Formosa Journal of Science and Technology (FJST)
Vol.3, No.7, 2024: 1599-1622

The Role of Internal Audit, Fraud Prevention, and Detection, on Public Sector Financial Performance (Empirical Study at District Councils, Sierra Leone)

Abdul Conteh[1*], Andy Dwi Bayu Bawono[2], Noer Sasongko[3]
Universitas Muhammadiyah Surakarta
Corresponding Author: Abdul Conteh, contehabdul21990@gmail.com

A R T I C L E I N F O

Keywords: Internal Audit, Fraud Prevention, Detection, Financial Performance, District Council

Received: 2, June
Revised : 21, June
Accepted: 24, July

A B S T R A C T

This empirical study investigates the role of internal audit, fraud prevention, and detection on public sector financial performance in Sierra Leone, specifically focusing on district councils. The research aims to determine the impact of fraud prevention, detection on public sector financial performance and provides recommendations for enhancing financial management practices in the public sector. Using quantitative methodology, data was collected through a google form questionnaire from internal auditors and finance officers in Bo, Bonthe, Moyamba, and Pujehun District Councils in the Southern Province of Sierra Leone. The study used SPSS 26 to analyze the influence of internal audit, fraud prevention, fraud detection on financial performance. The results indicate that internal audits have a positive impact on public sector financial performance in Sierra Leone District Councils. However, the study found that fraud prevention does not significantly influence financial performance. On the other hand, effective fraud detection mechanisms positively impacted financial performance.

ISSN-E: 2964-6804
DOI: https://doi.org/10.55927/fjst.v3i7.10424
https://journal.formosapublisher.org/index.php/fjst

INTRODUCTION

Internal auditors now serve as management partners, consultants, and watchdogs, which is a modification of their traditional job. Due to the shift in the internal audit role (self-monitoring function), which resulted in the adoption of a more practical auditing methodology, internal auditors are now in charge of preventing and detecting fraud in the public sector. (Davis & Harris, 2020). This methodology places a greater emphasis on risk-based audits. Assessment and upgrading of risk control, governance, and management procedures can be identified as three primary areas of internal auditing's responsibility (Weekes-Marshall, 2020). Auditor methods used to execute each of these tasks include financial audits, performance audits, consultations, and investigative services (Volodina et al., 2022). Internal audit roles drew increasing concentration as a vital aspect of government financial management tools for improving the effectiveness of the public sector (IMF, 2002). It currently appears to be a commonly acknowledged principle that good governments should set a goal for themselves to continually improve their performance, especially with regard to the handling of public finances and assets (Handitya, 2019). Typically, the need for an internal audit role will depend on the size and complexity of the institution. Mendes de Oliveira et al (2022)., Internal auditing has consistently been effective tool for combating fraud when given essential independence that the field requires. Numerous literary works, some of which are included below, have offered compelling evidence that supports this writer's argument.

If a country is capable of managing fraud, it can accomplish the goals outlined in its development strategy. Investors, academic researchers and media, the financial industry regulators are all concerned about the rise in fraud instances in recent years have given fraud management a great deal of attention (Zhu et al., 2021). Internal auditors are given greater responsibility, but there are also opportunities for profession. Auditing is a technique that can give management an overall picture of how the organization's resources are utilized and how other services within the organization are being provided (Al-Taee & Flayyih, 2023). These elements work together to make fraud a possibility (Bonrath & Eulerich, 2021).It can also be seen as an unbiased assessment of accuracy and compliance of accounting records with pertinent laws, rules, and ordinances, as well as organizational policies. Internal auditing, which is recognized as an effective instrument to prevent the threat of fraud (ACFE, 2008), can be used by the public sector and organizations. Gunawan (2019) claimed that internal auditors have a critical role in fraud prevention and detection. Assisting management in assessing, evaluating, reporting, and improving the sufficiency and effectiveness of management risk is the responsibility of internal audit (Henry, 2021).

Internal auditing employs a systematic approach to investigate business practices or organizational difficulties and recommend resolutions (Mpakaniye, 2022). According to the International Standard of Supreme Audit Institutions (ISSAIs, 2007), internal auditing has become an important part of the new accountability control period. Management of public expenses, financial accountability, with stronger governance structures of public institutions are all areas in which internal auditing is seen as being exceptionally beneficial (Jori, 2023). Internal auditing plays a vital role in preventing and detecting fraud in the public sector; its importance cannot be overstated.

Sierra Leone district council, like many public sector organizations worldwide, faces the challenge of maintaining financial performance and integrity while effectively managing resources. In the pursuit of transparent and accountable governance, internal audit roles in preventing and detecting fraud within councils are of paramount importance (Al-Shaer et al., 2022). This study seeks to investigate connection between activities of internal audit and their impact on financial performance of district council Sierra Leone, particularly with regards to fraud prevention and detection. Heneke (2020), provided support for the debate between fraud detection and prevention, arguing that a balance should be struck between detection efforts and deterrent or preventive measures. Bishop (2022), further contends that the detection of fraud is less cost-effective than counterfeiting. His research also clarified the claim that there will be fraud in the target organizations as a result of the discrepancy between fraud and detection.

LITERATURE REVIEW

Attribution Theory

The primary theory underlies this research is Attribution Theory as proposed by Kajenthiran & Galahitiyawe (2019), aims to elucidate how an individual's behavior can be used to infer the underlying causes and motives of both their own actions and those of others, including their character, attitudes, and conduct. Ahmad et al (2023)., asserts that Attribution Theory explains how a person's behavior, including their character, attitudes, and actions, can reveal the reasons behind their own behavior as well as the behavior of others. According to the principle of attribution, certain behaviors are linked to certain attitudes and characteristics. It is possible to infer information about a person's temperament or attitude from their behavior alone, as well as that person's attitude in particular situations. The 1958 Attribution Theory, developed by Fritz Heider, aims to provide an explanation for the motivations behind an individual's behaviors or roles. To explain auditor behavior, the auditor's role, performance appraisal, and decision-making in auditing, attribution theory has been widely used in previous studies (Narayana, 2020). Attribution theory is linked to evaluation and characterizes the actions of an auditor, according to (Putri et al., 2022). The ability of auditor to identify and prevent fraud is greatly impacted by attribution, and factors influencing this ability usually originate from within the auditor. The study's application of attribution theory is thought to be suitable for explaining how auditors view their role in identifying and preventing fraud. Attribution Theory is also used in research by (Mökander & Axente, 2023) to explain how auditor attitudes affect corporate culture and fraud prevention. According to this view, a job's degree of success is determined by its specific role and the reasons behind its past successes and failures.

