

# The Role of Internal Audit and Control on Organizational Objective Achievement

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**Abstract:** - Internal audit and control are geared towards safeguarding the resources of the organization and achieving the organizational objective. The study investigates the role of internal audit and control on organizational objective achievement of selected deposit money banks in Ojo and Amuwo Odofin, Lagos. Organizational objective was measured by revenue and profitability and shareholders' value. A survey design; primary source of data was used through administration of questionnaires. The study used a sample size of one hundred and sixty (160) staff members in ten (10) banks. The data collected through the distribution of questionnaires was analyzed using the simple regression analysis with the aid of statistical package for social sciences (SPSS). It was discovered that the combined role of internal audit and control has a significant positive influence on revenue and profit generation of the banks. Also, internal audit and control has a positive effect on shareholders' value of the banks. Conclusively, internal audit and control has a positive effect on organizational objective. The study recommends that banks that seek to achieve it organizational objective with respect to revenue enhancement and profitability should improve in their internal audit functions and control system.

**Keywords:** Internal auditing, internal control, revenue, profitability and Shareholders' value.

## I. INTRODUCTION

A business organization exists to actualize some certain objectives. A vital condition for the survival of an organization lies on the ability of its members to act unflinchingly and efficiently to achieve the objectives of the organization. This objective includes increase in profitability, sales growth; increase in shareholders' value etc.

An effective internal audit is one of the key elements of good governance. Internal auditor are charged with the responsibility of supporting the organization in the effective discharge of duties, promoting the institution of cost-effective controls, assessing risks as well as recommending actions to mitigate those risks [20]. The internal audit functions provide management and the audit committee with assurance that risk faced by organization are understood and managed properly. It also serves as an internal consultant on many areas of interest. According to [37], the internal audit must evaluate and contribute to the improvement of an organization's governance process, risk management, etc. Effective internal auditing of banking organizations provides the assurance that public funds are not misused and or mismanaged [14].

Internal control as the power house of every organization has become of paramount importance as it is a major requirement for a viable accounting system. The globalization of economies, technological advancements, and complexity of businesses and allegations of fraudulent financial practices has recently sharpened the ever-increasing attention on internal audit and control [19].

The banking institutions play a crucial role to the survival of any economy. The audit function is the heart of any banking institution. All other units are linked with the internal audit unit. The main aim of internal audit consequently is to raise alarm over errors, and detect the points of failure in order to avert their re-emergence. The experiences of banks failure in Nigeria and other country have called for the bolstering of internal audit and the reinforcement of the controls system in the Nigerian banking sector [24]. internal audit units is meant to allow banks to foresee potential challenges that may cause financial losses thus averting or minimizing any potential losses. Inability of the internal audit to monitor the internal control effectively have contributed to major financial loses [28]. According to [9] the recent concern raised by the manager director of Nigeria Deposit Insurance Corporation could lead to bank distress if action not taken. Umaru Ibrahim the NDIC managing director pointed out weak corporate governance and ineffectual internal control as one of the major challenges in the Nigeria banking sector. This weakness if not looked into may distort organizational goal achievement.

Researches on the internal audit such as ([32], [34]) conclude that an efficient and effective internal audit system might prevent financial cost thus bolstering the financial performance and value of the firms. Internal audit as one of the four pillars of an organization's governance process should be allowed to work effectively and collaboratively with the other three pillars (Board of Directors, management, external audit) to ensure the achievement of organizational objectives [31]. In Nigeria there are few studies on internal audit and internal control in respect to private sectors. Thus the study investigates the role of internal audit and control in achieving organization objective.

