age information

Table 3: Educational information of the respondents

Item	No. of respondents	%
Educational qualification of respondents		
SSCE	24	16.1
Diploma/NCE	23	16.4
HND/BSC	75	55.3
MSC/MBA	27	18.1

Data generated by researcher from field work

The table indicates that people with ordinary level certificate (SSCE) made up significant composition of the staff respondents from the ministries with 24 (16.1%) of the respondents falling within this category. The staff respondents with ordinary national diploma and its equivalent (NCE/OND) recorded 23 or 15.4%. Those with higher national diploma and bachelors were 75(55.3%); Masters or higher degree holders (M. SC/Ph. D.) were 11.4% and 6.7% respectively. Uncertainty and variability related to the process of fraud prevention requires employees' initiative and knowledge, these are better enhanced through acquiring education and or professional training courses.

It is also instructive to peer into the status (the organizational position) of the respondents. The study had grouped them into high level staff, middle level staff and low level staff respectively. Their composition is displayed in the table below:

Table 4: Organization position of the respondents

Item	No. of respondents	%
Position/level of respondents		
High level staff	26	17.4
Middle level staff	27	18.1
Low level staff	96	64.5

Data generated by researcher from field work

Out of the 75 staff respondents, 26 or 17.4% were high level staff, 27 or 18.1% were middle level staff while the rest of the respondent (mostly the largest fraction – 96 or 64.5%) are low level staff. The reliability of the outcome of this study is further enhanced by the spread such that those that can be described as the frontline workers (who have most contact with fraud incidents/opportunities in the ministries) makeup the lowest composition.

4.2 Scale reliability test

Validity of the outcome of this study has foundation on the reliability of the scale. The scale adopted in the study are:

VHE = very high extent

HE = high extent

ME = moderate extent
 LE = low extent
 VLE = very low extent

On the scaling, positive statements were assigned numerical values (VHE =5, HE =4, ME = 3, LE = 2 and VLE = 1); but where the statements are negative it becomes the reverse. (VLE = 1, LE =4, ME = 3, HE = 2 and VHE = 1)

Of the 149 questionnaires administered, onehundred and forty-eight (148) were valid for analysis. A reliability analysis (Cronbach’s Alpha) was conducted to ensure the validity and reliability of the questionnaire items.

4.4 Regression Analysis of the Effect of Internal Control on Fraud Prevention in the Ebonyi State Ministries

In the previous section, the analysis on the correlation was done to ascertain the nature of the relationship between the internal control variables and the prevention of financial fraud in the ministries. In this subsection, the study conducted regression analysis to determine the size of the effects of the explanatory variables (internal control activities, control environment and monitoring activities) on the explained variable (fraud control). The regression result is presented thus:

Table 5: Regression Result

Model Summary				
R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
.99	.98	.96844	1.970	

a. Predictors: (Constant), VAR00003, VAR00001, VAR00002

b. Dependent Variable: VAR00004

	Std. Error	Beta	t	Sig.
(Constant)	.690		9.867	.000
VAR00001	.084	.076	2.953	.032

VAR00002	.084	.127	2.512	.013
VAR00003	.083	.358	4.310	.000

Source: Researcher’s computation 2023 (SPSS)

As indicated in the result (table 9 above), the coefficient of determination (adjusted R-squared) showed that the models goodness of fit is 0.98(or 98%). That means that the model explaining financial fraud control could contain the variables internal control activities, control environment and monitoring activities as the determinant variables. The unexplained effect is 2% attributed to variables external to the model. The result also shows that the standard error of the estimate (the model) is minimal (at 0.96844). the Durbin-watson value indicates the absence of multicollinearity in the model.

From the result, it is also indicated that the independent variables turned up with positive and significant coefficients. The internal control activities variable (var0001) was shown to be positive and significant in explaining financial fraud prevention. The coefficient is [0.076] while the p-value is (0.032). The control environment variable (var0002) also turned up positive in explaining fraud prevention. The coefficient is [0.127] while the p-value is (0.013). similarly, the monitoring activities variable is also positive and significant in explaining financial fraud prevention. The coefficient of the variable is [0.358] with a p-value of (0.000).

4.5 Test of Research Hypotheses

4.3.1 Hypothesis one

The hypothesis is first stated in the null form:

H₀: Control activities do not significantly affect fraud prevention in Ebonyi state ministries.

To evaluate this, the alternative form of the hypothesis is stated thus:

HA₁: Control activities significantly affect fraud prevention in Ebonyi state ministries.

Decision rule: accept the null hypothesis if the p-value of the regression coefficient is high than the significance level (0.05).

Following the regression result presented in table 9, the coefficient of the control activities variable is 0.076 and the p-value is 0.032; based on the decision rule, the study hereby rejects the null hypothesis because p-value is less than significance level (0.032< 0.05), the alternative is accepted that control activities positively and significantly affect fraud prevention in Ebonyi state ministries.