Financial Performance

Performance metrics fall into two categories: those that focus on inputs (such as value, adaptability, efficient resource utilization, and creativity) and those that concern the determinants of outcomes (such as competitiveness or financial results). This indicates that frameworks for measuring performance can be built around the concepts of results and determinants. Performance measurement is used to assess both individual and organizational performance (Pollanen et al., 2017). There are various methods for evaluating a company's performance. Based on a review of relevant literature, a corporation's financial performance can be assessed based on factors like solvency, repayment ability, profitability, efficiency, and liquidity. Financial ratios are one of criteria used to gauge company's performance (Bawono, 2015). In most instances, a corporation's annual financial reports include data about its business operations. Financial ratios involve dividing one item in financial statement by another (Quesada, 2019). It can also serve as broad benchmark in evaluating company's success. The use of financial ratio analysis is common for assessing firm's performance, as it provides clear representation of company's financial performance in comparison to prior periods and assists in tracking performance improvement.

Fraud

According to Association of Certified Fraud Examiners (ACFE 2012), fraud is defined as unlawful acts committed with the intent to defraud other parties (such as by manipulating information or providing false information to parties). These unlawful acts can be committed by people inside or outside the company. According to Melinda et al (2022), fraud refers to intentionally deceptive activities aimed at causing losses without detection by the victim while providing benefits to the perpetrators. Fraud generally arises due to the presence of pressure to engage in fraudulent acts, existence of opportunities to commit fraud, and rationalization of such actions based on commonly accepted attitudes (Felix, 2022). According to information acquired from Association of Certified Fraud Examiners (ACFE), fraud has significant negative effects that are projected to be worth $3.5 trillion a year, or 5% of all worldwide revenue (Free, 2015).

Fraud Prevention and Fraud Detection

Primary subjects of this study are fraud prevention and detection. Detecting fraud involved not only identifying instances of fraud but also discovering who perpetrated it, who was damaged, and the reason the fraud was committed. Key indicators of fraud may include changes in the fraudsters' behavior, lifestyle, and treatment, both within and outside the organization (Probowati et al., 2023). Using preexisting theory and the results of earlier research, researchers have developed an instrument of assessment for evaluating this variable. Notably, the study conducted by (Lukman & Chariri, 2023) utilized instruments related to fraud identification systems, critical point techniques, and fraud detection reports. The aim of fraud prevention, on the other hand, is to discourage potential fraudulent behaviors by putting in place measures that limit risks and highlight high-risk behaviors (Sasongko & Wijayantika, 2019).

Fraud prevention

The term "fraud" refers to both irregularities and unlawful acts that are done with intent to deceive or present a false impression to other parties, whether they are committed by decent individuals inside the firm or outside of it. Fraud is intended to use dishonest possibilities that hurt other people either directly or indirectly (Dianita et al., 2021). A fraud triangle, as defined by (Burke & Sanney, 2018) consists of the following three elements when someone commits fraud:

Pressure

A person may commit fraud for a variety of reasons, including financial pressure. This element stems from the offender's personal belief that life's overwhelming demands are what drive him to commit deception for his own benefit. This typically occurs when the company or organization where he works offers a welfare guarantee that is deficient or a lifestyle that is extremely opulent, making the offender feel inadequate all the time. On the other hand, his workplace, particularly a bad one, may also be a source of pressure. Workers see unfair treatment as the norm. An unjust hiring procedure exists for new employees.

Opportunity

The opportunity component originates from sources external to each person, specifically from the organization that has been defrauded. Every position has the potential to become a fraud target. The criminal believes he has a chance to profit from his position. combined with a management framework from a subpar company.

Rationalization

The offender believes he has good arguments to support his actions and persuade the other person to agree with them.

Internal audit

The goal of internal auditing is to boost productivity and enhance value within the firm. Through activities such as independent and objective consultation and assurance, this activity can assist an organization in reaching its objectives by assessing and improving risk management, control, and governance systems in a methodical and disciplined manner (Decaux, 2015). The internal audit function in an organization is a free evaluation that reviews, studies, and assesses the business's operations in order to make recommendations to management for the efficient performance of their duties (Lumban Gaol, 2022). Through the analysis of evaluations, recommendations, and remarks on the operations they oversee, internal audit seeks to support all firm leaders (management) in fulfilling their duties (Kaira et al., 2023).

Empirical Review

Dharmawati et al (2022), indicate that training improves the function's capacity to prevent and detect fraud in empirical research context. In addition to having increasingly sophisticated hard skills, internal auditors will also need to possess specific soft skills to better manage fraud risks in light of the growing complexity of fraud, including the emergence of social engineering. Therefore, it is anticipated that pertinent knowledge and abilities for combating fraud will be favorably related to fraud management in public sector institution in addition, Owusu-ansah & Oyelere (2001), conducted an empirical analysis examine variables that affect the inventory cycle's propensity to detect fraud. The study revealed that the auditor's years of auditing experience, position tenure, and audit company size were important predictors of the likelihood of detecting fraud (Noviana & Asmara, 2023).

The empirical results of Sarens & Beelde (2014), cited here, as demonstrate how much internal auditing is impacted by senior management's expectations. It is a common misconception that management wishes to divert internal audit efforts from the audit committee's expectations and concentrate instead on operational audits and consulting-related services that provide greater value. The latter primarily aims to allocate resources to activities that are based on internal controls (Eulerich et al., 2021). Internal auditors have conflicting demands about their resource allocation and, consequently, the range of their operations, as a result of these differing expectations (Kamara, 2023). The IAF's neutrality and a shift in mindset toward managing fraud are the most significant effects of the earlier study.

According to research by Jamil (2020), internal auditors tend to underestimate the likelihood of fraud because they feel intimidated when they report directly to audit committee. This suggests that there may be an ethical dilemma with the IAF (Khelil, 2023). But impartial evaluations, choices, and judgments by internal auditors depend on objectivity (Alcobary, 2022). More objectivity and independence are linked to improved fraud management, given the research that has been addressed and the significance of these qualities in addressing fraud as a key issue for enterprises (Hazaea & Zhu, 2022).

In a related research conducted by Menza & Aga (2019), performance of internal auditing: An empirical study was conducted in Israeli organizations to determine the variables that influence internal audit effectiveness. The variables that were examined included the private versus public sector, internal auditors' professional proficiency, the quality of audit work, organizational independence, career advancement opportunities, top management support.

Onsindu et al (2022), conducted research on the relationship between public organization's internal audit function and financial performance, using NSSF, Uganda, as a case study, to ascertain the internal audit function affects NSSF's performance. Evaluating internal audit function inside NSSF, determine NSSF's financial performance, and its impacts of internal audit function on NSSF performance were the particular goals. Analytical and descriptive study designs employed to analyze data and draw conclusions. The study utilized cross-sectional research survey approach, incorporating both qualitative and quantitative methodologies.