The remaining part of the paper is structured into four sections. Section two discusses the literature and hypothesis development, section 3 the methodology, section 4 discusses the analysis and result while section 5 is the conclusion and recommendations

## II. LITERATURE REVIEW

### A. Theoretical Framework

The principal theory relating to auditing is still agency theory [7]. This study uses the agency theory to establish the role of internal audit on the achievement of organizational objectives of deposit money banks. Agency theory has been mostly used in various research studies to investigate the relationship between principals (shareholders) and agent (management). An agency relationship exists when managers and those employed perform a service on behalf of owners or shareholders with the delegation of some decision-making authority ([35], [33]). Rather than serving as mere watchdogs, internal auditors now expect to provide value added services, especially regarding assurances of business processes and risk.

### B. Conceptual Framework

1) *Internal Auditing*: Internal audit is defined as an objective assurance with the aim 'to evaluate and improve the effectiveness of risk management, control and governance processes' [36]. Internal audit has also been described as an independent appraisal of the effectiveness of internal control within an entity of its management process in achieving set objectives and goals ([13]; [17]). According to [29], "internal auditing is taking an increased importance in many of today's global organizations by assisting management in evaluating controls and operations and thereby providing an important element of global control". According to [25], the main aim of internal auditing is to assist management in discharging their duties effectively by providing them with analysis, assessment, recommendations and appropriate comments concerning the activities reviewed. Internal auditing is referred to as an independent appraisal activity within an organization for the review of accounting, financial and other operations as a basis of services to management [30]. According to [37], internal auditing is defined as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. Internal auditing which is often seen as constituting a large and significant aspect of an organization's financial control system is a vehicle to success and survival. Internal audit is a key part within an organization bears the responsibility of making sure that the internal policies are under control; they check the accuracy and completeness of organization's transition records; safeguard the organization's assets; prevent and detect fraud activity and error; arrange the time to prepare reliable financial statement and the lack of sound internal audit will have a material negative effect on profitability of companies. Internal auditing will help an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes [5].

[11] looked at the internal auditing practices and its effect on the quality of internal control. They summarised the services performed by the internal audit to cover four areas:

1. Review of adequacy and effectiveness of the control systems (accounting, financial, operational);
2. Ascertain the compliance to policies, rules and regulations which could impact significantly on the business operations;
3. Review the means of safeguarding the company's assets including efficiency and economy of resources employed; and
4. Review operations or programs to determine that the results are as established by management.

### C. Review of related empirical studies

Several researchers have conduct research in order to establish the relationship between internal audit and control and organizational objectives such as profitability and values.

#### 1). *Internal audit and organizational objective*

Researchers on internal audit with respect to two study proxies for organizational objective have followed a different result. While majority found a positive relationship, other found no relationship. [21] examined the relationship between the internal audit and firm performance in Serbia. The findings revealed that there is no relationship between the internal audit and firm performance. [8] carried out a study on the relationship between internal audit function and financial performance in Tertiary Institutions in Nigeria with particular reference to Cross River State College of Education, Akamkpa. Data source was primary and was collected questionnaires and interview guide. The study revealed that internal audit function has no significant effect on the financial performance of Cross River State College of Education. The study discovered that all activities of the College are initiated by the top management. [26] investigated how the function of internal audits departments contributed to the overall performance of an organization. They revealed that the internal audit department performs various functions which contribute immensely towards the overall performance of the study organizations through fraud reduction and excessive use of resources and inducing employee to give complete and accurate information.

[4] investigated the effectiveness of internal audit function and financial performance of companies listed in NSE. The finding confirmed that effective internal audit function has a positive influence on financial performance of companies listed at the NSE. The quality of internal audit function and their professionalism influences the financial performance of the firms. [31] examined the relation between internal audit and organization goals. The study used a conceptual approach of internal audit, which include mechanism of risk management, corporate governance and internal control. The results point out that internal audit is not only vital in the efficient risk management, internal control and corporate governance but also play a crucial role in the business survival

and success. [34] carried out a study on the implications of the internal audit on bank profitability Romanian commercial bank from 2003 to 2012. The study used a sample size of 15 Romanian commercial banks. The result of the regression showed that independent auditors’ statistically significant influence on bank profitability. [32] investigate the impacts of internal audit on profitability of firms in the hospitality industry a case study used was Chinhoyi University Hotel. The study used a sample of 21 employees confirmed that internal audit is vital tool in enhancing profitability of companies. Findings indicate that weak internal audit adversely affects the operations of CUT Hotel and results in poor internal communication, poor financial performance and high business risk. The study showed that value for money audits, information audits and continuous audits contribute substantially to the enhancement of profitability if implemented to the internal audit function.