4.3.2 Hypothesis two

To evaluate the second research hypothesis, it is stated in the null form as:

HO₂: Control environment does not significantly affect fraud Prevention in Ebonyi state ministries.

In the alternative:

HA₂: Control environment significantly affect fraud Prevention in Ebonyi state ministries.

Decision rule: accept the null hypothesis if the p-value of the correlation coefficient is high than the significance level (0.05).

As observed in table 9, the regression result showed a coefficient of 0.127 and the p-value is 0.013; relying on the specification of the decision rule, the study hereby rejects the null hypothesis because p-value is less than significance level ($0.020 < 0.05$), the alternative is accepted that control environment significantly affect fraud Prevention in Ebonyi state ministries.

4.3.3 Hypothesis three

In the third hypothesis, the study is to test whether monitoring activities has any effect on fraud prevention in the ministries, stated in the null form thus:

HO₃: Monitoring activities significantly affect fraud prevention in Ebonyi state ministries.

In the alternative, it is stated as:

HA₃: Monitoring activities significantly affect fraud prevention in Ebonyi state ministries.

Decision rule: accept the null hypothesis if the p-value of the correlation coefficient is high than the significance level (0.05).

As observed in table 9, the result showed a coefficient of 0.358 and the p-value is 0.000 for the monitoring activities variable; therefore, based the decision rule, the null hypothesis is hereby rejected because p-value is less than significance level ($0.000 < 0.05$), the study accepts the alternative hypothesis that monitoring activities significantly affect fraud prevention in Ebonyi state ministries.

5.1 Summary of Findings

The study examined the effect of internal control on fraud prevention in the Ebonyi State ministries. The summary of the findings is based on the results obtained from the analysis carried out in the study. Below is the summary of the research findings:

1. The study found that control activities have significant positive effect on fraud prevention in the Ebonyi State ministries. The coefficient is [0.076] and the p-value is (0.032).

2. The study found that control environment has significant positive effect on fraud prevention in the Ebonyi State ministries. Coefficient value is [0.127] and the p-value is (0.013)
3. The study also found that monitoring activities has significant positive effect on fraud prevention in the Ebonyi State ministries

The study examined the effect of internal control on the fraud prevention in the Ebonyi State ministries. Relying on the findings from the empirical results the study concludes that internal control has significant positive effect on fraud prevention in the Ebonyi State Ministries.

Based on the research findings and the conclusions drawn thereof, the following recommendations were made:

1. The ministries should expand its control activities to cover all areas of project implementation, this will improve control and reduces incidence and prevalence of fraud activities in the ministries
2. The ministries need to ensure that control environment is visible in all the departments and agencies; this is because there is presence of control environment checks on fraud activities.
3. The ministries should utilize monitoring activities in checking for fraud incidents and improve prevention strategies.

Demographic Characteristics of Respondents

Note: please tick as appropriate BIO DATA 1) Gender: (a) Male [], (b) Female [] 2) Age: (a)20-25 years [], (b) 26-30 years [], (c) 31-35 [], (d) 36 & above []. 3) Qualification: (a) SSCE/O’level [], (b) Diploma/NCE [], (c) B.Sc/HND [], (d) M.Sc/MBA [], (e) PhD [], Others please specify 4) Working experience: (a) 1-5 years [], (b) 6-10 years [], (c) 11 years & above []. 5) Status: (a) High level staff [], (b) Middle level staff [], (c) Low level staff []. TOPICAL ISSUES 6) To what extent do you think internal control can be used to

Section B

Instruction: Indicate your response by ticking () in the space provided below

Please answer the following questions to the best of your knowledge using the following ratings

(SA) = Strongly Agreed; U = Undecided; A= Agreed; D = Disagreed; SD = strongly disagree

Control Activities

s/n	ITEM	SA	A	N	D	SD
1.	There is strict compliance with the existing rules and procedures by the key executives.					
2.	Management implements recommendations made by auditors.					
3.	Authorization and duty segregation is observed in your ministry					
4.	Periodic Evaluation of activities ensures compliance with your ministry's established procedure?					
5	Effectiveness of management composition influence fraud prevention,					

Control Environment

S/N	ITEM	SA	A	N	D	SD
1	Management composition is effective to guarantee fraud prevention.					
2	There is good remuneration for staff					
3	Top management must partake before fraud can be successful					
4	Redundant payments periodically occur.					
5	Punishment due to error periodically occur					

Monitoring

S/N	ITEM	SA	A	N	D	SD
1	Fraud can be perpetrated with the involvement of an insider.					
2	Close supervision of employee helps in fraud prevention?					
3	A day-to-day check enhances fraud prevention in your ministry.					
4	Routine appraisal facilitate fraud prevent in your ministry.					
5	Inadequate supervision and posting perfect fraud.					