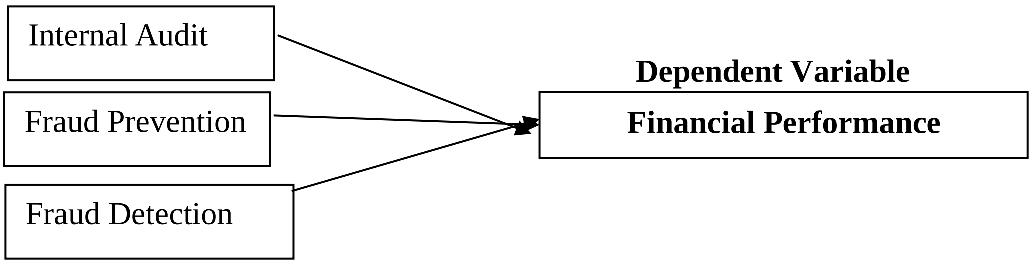
Mahmood et al (2020), conducted a study to determine the correlation between financial performance and internal control systems in Kenyan technical training institutions. By looking at internal controls, the researcher aimed to determine what factors contribute to continuous underwhelming financial results. The study included a combination of survey instruments and document review techniques to gather data from 37 technical training institutions in Kenya. The primary target audience included financial officers, heads of departments, members of administrative committees and staff members responsible for finance and accounts. Conclusions were derived from tables and figures in statistical package for social scientists, which used to examine the data. The research revealed that the institution's administration is dedicated to maintaining control systems and actively engages in overseeing and monitoring operations of Kenya's Technical Training Institutions. Nonetheless, the investigation also revealed a deficiency in information exchange and insufficient security protocols to protect the resources of Kenya's technical Training Institutions. Financial performance and internal control systems found to be significantly correlated by study. Based on what Technical Training Institutions anticipate Internal Audit Department undertake the number of staff members needed to work, inquiry suggests that Internal Audit Department conduct competence profiling. In order to provide everyone inside institution with unrestricted access to use official information, it is also advised that the institutions set up and maintain knowledge and information management systems. Therefore, the study comes to the conclusion that internal control systems do exist, but they do so erratically.

Conceptual Framework

The study's variables are all aspects of internal audit role that have an impact on public sector's financial performance in Sierra Leone's district council.

According to Mwaniki (2018), a conceptual framework illustrates the connection between related concepts and the study's variable. Based on literature surveys and empirical investigations, the conceptual framework for this study was created. Various indicators, including Internal audit, fraud prevention and fraud detection have been considered when conceptualizing internal audit as independent variable, financial performance as dependent variable that is operationalized.

Independent Variable



Hypothesis Development

The importance of internal auditing as in fraud prevention and detection on financial performance of public sector institution is discussed in this section.

It also takes into account any distinctions that might exist between a public sector internal auditing internally and hiring an outside firm. The issue of fraud in public sector is then covered, along with studies that look at the relationships between fraud and financial performance. This presumption leads the development of the following hypothesis:

Internal Audit has positive Impact on public sector Financial Performance

An audit's efficacy is determined by how successfully its goal is met by gathering adequate and relevant audit evidence, which is necessary to reach a fair conclusion about the financial statements' conformance with widely accepted accounting standards. In addition to preventing revenue loss, a robust internal audit system enhances performance and profitability. Usman et al (2021), evaluate the effectiveness of internal audit developed a novel method called "results examination. This process entails determining the auditee's goals, developing potential indicators of their accomplishment, and applying the developed indicators to assess to what extent auditor’s actions have contributed to accomplishment of those goals. Moreover, Cangemi and Singleton created a four-step internal audit evaluation program (2003).

The system of accountability that executive directors and staff have towards owners and other stakeholders is strengthened by internal audit support (Mohammed Al-Matari et al., 2014). According to Buduotchere (2016), stakeholders are interested in return on investments, sustainable growth, strong leadership, and reliable reporting on company's financial performance and business practices. Menza & Aga (2019), studied a theoretical framework that looked at internal auditing's efficacy. The main finding was that heads of internal audit departments may enhance their performance in four areas: providing a good business climate, receiving senior management support, hiring outstanding internal audit staff, and producing exceptional internal audit work. Like earlier research, Usman et al (2021), looked at internal audit effectiveness from his point of view, fundamental elements affecting the efficacy of internal audits are ownership and perceptions, organization and governance structure, laws, increased professionalism, conceptual framework, and resources. In viewed of the discussion above the hypothesis is put forward.

Hypothesis 1: Internal audit has positive impacts on public sector financial performance in Sierra Leone (District councils).

Fraud Prevention have positive Impacts on public sector Financial Performance

Measures for preventing fraud Peter (2014), state that preventing financial loss due to fraud is most economical course of action. The term "fraud prevention" describes the pre-emptive actions taken by organization to reduce or eliminate fraud. According to Shanikat et al (2014), preventing fraud creates a setting in which fraud is less likely to happen. Nonetheless, numerous studies discovered majority of businesses prioritize deterrence over prevention and prefer to handle each incident as it arises (Hamid & Nasih, 2021). Aris et al (2015), further maintained preventing fraud is less expensive than identifying it.

Companies employ several fraud prevention strategies to reduce likelihood of fraud in operations.

The implemented fraud prevention measures are contingent upon a firm's prior fraud history, as stated by PWC (2003). More obviously, a company that has never engaged in fraud before is more likely to use intangible preventive measures like a fraud reporting program and code of conduct. Conversely, companies that have encountered fraud depend on concrete measures, like educating and training staff members on fraud-related matters and having a whistleblower policy in place (PWC, 2003). Building and maintaining an honest culture; (2) Assessing risk of fraud putting processes and procedures in place to reduce identified risks; and (3) Developing appropriate oversight process are the three sets of measures required for fraud prevention, deterrence and detection, according to Management Anti-fraud Programs and Controls published by American Institute of Certified Public Accountants (AICPA), 2001. The writer also covered proactive fraud prevention strategies, such as training staff members and putting in place rules and guidelines that are especially meant to prevent fraud. The best way to prevent fraud, according to Omar & Bakar (2012), is to have a robust internal control system. The first step in preventing fraud is figuring out where an organization's present processes are weak. Subsequently, the company has to enhance those systems with additional or enhanced controls. Fraud can be prevented by putting in place a procedure for reporting suspected fraud. There are two possible sources of whistleblowing: externally and internally. In viewed of the discussion above the hypothesis is put forward.

Hypothesis 2: Fraud prevention have positive impacts on public sector financial performance in Sierra Leone (District councils).

Fraud Detection have positive Impacts on public sector Financial Performance

Zhang et al., (2022), conducted survey in which he noted shortcomings of fraud detection strategies tactics demonstrated how this discipline might gain from other connected fields. In particular, unsupervised methods can profit from text extraction, semi-supervised, game-theoretic, and monitoring systems already in place; spam and intrusion detection communities aid in future fraud-detection studies (By & By, 2018). Above all, though, the writers highlighted the information's nature and offered an insightful analysis of the data-mining-based fraud detection study. According to Hajek et al (2022), the majority of fraud-detection systems use combination of supervised and semi-supervised learning techniques, with at least one supervised learning method. The study demonstrated that these methods are somewhat effective in identifying fraud and credit scoring and that they may be combined or utilized separately to create classifiers with greater robustness without sacrificing generality. The authors also pointed out that it is nearly impossible to illustrate complex financial scenarios and that there isn't enough fraud-related data available for investigators to train and assess their models.