[23] examined the effect of internal auditing on financial performance public institution in Kenya. The study used a sample size of all fifty seven management staff at KMC. The regression analysis analyze revealed that the relationship between the internal audit function existence and financial performance at the KMC was insignificant. The study concludes that internal auditing does not influence the profitability and return on investment of KMC.

2). *Internal control and organizational objective*

[22] conducted a research on effects of internal control systems on financial performance in institution of higher learning Uganda. In his study he investigated and sought to establish the relationship between internal control systems and financial performance in an Institution of higher learning in Uganda. Internal controls were looked at from the perspective of Control Environment, Internal Audit and Control Activities whereas financial performance focused on Liquidity, Accountability and Reporting as the measures of financial performance. The study established a significant relationship between internal control system and financial performance. [6] examined the correlation between internal control and enterprise value and confirmed that internal control system play a positive role in achieve company's goal and increasing enterprise value. [18] found that if banks comply with internal controls and audit procedures, they reduce their risk of experience failure. The ramifications of credit risk for banks extend beyond the investors, to the industry, the nation and the international community.

[10] investigate the effect of internal control on financial performance of some selected firms. The study administered about one hundred and fifty (150) questionnaires among selected employees, in five (5) organizations. The result of the analysis shows that internal control has significant relationship with fraud perpetrated in the organization. [12] studied the effect of internal control system improving on the company's value and dividend in listed companies on Tehran stock exchange. The study used a sample of 118 companies from 2010 to 2014. The findings from the analysis confirmed

that improvement of the internal control system has an impact on the value and dividend of the companies

[3] confirmed that internal control system has a positive and significant influence on Palestinian banking industry. The level of compliance with internal control is high which in turn influences the profitability of the bank. [28] affirmed that existence of effective internal controls affect financial performance of commercial banks in Kenya. The implementation and maintenance of effective internal control improves financial performance greatly. Existence of effective internal control is ascribed to the highly regulated and structured environment in the banking industry.

III. METHODOLOGY

Survey research design was adopted in the course of the study. The population is all listed deposit money banks in Nigeria. The study used a purposive sampling technique. The study used criteria in making selection of ten deposit money banks in Ojo and Amuwo Odofin LGA. The selection is based on their Deposit base and number of customers. The ten banks includes: First bank plc, Zenith bank plc, United bank for Africa, Access bank plc, Guaranty trust bank, Union bank, Eco banks, Fidelity bank, FCMB and Wema bank. The study purposively selected four key staff members from four branches of each of the banks. Thus a sample population of 160 respondents was used. A five-point Likert type scale questionnaire was used to collect necessary data to test the hypothesis of the study. Each question was designed so that respondents could react to the degree of agreement to the issue being discussed as follows: Strongly Agree= 5 Agree = 4; Undecided= 3; Disagree= 2; Strongly Disagree=1. The cronbach’s alpha was used to test the reliability of questionnaire and it gave a value of 0.804. This value is in line with the recommendation of [15] that cronbach’s alpha that has a coefficient of 0.70 and above is reliable enough.