Fraud Prevention

S/N	ITEM	SA	A	N	D	SD
1	Separation of duties is effective in your ministry.					
2	Management does not apply effective measure to safe guide public assets.					
3	A personnel training enhances good internal control system.					
4	Internal audit does not contribute in building effective internal control system					
5	Motivation, opportunity and pressures perfect fraud in your ministry.					

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APPENDIX

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
SUM_Internacontractivi	88	2.40	4.80	3.8932	.63242	.400	-.666	.257	-.330	.508
SUM_ControEnva	88	2.20	5.00	3.3682	.52513	.276	.247	.257	-.075	.508
SUM_MonitoActivi	88	1.80	4.40	3.3250	.55611	.309	-.593	.257	.360	.508
SUM_FraudControPreventn	88	2.20	4.60	3.4591	.62157	.386	-.015	.257	-.927	.508
Valid N (listwise)	88									

Reliability Statistics

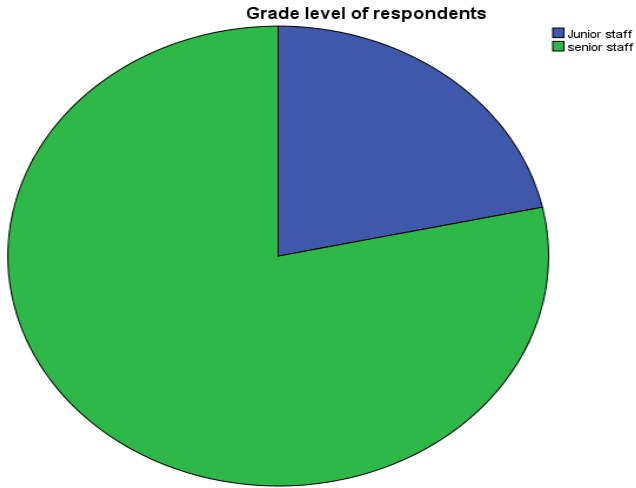
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.698	.782	5

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.6823	4.0980	3.4591	.30719	88
Residual	-1.00272	.98828	.00000	.54036	88
Std. Predicted Value	-2.529	2.080	.000	1.000	88
Std. Residual	-1.823	1.797	.000	.983	88

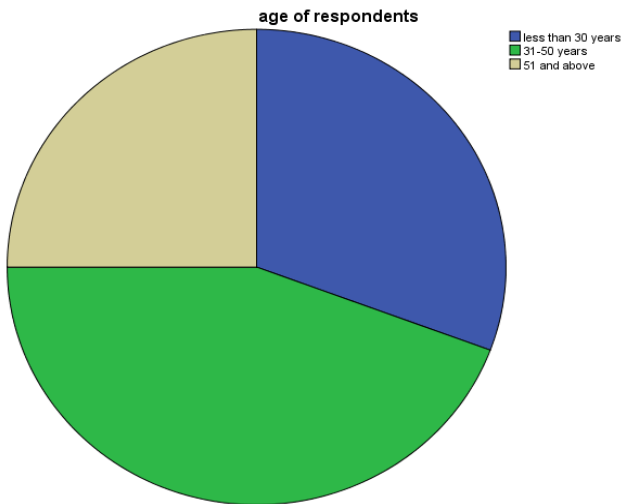
a. Dependent Variable: SUM_FraudControPreventn

Demography Analysis



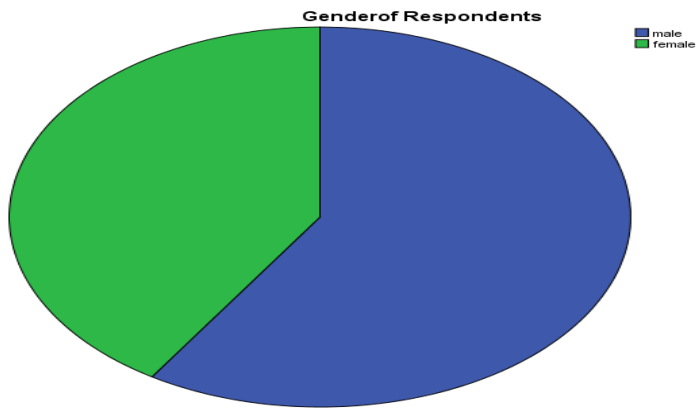
Grade level of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Junior staff	19	21.6	21.6	21.6
Valid senior staff	69	78.4	78.4	100.0
Total	88	100.0	100.0	



age of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
less than 30 years	27	30.7	30.7	30.7
Valid 31-50 years	39	44.3	44.3	75.0
51 and above	22	25.0	25.0	100.0
Total	88	100.0	100.0	



Gender of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
male	52	59.1	59.1	59.1
Valid female	36	40.9	40.9	100.0
Total	88	100.0	100.0	