According to Oyerogba (2021), fraud detection is the primary task that takes place in an organization when fraud prevention fails. It entails locating the fraud and the perpetrator as soon as possible, or as soon as there is a suspicion of fraud. Crucially, since fraud incidents are routinely documented in businesses, fraud detection needs to be started and maintained. As a result, it's an activity that calls for higher levels of expertise, experience, and advanced skills than statutory auditing. According to Ezejiofor & Peace (2016), forensic auditing is a contemporary tactic that can be utilized to transition from prevention to detection. Firmanza et al (2022), asserts that computer forensics is the more effective method that investigators employ for identifying and carrying out white-collar crime investigations.

According to Oyerogba (2021), fraud detection in data mining is a knowledge-intensive process that includes cluster classification, data segmentation, and automatically identifying associations and rules in the data that may disclose intriguing patterns, including fraudulent ones. Gianini et al (2020)., distinguished between various methods of detecting fraud, such as risk scoring, device identification, payer authentication, card verification, address verification and flagging large transactions. In contrast, Goecks et al (2022), claimed that the fundamental technique for detecting fraud using an analytical model involves determining potential fraud predictors linked to known fraud perpetrators and their prior behavior and history. In viewed of the discussion above the hypothesis is put forward.

Hypothesis 3: Fraud detection has positive impacts on public sector financial performance in Sierra Leone (District councils).

METHODOLOGY

The Role of Internal Audit, Fraud Prevention, and fraud Detection, on Public Sector Financial Performance (Empirical Study at District Councils, Sierra Leone). Primary data collection was used through a set of google form questionnaire used as the main tool for gathering information from respondents using quantitative methods. For this study, a sample of 125 internal auditors and finance officers from different district council was chosen through a full sampling technique. A self-administered google form questionnaire was disseminated among the auditors and finance officers of Bo, Bonthe Moyamba and Pujehun district councils in southern provinces of Sierra Leone. The questionnaire focuses on internal audit, fraud prevention, fraud detection and financial performance, utilizing 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Using the Statistical Package for Social Science (SPSS) Statistics 26, descriptive statistics was used to analyze data derived from questionnaire replies. In order to study the relationship between variables of interest, internal audit, fraud prevention and detection and financial performance. Validity and reliability test was utilized. Descriptive statistics was developed in order to provide understanding of characteristics of variables. One way to assess primary sources is through the concepts of validity and reliability test. Reliability measures the extent to which data collection can be trusted. The correlation and regression analysis method were also used in this research which involves forecasting a value for a dependent variable using one or more alternative components. It is necessary to analyze the replies such as' skewness kurtosis mean, maximum, and minimum values. The study make used of frequency table to analyze data. These table stressed the frequency of occurrence of indicated indicators as the main focus of analysis. Various statistical tests were performed using validity and reliability test. The normality test was carried out to determine whether the data population is normally distributed or not. If this assumption is violated it will cause this statistical test to be invalid.

RESULTS

Descriptive Statistics

Table 1: Descriptive Statistics

Variables	No. Statistics	Mean	Std. Deviation	Skewness	Kurtosis
Internal Audit	93	4.4258	0.38811	-2.776	10.553
Fraud Prevention	93	4.2968	0.44489	-2.098	6.642
Fraud Detection	93	4.2903	0.42683	-2.921	11.847
Financial Performance	93	4.3656	0.40714	-2.993	13.171
Valid N (listwise)	93				

Source: Author (2024).

The table 1 above provides descriptive statistics for four variables: Internal audit, fraud prevention, fraud detection, and financial performance. Descriptive statistics of the study, including mean (M), standard deviation (SD), Skewness and kurtosis of the variables were also measured. The values for Internal Audit are (M = 4.4258, SD = 0.38811, Skewness = -2.776, and Kurtosis = 10.553). The values for fraud prevention are (M= 4.2968, SD= 0.44489, Skewness = -2.098, and Kurtosis = 6.642). The values for Fraud Detection are (M= 4.2903, SD= 0.42683, Skewness = -2.921, and Kurtosis = 11.847). and the values for Financial Performance (M= 4.3656, SD= 0.40714, Skewness = -2.993, and Kurtosis = 13.171) respectively and all the values for skewness and kurtosis are lying within the range which conforms the normality of the data for regression.

A high score 4.4258 indicates that, on average, respondents provided a positive assessment of the internal audit. Negative skewness and high positive kurtosis indicate a left-skewed peaked distribution, indicating that the majority of respondents have a high score on fraud prevention 4.2968, similar to the highest internally reported estimate, which means on average it's a good one. Negative skewness and positive kurtosis indicate a left-skewed peak distribution. fraud detection 4.2903, similar to the highest internally reported estimate, which means on average it's a good one. Negative skewness and positive kurtosis indicate a left-skewed peak distribution. Financial performance has a high score 4.3656, indicating an average positive evaluation. Negative skewness and high positive kurtosis indicate a left-skewed and peaked size distribution.

Table 2: Validity test for variables

Variables	Sign. (2-tailed of Pearson Correlation (rxy)	R - table Score 93 data point	Decision Rule
Internal Audit 1	0.706**	0.2017	Valid
Internal Audit 2	0.539**	0.2017	Valid
Internal Audit 3	0.467**	0.2017	Valid
Internal Audit 4	0.323**	0.2017	Valid
Internal Audit 4	0.466**	0.2017	Valid
Fraud Prevention 1	0.539**	0.2017	Valid
Fraud Prevention 2	0.708**	0.2017	Valid
Fraud Prevention 3	0.683**	0.2017	Valid
Fraud Prevention 4	0.609**	0.2017	Valid
Fraud Prevention 5	0.503**	0.2017	Valid
Fraud Detection 1	0.573**	0.2017	Valid
Fraud Detection 2	0.640**	0.2017	Valid
Fraud Detection 3	0.643**	0.2017	Valid
Fraud Detection 4	0.542**	0.2017	Valid
Fraud Detection 5	0.577**	0.2017	Valid
Financial Performance 1	0.565**	0.2017	Valid
Financial Performance 2	0.664**	0.2017	Valid
Financial Performance 3	0.460**	0.2017	Valid
Financial Performance 4	0.594**	0.2017	Valid
Financial Performance 5	0.638**	0.2017	Valid

Source: Author (2024).