**The following regression mode was used to perform data analysis**

$$TPROF = \beta_0 + \beta_2 IAC \dots\dots\dots (1)$$

$$SHV = \beta_0 + \beta_4 IAC \dots\dots\dots (2)$$

Where: TPROF = Turnover and profitability, SHV = Shareholders value, IAC = Internal audit and control

IV. DATA ANALYSIS AND RESULT

The data obtained from the respondents with respect to questionnaire was analyzed using SPSS, v20. The results obtained are presented below:

Table I TABLE of QUESTIONNAIRE RESPONSES

Item	Copies/Rate
No of Questionnaires distributed	160
No of Questionnaires Returned	151
Valid Questionnaires	150
Response Rate	93.75%

Source: Survey Research 2019

Table I shows that numbers of questionnaire distributed by the researcher to the respondents’ amount to 160 questionnaires. Among which 151 questionnaires were returned by the respondents and only 150 questionnaires valid for the analysis thus, bringing the total response rate to 93.75%.

**A. Demographic Profile**

The table below presents the demographic characteristics of the sampled respondents. It includes education qualification, working experience, income level and occupation.

Table II SOCIO-DEMOGRAPHIC CHARACTERISTICS of RESPONDENTS

Demography	Frequency	Percentage
<b>Gender</b>		%
Male	102	68
Female	48	32
Total	150	100
<b>Age</b>		
20-25	4	2.7
26-30	23	15.3
31-40	61	40.7
41 and Above	62	41.3
Total	150	100.0
<b>Education qualification</b>		
HND/BSC/B.ED	89	59.3
M.sc/MBA	58	38.7
PH.D	3	2
Total	150	100.0
<b>Working experience</b>		
1-5 years	6	4.0
5-10years	34	22.7
10-15years	61	40.6
16 and above	49	32.7
Total	150	100.0

Source: Using SPSS 20 by the Author (2019)

The table II above present the demographic analysis of the respondent in respect to (gender, age, qualification and working experience). Considering the socio-demographic statistic of the questionnaire, 102(68%) of the respondents were male, 48 (32%) of the respondents were female worker. This implies that the banks have more male staff in senior position.

With regard to the ages of the banks workers, 4(2.7%) of them are from the ages 20 to 25 years, 23(15.3%) from 26 to 30 years, 61(40.7%) from ages 31 to 40 years, 62(41.3%) from ages 41 and above.

Educational qualification of the respondents as shown above indicated that 89(59.3%) have HND/BS.C/B.Ed. certificate,

58 (38.7%) have MS.C/MBA while 3(2%) have a doctorate degree (PH.D). It can be observed that the majority of the sampled respondents are with HND/ BS.C followed by MS.C/MBA.

Next is working experience which reflects the numbers of years the respondents have been working in the banks. From the table above it observed that 6(4%) of the respondents are have worked for 1-5 years in the banks, 34(22.7%) for 5-10 years, 61 (40.6%) for 11-15 year working experience. While the remaining 46(32.7%) have worked for 16 and above. The study recorded highest sampled respondents from the 11-15 year’s range of working experience.

TABLE III KNOWLEDGE on THE INTERNAL AUDIT and CONTROL in THE SELECTED LISTED BANK

Characteristics	Percentage of respondents score (n=150)					Mean
	1	2	3	4	5	
Internal audit functions are periodically reviewed in line with current realities.	-	14(9.3%)	17(11.3%)	80(53.3%)	39(26%)	3.96
Internal Audit staff are aware of the risk policy of the organization	-	24(16%)	17(11.3%)	64(42.7%)	45(30%)	3.87
Management clearly segregates operations in line with level of risk	-	7(4.7%)	13(8.7%)	92(61.3%)	38(25.3%)	4.07
Failure in internal control are reported in timely faction	-	3(2%)	13(8.7%)	85(56.7%)	49(32.7%)	4.20

Source: SPSS by the Author (2019)

The second section of the study is in three sub-sections. Table III above therefore shows the questions relating to Knowledge on the independent variable, internal audit and control of the selected listed bank. The questions are four in number and the results are interpreted thus.

Firstly, question one which is Internal audit functions are periodically reviewed in line with current realities shows that 14(9.3%) disagreed, 17(11.3%) were indifferent, 80(53.3%) agreed while 39(26%) strongly agreed to the question. In relation to the average value of 3.96, it also shows that the average respondents were affirmative to the question one.

