

**EFFECT OF INTERNAL CONTROL SYSTEM ON ORGANIZATIONAL  
PERFORMANCE**

**BY**

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**A PROJECT REPORT SUBMITTED TO THE  
DEPARTMENT OF ACCOUNTING AND FINANCE,  
COLLEGE OF HUMANITIES, MANAGEMENT AND SOCIAL SCIENCES,  
MOUNTAIN TOP UNIVERSITY, OGUN STATE,  
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
AWARD OF THE BACHELOR DEGREE (B.Sc.) IN ACCOUNTING.**

**JULY, 2019**

## **DECLARATION**

I hereby declare that this project report written under the supervision of Dr. Onichabor Pius, is a product of my own research work. Information derived from various sources have been duly acknowledged in the text and a list of references provided. This research project report has not been previously presented anywhere for the award of any degree or certificate

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**Date**

## **CERTIFICATION**

This is to certify that this research project report titled “**EFFECT OF INTERNAL CONTROL SYSTEM ON ORGANIZATIONAL PERFORMANCE**” was carried out by **TIAMIYU, ITEOLUWAKIISHI EUNICE**, with matriculation number 15020101016. This project report meets the requirements governing the award of Bachelor of Science (B.Sc.) Degree in Accounting, Department of Accounting and Finance of the Mountain Top University, Ogun State, Nigeria and is approved for its contribution to knowledge and literary presentation.

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**Dr. Onichabor, Pius**  
(Project Supervisor)

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**Date**

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**Dr. Akinyomi, Oladele John**  
(Head of Department)

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**Date**

## **DEDICATION**

I dedicate this project to God almighty for his love, strength, knowledge and understanding and grace over my life and for seeing me through the course of this study and through all the difficult times, and also to my wonderful family for their immerse assistance, financial support and encouragement.

## **ACKNOWLEDGEMENTS**

I am most appreciative to almighty God for the gift of life and continuous strength for not only leading me through this project but also for the successful completion of my study.

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## **ABSTRACT**

Internal controls are policies, procedures, practices and organizational structures effected by an entity's board of directors, management and other personnel. Internal control is designed to provide reasonable assurance that an organization's business objectives and goals will be achieved and the reliability of financial and management reporting in compliance with applicable laws. Internal control system over the years has played a prominent role in monitoring and ensuring the performance of organizations. The responsibility for the prevention and detection of fraud and errors rests with directors through the implementation and continued operation of adequate accounting and internal control systems. This study aims to shed light on how internal control system affect organizational performance in manufacturing companies in Nigeria. The research design that was employed in this study is survey design. Primary data was collected using structured questionnaires. Collected raw data was cleaned and edited for completeness and consistency. Data was analyzed by use of the multiple linear regression. Statistical Package for Social Sciences (SPSS, v. 21) was used to aid in quantitative data analysis in this study. The results were presented in tables. The output for this study was presented using descriptive statistics like the mean score and standard deviation. The independent variables are three of the five element of internal control system, they include risk assessment, control activities and information and communication system. However after the hypothesis have been tested, the result shows that risk assessment, control activities and information and communication system significantly affect organizational performance.

**KEY WORDS: Risk Assessment, Control Activities, Information and Communication System, Internal Control, Internal Control System, Organizational Performance, Performance.**

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## **ABBREVIATIONS**

OP	Organizational Performance
ICS	Information and communication system
RA	Risk assessment
CA	Control activities
COSO	Committee of Sponsoring Organizations of the Treadway Commission