The table provided above shows validity test results for variables internal audit, Freud prevention, fraud detection and financial performance along with corresponding significance level and decision rules. Based on the provided validity test results for internal audit variable. The values are 0.706**,0.539**,0.467**,0.323** and 0.466**, internal audit 1, internal audit 2, internal audit 3, internal audit 4, and internal audit 5, respectively are all greater than 0.2017 R table of 93 data point which means the values are reliable. The validity test results for the fraud prevention variable, with values of 0.539**, 0.708**, 0.683**, 0.609**, and 0.503** for fraud prevention 1, fraud prevention, fraud prevention 3, fraud prevention 4, and fraud prevention 5, respectively, all greater than the threshold of the 0.2017 R table for 93 data points, this suggests reliability in these values. Based on the provided validity test results for fraud detection variable. The values are fraud detection 0.573**,0.640**,0.643**,0.542** and ,0.577 for fraud detection 1, fraud detection 2, fraud detection 3, fraud detection 4, and fraud detection 5 respectively are all greater than 0.2017 R table of 93 data point which means the values are reliable. The provided validity test results for financial performance variable. The values are financial performance 0.565**,0.664**,0.460**,0.594**, and 0.638** for financial performance 1, financial performance 2, financial performance 3, financial performance 4, and financial performance 5 respectively are all greater than 0.2017 R table of 93 data point which means the values are reliable. Consequently, employing the decision criteria, the variables are deemed valid, indicating probable significant in the tested variables, aligning with the intended measurements. It's worth noting that the significant level used in the analysis (0.2017) appears quite high as compared to the standard level of 0.05. considering this threshold depending on the specific research context and the desired level of confidence.

Table 3: Reliability Test

Variables	**Cronbach's Alpha**	**Number of Items**
Internal audit	0.662	4
Fraud prevention	0.711	5
Fraud detection	0.706	4
Financial performance	0.638	5

Source: Author (2024).

Based on reliability test result in table above for various variables associated with internal audit, fraud prevention, fraud detection, and financial performance. Internal Audit: Cronbach's Alpha is 0.662 with a scale consisting of 4 items, Fraud Prevention Cronbach's Alpha is 0.711 with a scale consisting of 5 items, Fraud Detection Cronbach's Alpha is 0.706 with a scale consisting of 4 items, and Financial Performance Cronbach's Alpha is 0.638 with a scale consisting of 5 items.

The Cronbach's alpha values for all variables are moderately acceptable, ranging from 0.638 to 0.711. Additionally, while these values indicate internal consistency within every variable, it is essential to interpret them in the context of the study objectives and the statistical properties of the measurement scale. These results indicate the internal consistency or reliability of each variable. Cronbach's Alpha value closer to 1.0 shows higher reliability, with values above 0.7 general considered acceptable for research purposes.

Classical Assumption Test:

Table 4: Normality Test One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
Asymp. Sig. (2-tailed)	0.126
N	93

Source: Author (2024).

The table above explained normality test conducted on the unstandardized residuals using the one-sample Kolmogorov-Smirnov test revealed an asymptotic significance value of 0.126 (2-tailed) which is greater than 0.05 and with a sample size of 93. This indicates that the residuals value is normally distributed, indicating that the assumption of normality is reasonable for data under examination. This finding supports the validity of the regression analysis results and strengthens the confidence in the model's predictive capabilities.

Table 5: Multicollinearity Coefficients [a]

	Collinearity Statistics	
Model	**Tolerance**	**VIF**
(Constant)		
Internal Audit	0.569	1.757
Fraud Prevention	0.332	3.010
Fraud Detection	0.353	2.834

Source: Author (2024).

Dependent Variable: FINANCIAL PERFORMANCE.

The table above represent multicollinearity test, has Internal Audit has a tolerance of 0.569, which suggests that around 56.9% of the variance in this predictor isn't defined by other predictors. The VIF of 1.757 indicates that the variance of the coefficient for internal audit is increased by a factor of approximately 1.757 due to multicollinearity. Also, Fraud prevention has a low tolerance of 0.332 indicates a high degree of correlation with the other predictors, suggesting that only around 33.2% of the variance in this predictor is independent of the others. The VIF of 3.010 indicates that the variance of the coefficient for fraud prevention is inflated by a factor approximately 3.010 due to multicollinearity. Fraud detection, similar fraud prevention, the tolerance of 0.353 indicates a high degree of correlation with the other predictors, with approximately 35.3% of its variance independent of the others. The VIF of 2.834 indicates that the variance of the coefficient for fraud detection is inflated by a factor of approximately 2.834 due to multicollinearity.

Heteroskedasticity test

Based on the heteroskedasticity assumption test, this study found there are 2 samples should be outlier from the data as there is heteroskedasticity issues in the previous test. Thus, the total data for the next test are 91 samples.

Table 6: Heteroskedasticity test

Model	**T**	**Sig**
(Constant)	2.154	0.034
Internal Audit	-1.581	0.117
Fraud Prevention	-1.280	0.204
Fraud Detection	1.883	0.063

Source: Author (2024).

a. *Dependent Variable: ABSRES.*

Table above show the heteroskedasticity assumption test as the p - value in each variable internal audit, fraud prevention and fraud detection show that sig. > 0.05, thus, there are no issues on heteroskedasticity. The T values for internal audit, fraud prevention, and fraud detection are -1.581, -1.280, and 1.883, respectively. The T value for fraud detection 1.883 is higher than the T values for internal audit and fraud prevention, indicating that fraud detection may have a relatively stronger impact on the dependent variable compared to internal audit and fraud prevention.

Table 7: R - Square Test Model Summary

Model	R	R Squire	Adjusted R Squire	Std. Error of the Estimate
1	0.868[a]	0.754	0.746	0.19876

Source: Author (2024).

b. Predictors: (Constant), FRAUD DETECTION, INTERN ALAUDIT, FRAUD PREVENTION

Table above show result R– squared test, the correlation coefficient (R) between the observed and predicted values is approximately 0.868. This indicates a strong positive linear relationship between internal audit, fraud prevention, fraud detection and financial performance in the model. The coefficient of determination R squire is approximately 0.754. The adjusted R squire is approximately 0.746. This means that 74.6% of the total variation in the financial performance is explained by internal audit, fraud prevention, fraud detection in the model. In other words, the model accounts for a substantial portion of the variability in financial performance. This value adjusts the R squire for the number of predictors in the model, providing a more accurate representation of the model's goodness of fit. It's slightly lower than the R - squire, which is typical when additional predictors are added to the model. The standard error of the estimate is approximately 0.1987. This represents the average deviation of the observed values from the predicted values by means of the regression model. The model appears to have strong explanatory power (as indicated by the enormously relatively R and R squire values), suggesting that it successfully captures the relationship between internal audit, fraud prevention, fraud detection and financial performance.

Table 8: F – Test ANOVA[a]

Model	**Sum of Squires**	**Df**	**Mean of Squire**	**F**	**Sig.**
Regression	10.535	3	3.512	88.893	0.000[b]
Residual	3.437	87	0.040		
Total	**13.972**	**90**			

Source: Author (2024).

a. Dependent Variable: FINANCIALPERFORMANCE
b. Predictors: (Constant), FRAUD DETECTION, INTERNAL AUDIT, FRAUD PREVENTION.