Regarding the second question of ‘Internal Audit staff are aware of the risk policy of the organization, 24 (16%) disagreed, 17(11.3%) were indifferent, 64(42.7%) agreed while 40(30%) strongly agreed to the statement. It also



showed from the mean value of 3.87 that most of the respondents either agreed or strongly agreed that Internal Audit staffs are aware of the risk policy of the organization.

Also, the next statement of ‘Management clearly segregates operations in line with level of risk’ revealed that 7(4.7%) disagreed, 13(8.7%) were indifference, 92(61.3%) agreed, and 38(25.3%) strongly agreed to the statement while the mean was 4.07 which showed that majority of the respondents respondent agree and strongly agreed to the statement.

In addition the table present response to question four relating to ‘Failure in internal control are reported in timely faction, 49(32.7%) strongly agreed, 85(56.7%) agreed, 13(8.7%) were indifferent while those that disagreed were 3(2%). The mean value was also 4.20 which shown that the mean respondent in the banks on failure in internal control are reported in timely faction is positively skewed.

TABLE IV EFFECT of INTERNAL AUDIT and CONTROL on TURNOVER and PROFITABILITY

Characteristics	Percentage of respondents score (n=150)					Mean
	1	2	3	4	5	
Loans and advances are extended in line with the prudential guide line to increase revenue	1(0.7%)	8(5.3%)	21(14%)	85(56.7%)	35(23.3%)	3.97
Sound Management of credit portfolio increase Turnover and profitability of the bank	1(0.7%)	7(4.7%)	17(11.3%)	89(59.3%)	36(24%)	4.01
Existence of Internal audit and control over ICT improves a bank’s profitability	2(1.3%)	7(4.7%)	15(10%)	96(64%)	30(20%)	3.97
Internal audit improve profitability through increasing enterprise risk management	13(8.7%)	18(12%)	12(8%)	79(52.7%)	32(21.3%)	3.66
Internal audit improve the profitability through safeguarding of assets	8(5.3%)	10(6.7%)	12(8%)	82(54.7%)	38(25.3%)	3.8
Proper function of internal control system increases the interest income from deposit of the banks	5(3.3%)	9(6%)	8(5.3%)	91(60.7%)	37(24.7%)	3.97

Source: SPSS 20 by the Author (2019)

Table IV above showed the effect internal audit and control on turnover and profitability of the selected listed banks in Nigeria. In order to achieve the objective, six questions were structured in statement form.

For the statement regarding, ‘Loans and advances are extended in line with the prudential guide line increase revenue’, 1(.7%) strongly disagree with the statement, 8(5.3 %) disagreed, 21(14 %) were undecided, 85(56.7%) agreed while 35(23.3 %) of the respondents strongly agreed to the statement. Furthermore, the mean value of 3.92showed that majority of the response were positive which can be understood as the agreed and strongly agreed has the highest response.

Secondly, with respect to the statement ‘Sound Management of credit portfolio increase Turnover and profitability of the bank’, most of the respondents agree to the statement with a response rate of 89(59.3%) followed by 36(24%) strongly agreed, 17(11.3%) were undecided, while 7(4.7%) and 1(0.7%) were disagree and strongly disagree). Further the mean value of 4.01 suggests that majority of the bank managers’ regards sound management of credit portfolio to increase turnover and profitability.

Thirdly, relating to ‘Existence of Internal audit and control over ICT improves a bank’s profitability’, 2(1.3%) strongly disagreed, 7(4.7%) disagreed, 15(10%) were undecided,

96(64%) agreed while 30(20%) strongly agreed. Furthermore, the mean value of 3.97 showed that most of the respondents were affirmative to the fact question.

Further, relating to question four ‘Internal audit improve profitability through increasing enterprise risk management’ showed that 32(21.3%) and 79(52.7%) strongly agreed and agreed respectively to the fact that Internal audit improve profitability through increasing enterprise risk management. Also, 12(8%) were indifferent to the question while 18(12%) and 13(.8.7%) disagree and strongly disagree. The mean value of 3.66 showed that more than half of the respondents responded positively to the question.

Regarding the question five Internal audit improve the profitability through safeguarding of assets 82(54.7%) agreed, 38(25.3%) strongly agreed while 12(8%) were indifferent and 10(6.7%) and 8(5.3%) disagree and strongly disagree with the average value of 3.88 showed that most of the respondents were of the affirmative.

Finally, concerning the statement that, ‘Proper function of internal control system increases the interest income from deposit of the banks’, 91(60.7%) agreed, 37(24.7%) strongly agreed, 9(6%) and 5(3.3%) disagreed and strongly disagreed while 8(5.3%) were undecided to the statement. In conclusion, the average value of 3.97 indicated most of the respondents are in agreement with the statement.

TABLE V EFFECT OF INTERNAL AUDIT AND CONTROL ON SHAREHOLDERS' VALUE

Characteristics	Percentage of respondents score (n=150)					Mean
	1	2	3	4	5	
Internal audit and control have a great role to place in increasing shareholders value	-	7(4.7%)	10(6.7%)	99(66%)	34(22.7%)	4.07
Good risk monitoring system increase the market price per share	5(3.3%)	9(6%)	17(11.3%)	79(52.7%)	40(26.7%)	3.93
Internal audit and control increases dividend per share	1(0.7%)	3(2%)	5(3.3%)	86(57.3%)	55(36.7%)	3.87
Internal auditors competences enhance shareholders wealth	-	3(2%)	11(7.3%)	89(59.3%)	47(31.3%)	4.13

Source: SPSS 20 by the Author (2019)

Table V above showed the effect internal audit and control on shareholders' value of the selected listed banks in Nigeria. In order to achieve the objective, four questions were structured in statement form. For the statement regarding, 'Internal audit and control have a great role to place in increasing shareholders value' 7(4.7 %) disagreed, 10(6.7 %) were undecided, 99(66%) agreed while 34(22.7 %) of the respondents strongly agreed to the statement. Furthermore, the mean value of 4.07 showed that majority of the response were affirmative to the statement that internal audit and control have a great role to place in increasing shareholders value

Secondly, with respect to the statement 'Good risk monitoring system increase the market price per share', most of the respondents agree to the statement with a response rate of 79(52.7%) followed by 40(26.7%) strongly agreed, 17(11.3%) were undecided, while 9(6%) and 5(3.3%) were disagree and strongly disagree. Further the mean values of 3.93 suggest that majority of the bank managers were positive that good risk monitoring system increase the market price per share

Thirdly, relating to, 'Internal audit and control increases dividend per share', 1(0.7%) strongly disagreed, 3(2%) disagreed, 5(3.3%) were undecided, 86(57.3%) agreed while 55(36.7%) strongly agreed. Furthermore, the mean value of 3.87 showed that most of the respondents were affirmative to the fact question.

Finally, concerning the statement that, 'Internal auditors competences enhance shareholders wealth', 89(59.3%) agreed, 47(31.3%) strongly agreed, 11(7.3%) were not certain and 3(2%) disagreed to the statement. The mean value of 4.13 suggests that most of the respondents are positive about the competences of internal auditors enhancing shareholders wealth in the selected listed banks.

**B. Hypothesis Testing**

Regression analyses were carried out on two (2) Null hypotheses:

*Hypothesis one:*

H<sub>0</sub>: There are no significant impacts of internal audit and control on revenue and profitability of selected listed banks in Nigeria.