The table above show the F-test ANOVA results indicate the sum of squares for the regression model is 10.535, with 3 stages of freedom. This represents the variability in financial performance that is explained by the Internal audit, Fraud prevention, and fraud detection included within the model. The sum of squares for the residuals (or error term) is 3.437, with 87 stages of freedom. This represents the unexplained variability of financial performance after accounting for the effects of internal audit, fraud prevention, fraud detection. In the case of the regression model, the mean of squares is 3.512, while for the residual, it's approximately 0.040. The F value is 88.839. Significance (Sig.) represents the p-value associated with the F-statistic. The significance value is.000, indicating that the overall regression model is statistically significant. This means that the model also fit for further test. At least one of these variables such as internal audit, fraud prevention, fraud detection in the model has a non- Zero coefficient and contributes significantly to explaining the variability in financial performance.

Regression Model

Table 9: Multiple Regression Analysis

Model	Unstandardized coefficient.		Standardized coefficient
	B	Std. Error	Beta
Constant	0.343	0.254	
Internal Audit	0.406	0.075	0.396
Fraud prevention	0.078	0.084	0.087
Fraud Detection	0.443	0.083	0.484

Source: Author (2024).

a. Dependent Variable: FINANCIALPERFORMANCE.

To determine the link between financial performance and internal audit fraud prevention, fraud detection (independent variables), multiple regression analysis was conducted. The results from the SPSS, table above led to the regression equation (**$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3+\varepsilon$).**

Hence: $Y= 0.343+ 0.406X1+ 0.078X2+ 0.443X3 + \varepsilon$

From the established regression equation, and considering all factors (internal audit, fraud prevention, fraud detection and financial performance) the constant at zero financial performance of districts council in Sierra Leone was 0.343. From the analysis of the data findings, taking all other independent variables to be zero, financial performance of district council in Sierra Leone will increase by 0.406 from one unit increase in internal audit. When internal audit increases by one-unit, financial performance of district council in Sierra Leone will increase by 0.078. When fraud prevention increases by one-unit, financial performance of district council will increase by 0.443 from one unit increase in fraud detection.

Hypothesis test and explanation of result

Table 10: T- test results Coefficients[a]

Model	**T**	**Sig**
(Constant)	1.352	0.180
Internal Audit	5.432	0.000
Fraud Prevention	0.924	0.358
Fraud Detection	5.324	0.000

Source: Author (2024).

a. Dependent Variable: FINANCIALPERFORMANCE.

The analysis on the attached variable produced statistical results of 1.99714 with a sample size of 93 data points and a significant level of 0.05. The findings of the significance test of various parameters can be explained based on the statistics provided in table above:

Test hypothesis 1 (Internal audit X 1)

The test result for internal audit has a t value of 5.432, with a significant level of 0.000, This indicates that the coefficient is statistically significant at the 0.05 significant level, it can be concluded that **hypothesis 1 is accepted** which means Internal Audit has positive Impact on public sector Financial Performance in Sierra Leone District Councils. Hence the t count is great than the table (5.432 > 1.99714) and the significant level is less than 0.05 (0.000 < 0.05). Therefore t-test results, internal audit variable statistically has significant and positive impacts on financial performance.

Test hypothesis 2 (fraud prevention X 2)

The test result for fraud prevention has a t-value of 0.924 with a significant level of 0.358. Indicating that the coefficient for fraud prevention is not statistically significant impacted financial performance. Since the significant level is greater than 0.05, thus **hypothesis 2 is rejected** which means that fraud prevention has no Impact on public sector Financial Performance in Sierra Leone District Councils because the t count is less than the table (0.924 < 1.99714) and the significant level is great than 0.05 (0.358 > 0.05). Therefore t-test results, fraud prevention variable statistically has no or less significant impacts on financial performance.

Test Hypothesis 3 (fraud detection X3)

The test result for fraud detection has a t-value of 5.324 and significant level of 0.000. Similar to internal audit, this indicates that the coefficient is statistically significant at 0.05 significant level, it can be concluded that **hypothesis 3 is accepted**, which means fraud detection has positive Impact on public sector Financial Performance in Sierra Leone District Councils since the t count is great than the table (5.324 > 1.99714) and the significant level is less than 0.05 (0.000 < 0.05). Therefore t-test results, fraud detection variable statistically has significant and positive impacts on financial performance.

DISCUSSION

Internal Audit impacts Financial Performance

Based the finding, the Internal audit significantly influence Financial Performance. The t-value for internal audit is 5.432, accompanied by a significance level of 0.000, significantly lower than the 0.05 threshold. Which means Internal Audit has positive Impact on public sector Financial Performance. The results of this study support previous research conducted by Ondieki, (2013) who examined the impact of internal auditing on the financial performance of commercial banks in Kenya. He found a positive correlation between internal audit practices and financial performance. The research concentrated on aspects such as internal controls, adherence to internal control standards, independence of internal audit, and professional competence. In light of these findings, the present study aims to investigate whether similar results will be observed in the context of Microfinance Institutions in Kenya. Srinivasan, (2012) suggested that internal auditing could enhance financial performance by rigorously adhering to auditing principles. Compliance with internal audit standards can enhance financial performance by ensuring auditors conduct their duties according to approved criteria, maintaining professionalism, and objectivity to enhance risk management (Fadzil et al., 2005). The independence of internal auditors is crucial for improving financial performance, as it ensures auditors are detached from the activities they assess and remain impartial to routine internal control processes, thus executing their responsibilities objectively and without any conflicts of interest.

Fraud Prevention impacts on Financial Performance

The finding Indicate that the coefficient for fraud prevention is not statistically significant impacted financial performance. The constraints faced by auditors in effectively preventing fraud can arise from the district council management's efforts to hide financial data. This is because the council actively conceals fraud prevention efforts.

The t-value for fraud prevention is 0.924 with a significance level of 0.358, which is above the 0.05 threshold. This indicates that fraud prevention has no impact on the financial performance of the public sector in Sierra Leone District Councils. Hence, the significant level is greater than 0.05. The result is consistent with the research made by Further, Ojo & Study (2017), asserts that businesses have not been able to effectively reduce incidence and expense of fraud on the whole. Regulations have compelled management to examine policies and practices, but there hasn't been a significant movement toward proactive fraud prevention on a large scale. Reducing occurrence of corporate fraud requires knowledge of best fraud prevention strategies as well as an understanding of underlying reasons for fraud. He went on to say that while reducing employee fraud over the long run is difficult, a business that is dedicated to enhancing fraud prevention initiatives can start with some fundamental adjustments. Mechanism of Preventing Fraud Subjected enterprises that experience employee abuse may rely on a variety of control measures for prevention, as opposed to the police's typical handling of violent crime (street crime) (Shanikat et al., 2014). Internal control procedures are a tool that organizations can use to deal with individuals who commit fraud when they come inside the jurisdiction of the organization (Kuo & Tsang, 2022).