TABLE VI MODEL SUMMARY						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.599 <sup>a</sup>	.359	.355	.48883	1.872	
a. Predictors: (Constant), internal audit control						
a. Dependent Variable: revenue and profitability						
Source: SPSS by The Author 2019						
TABLE VII ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.827	1	19.827	82.975	.000 <sup>b</sup>
	Residual	35.365	148	.239		
	Total	55.192	149			
TABLE VIII REGRESSION RESULT COEFFICIENTS <sup>A</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.594	.259		10.028	.000
	Internal audit and control	.597	.066	.599	9.109	.000
Dependent Variable: revenue and profitability						

Source: SPSS by the Author 2019

The model summary on the effect of internal audit and control on revenue and profitability showed an r square of 35.5 indicating that internal audit and control was able to explain change in revenue and profitability of the banks to 35.5%. The ANOVA table showed that the F statistic is 82.975 and the probability value of 0.000 which is less than 5% level of significance is an indication that the model is fit. From the table VIII above, the t- value 10.028 and the p-values is 0.000 which are less 5%. Therefore, the null hypothesis is rejected which means that internal audit and control has a significant effect on revenue and profitability of selected listed banks in Nigeria. This mean that as managers are improving in their internal audit and control function, the turnover and profitability of the selected banks are increasing. In view of the statement, management of selected listed banks in Nigeria

who seeks to achieve their organizational objective with respect to increase in revenue (interest income and others sources of revenue) and profitability must have an effective internal audit and control system.

*Hypothesis two:*

H<sub>0</sub>: There is no relationship between internal audit and control and shareholders value of the selected listed banks in Nigeria

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.453 <sup>a</sup>	.205	.200	.54444	1.972
a. Predictors: (Constant), internal audit control					
b. Dependent Variable:					

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	11.322	1	11.322	38.198	.000 <sup>b</sup>
	Residual	43.869	148	.296		
	Total	55.192	149			
a. Dependent Variable: shareholders' value						
b. Predictors: (Constant), internal audit control						

Source: SPSS by the Author 2019

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.750	.354		7.766	.000
	internal audit control	.539	.087	.453	6.180	.000
a. Dependent Variable: shareholders' value						

The model summary on the effect of internal audit and control on shareholders 'value showed an r square of 20 indicating that internal audit and control was able to explain change in shareholders' value of the banks to 20%. Further, table 4.11, above test if internal audit and control has significant effect on shareholders' value of the selected listed deposit money banks in Nigeria. The ANOVA table therefore showed that the F statistic is 38.198 and the probability value of 0.000 which is less than 5% level of significance is an indication that the model is fit From the table 4.12 above, the t- value 7.766 and the p-values is 0.000 which are less 5%. Therefore, the null hypothesis is rejected which means that there is a relationship between internal audit and control and shareholders' value of selected listed banks in Nigeria. This indicates that increase in

internal audit and control will increase shareholders value. It further suggest that an effective internal audit and control system will help the selected listed banks in increasing their shareholders value in terms of increase in market price per share and dividend per share. In view of the statement, management of selected listed banks in Nigeria who seeks to increase their shareholders value as a way of actualizing organizational goal need to enhance their internal audit and control function.

V. CONCLUSION AND RECOMMENDATION

This study was carried out to determine the effectiveness of internal audit and control on organizational objective of selected deposit money banks in Ojo and Amuwo Odofin LGA, Lagos state, Nigeria. Sound internal audit and control do significantly affect the revenue and profit of selected deposit money banks in Nigeria. Internal audit and control positively influence shareholders' value of the selected deposit money banks in Nigeria. Therefore, the study concluded that management of commercial banks in Nigeria who seeks to increase their shareholders value as a way of actualizing organizational objective need to enhance their internal audit and control function. Based on the conclusion the study recommends that banks that seek to achieve it organizational objective with respect to growth in revenue, profitability and shareholders value should improve in their internal audit functions and control system. Improvement should occur on two levels; management needs to know what internal auditing can firmly contribute and internal auditing needs to become more professionally competent and focused on the organization's objective. A formal mandate from the board or audit committee should give the internal audit function the authority to audit anything that, in its professional opinion can have impact in the organization.

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