The results of this study supported by previous research conducted by Adu et al (2016)., undertook an extensive investigation in Australia regarding the factors influencing the expert performance of internal auditors in preventing fraud. The study identified determinants crucial for enhancing internal auditors' capabilities in fraud prevention. The findings from studies conducted in developed nations may not be directly transferable to a developing nation like Ghana due to disparities in economic, cultural, social, legal, and institutional contexts. In light of a notable increase in fraud occurrences in recent times, fraud detection has become a focal point for investors, academic researchers, media outlets, the financial sector, and regulators (Sharma & Kumar Panigrahi, 2012). The capacity to identify and handle fraud is essential for companies and nations to achieve their objectives and uphold the accountability of those entrusted with resources. Based on the t-test results, the Internal Audit and Fraud Detection variables appear to be statistically significant impacted public sector financial performance in Sierra Leone district councils and the Fraud Prevention variable do not appear to be statistically significant impacted public sector financial performance in Sierra Leone district councils.

Fraud detection impacts on Financial Performance

Based the finding, the fraud detection significantly influences Financial Performance. The t-value for fraud detection is 5.324, accompanied by a significance level of 0.000, significantly lower than the 0.05 threshold. This underscores the robust positive impact of fraud detection on financial performance. These findings align with previous research, highlighted by Wahidahwati & Asyik (2022), investigated the factors influencing fraud detection by auditors. The research findings indicated that auditor attributes such as ability, experience, ethics, professional scepticism, and personality all contribute positively and significantly to fraud detection. Similarly, Arum & Wahyudi, (2021), explored the relationship between internal audit quality and fraud detection. Their study revealed that ethical standards and professionalism, which determine audit quality, have an impact on fraud detection, with audit quality serving as a mediator between ethics and professionalism and fraud detection. Additionally, Khan et al (2023).,examined the determinants of audit quality and its association with fraud detection. Their findings indicated that auditor independence does not directly affect audit quality, but auditor competencies do positively influence audit quality, which in turn has a positive effect on fraud detection. Bonrath & Eulerich (2024), effective efforts to detect and prevent fraud require aligning suitable control measures with the range of potential fraud risks. In public entities, such as governmental institutions, these risks can span engineering, natural disasters, financial fraud, and social influences. Any forthcoming events may have varying degrees of impact on these institutions, whether significant or not. Nuswantara (2020), also suggested that having accurate information and transparent communication are crucial factors in deterring fraud. Essentially, the decrease in fraudulent behaviour relies on the quality of information and communication. Research indicates that effective governance structures for addressing significant risks rely heavily on the circulation of thorough and accurate information throughout the organization.

The research findings highlight the positive impact of internal audit, fraud prevention, and detection on public sector financial performance in Sierra Leone. Through a quantitative research approach and data analysis of responses from internal auditors and finance officers, the study demonstrates that effective internal audit functions play a significant role in preventing and detecting fraud, ultimately contributing to improved financial performance in District Councils. The results underscore the need for robust internal audit practices, proactive fraud prevention measures, and enhanced fraud detection mechanisms to safeguard public funds and promote accountability. The research underscores the critical role of internal audit in ensuring financial integrity, preventing fraud, and enhancing financial performance in the public sector. By addressing these key aspects, District Councils can strengthen their governance frameworks, promote transparency, and optimize resource utilization, ultimately contributing to the overall development and well-being of Sierra Leone's public sector.

CONCLUSIONS

The study objective of establishing whether internal audit had an impact on financial performance in district council in Sierra Leone was met. The conclusions drawn from the findings revealed that internal audit contributed to 74.6% of the financial performance of these institutions. Furthermore, it was discovered that the internal audit and fraud detection showed a statistically significant correlation with financial performance. This suggests that factor such as fraud prevention, do not have a significant impact on financial performance.

Finally, fraud detection was found to have a significant positive impact on public sector financial performance, the study highlights the need for further research and enhancements in fraud prevention strategies to strengthen their effectiveness and relevance in improving financial outcomes in District Councils in Sierra Leone. The studies suggest that emphasize the importance of strengthening internal audit functions, implementing robust fraud prevention measures, enhancing fraud detection mechanisms, promoting accountability and transparency, and establishing continuous monitoring and evaluation processes within District Councils. By adopting these recommendations, District Councils in Sierra Leone can enhance their financial management practices, mitigate fraud risks, and contribute to good governance and sustainable development.

RECOMMENDATIONS

Based on the findings of the study on "The Role of Internal Audit, Fraud Prevention, and Detection on Public Sector Financial Performance in Sierra Leone," the following recommendations are proposed:

- The district councils in Sierra Leone should prioritize strengthening their internal audit functions to enhance fraud prevention and detection capabilities. This includes investing in training for internal auditors, adopting best practices in internal audit processes, and ensuring independence and objectivity in audit activities.
- It is also recommended that district councils should implement robust fraud prevention measures, such as internal controls, risk assessments, and fraud awareness programs. By proactively addressing fraud risks, Councils can safeguard public funds and improve financial performance.
- It is recommended that district councils should establish a system for continuous monitoring and evaluation of internal audit activities, fraud prevention measures, and financial performance. Regular assessments and reviews can help Councils identify areas for improvement and ensure the effectiveness of implemented strategies.

FURTHER STUDY

- Future researchers could consider expanding the scope of the study to include additional district councils or other levels of government within Sierra Leone. This broader scope could provide a more comprehensive understanding of the role of internal audit, fraud prevention, and detection across different regions.
- Future researchers could undertake a comparative analysis to assess the differences in internal audit practices, fraud prevention strategies, and financial performance across different countries or regions. Comparing Sierra Leone's practices with those of other countries could yield valuable

insights and identify best practices for enhancing public sector financial performance.

- While this study utilized quantitative methodology, future researchers could incorporate qualitative approaches such as interviews or focus groups to gain deeper insights into the perceptions and experiences of stakeholders involved in financial management and fraud prevention in Sierra Leone's public sector.

REFERENCES

Ahmeti, A., Ahmeti, S., & Aliu, M. (2022). Effect of Internal Audit Quality on the Financial Performance of Insurance Companies: Evidence from Kosovo. *International Journal of Applied Economics, Finance and Accounting*, *12*(2), 63–68. https://doi.org/10.33094/ijaefa.v12i2.551

Arum, E. D. P., & Wahyudi, I. (2021). Audit Quality and Fraud Detection: Evidence of the Internal Auditor of Jambi Province. *Proceedings of the Sixth Padang International Conference On Economics Education, Economics, Business and Management, Accounting and Entrepreneurship (PICEEBA 2020)*, *179*(Piceeba 2020), 8–14. https://doi.org/10.2991/aebmr.k.210616.002

Bonrath, A., & Eulerich, M. (2024a). Internal auditing’s role in preventing and detecting fraud: An empirical analysis. *International Journal of Auditing*, *December 2023*, 1–17. https://doi.org/10.1111/ijau.12342

Button, M., Hock, B., Shepherd, D., & Gilmour, P. M. (2023). What really works in preventing fraud against organisations and do decision-makers really need to know? *Security Journal*, *0123456789*. https://doi.org/10.1057/s41284-023-00402-4

Chinedu, E., Nwoha, P. C., & Udeh, S. N. (2019). Finance Effect of Audit Quality on Financial Performance of Listed Manufacturing Firms in Nigeria (2006-2016). Advance Journal of Management , Accounting and Dr . Enekwe Chinedu , Prof . Chike Nwoha and Dr . Sergius Nwannebuike Udeh. *Advance Journal of Management, Accounting and Finance*, *5*(01), 1–12.

Davis, M. V, & Harris, D. (2020). Strategies to Prevent and Detect Occupational Fraud in Small Retail Businesses. *International Journal of Applied Management and Technology*, *19*(1). https://doi.org/10.5590/ijamt.2020.19.1.04

DeSimone, S., D’Onza, G., & Sarens, G. (2021). Correlates of internal audit function involvement in sustainability audits. In *Journal of Management and Governance* (Vol. 25, Issue 2). Springer US. https://doi.org/10.1007/s10997-020-09511-3

Dharmawati, T., Safaruddin, Kamal, I., Cakranegara, P. A., & Revinzky, M. A. (2022). Mediation Effects of Fraud Prevention on the Relationship of Internal Control, Risk Management and Organizational Performance. *Atestasi : Jurnal Ilmiah Akuntansi*, *5*(2), 540–555. https://doi.org/10.57178/atestasi.v5i2.123

Fatah, N. A. (2021). The Role of Internal Audit on Financial Performance Under IIA Standards: A Survey Study of Selected Iraqi Banks. *Qalaai Zanist Scientific Journal*, *6*(2), 1028–1048. https://doi.org/10.25212/lfu.qzj.6.2.38

Firmanza, Abidin, R., & Ruswanda, I. (2022). The Important Role Of Forensic Accounting And Investigative Audit In Fraud Prevention And Disclosure. *Jurnal Pendidikan Dan Konseling*, *4*(4), 4600–4617.

Goecks, L. S., Korzenowski, A. L., Gonçalves Terra Neto, P., de Souza, D. L., & Mareth, T. (2022). Anti-money laundering and financial fraud detection: A systematic literature review. *Intelligent Systems in Accounting, Finance and Management*, *29*(2), 71–85. https://doi.org/10.1002/isaf.1509

Gunawan, I. (2019). Effective Corporate Governance to Prevent Fraud in Public Sector in Indonesia. *Asia Pasific Fraud Journal*, *4*(1), 96–100. https://doi.org/10.21532/apfj.001.19.04.01.09

Haddad, A., El Ammari, A., & Bouri, A. (2021). Impact of Audit Committee Quality on the Financial Performance of Conventional and Islamic Banks. *Journal of Risk and Financial Management*, *14*(4). https://doi.org/10.3390/jrfm14040176

Hajek, P., Abedin, M. Z., & Sivarajah, U. (2022). Fraud Detection in Mobile Payment Systems using an XGBoost-based Framework. *Information Systems Frontiers*, *25*(5), 1985–2003. https://doi.org/10.1007/s10796-022-10346-6

Halbouni, S. S. (2015). The Role of Auditors in Preventing, Detecting, and Reporting Fraud: The Case of the United Arab Emirates (UAE). *International Journal of Auditing*, *19*(2), 117–130. https://doi.org/10.1111/ijau.12040

Hamid, A., & Nasih, M. (2021). Fraud prevention of village funds in East Java Indonesia. *Management Science Letters*, *11*, 2033–2044. https://doi.org/10.5267/j.msl.2021.3.006

Handitya, B. (2019). The Principles of Good Government in Suppressing Corruption. *Law Research Review Quarterly*, *5*(1), 1–16. https://doi.org/10.15294/snh.v5i01.29712

Hazaea, S. A., & Zhu, J. (2022). Internal audit system and financial corruption in public institutions: case study of Yemeni public telecommunication corporation. *International Journal of Business Excellence*, *27*(3), 360–386. https://doi.org/10.1504/IJBEX.2022.124541

HENRY, M. (2021). *Role of Internal Auditing Function in Performance of State-Owned Enterprises (SOEs) in Zimbabwe : A Corporate Governance Framework*. *1*(1), 1–312.

Jamil, N. N. (2020). The Power of Political Connections: Review on the Impacts of Audit Committee and Corporate Governance. *Journal of Public Administration and Governance*, *10*(1), 333. https://doi.org/10.5296/jpag.v10i1.16675

Jori, R. (2023). *an Analysis of Challenges Faced By Internal Audit Departments in the Public Sector: a Case Study of Ethekwini Metropolitan Municipality Master of Accounting: Internal Auditing*.

Kajenthiran, K., & Galahitiyawe, N. W. K. (2019). Enhancing customer loyalty of Banks through corporate social responsibility: A conceptual framework. *International Journal of Research and Innovation in Social Science (IJRISS)*, *III*(Vii), 128–136.

Kamara, A. K. (2023). An Assessment of the Effectiveness of the Internal Audit on the Performance of the Public Sector: Case Study of the National Revenue Authority (NRA). *OALib*, *10*(08), 1–28. https://doi.org/10.4236/oalib.1110432

Khan, A. S., Nejad, M. Y., & Kassim, A. A. M. (2023). The Effect of Audit Quality on Fraud Reduction: A Moderating Role of International Financial Reporting Standards (IFRS) Adoption in Malaysia and Indonesia. *International Journal of Professional Business Review*, *8*(6), e02181. https://doi.org/10.26668/businessreview/2023.v8i6.2181

Khelil, I. (2023). The working relationship between internal and external auditors and the moral courage of internal auditors: Tunisian evidence. *Arab Gulf Journal of Scientific Research*, *41*(4), 462–477. https://doi.org/10.1108/AGJSR-07-2022-0121

Lukman, R. P., & Chariri, A. (2023). the Role of Internal Auditors in Fraud Prevention and Detection: Empirical Findings From General Banking. *Diponegoro Journal of Accounting*, *12*(1), 1–11. http://ejournal-s1.undip.ac.id/index.php/accounting

Lumban Gaol, L. (2022). Work Experience in Moderating the Independence, Competence, and Motivation of Internal Auditors on the Effectiveness of Internal Control. *JFBA: Journal of Financial and Behavioural Accounting*, *2*(1), 1–14. https://doi.org/10.33830/jfba.v2i1.2855.2022

Melinda, K., Susanti, A., Tarigan, J. K., Deliana, D., & Napitupulu, I. H. (2022). The Role Of Internal Audit In Fraud Prevention And Disclosure : Literature Riview. *Kajian Akuntansi*, *23*(1), 50–66. https://doi.org/10.29313/ka.v23i1.9400

Mpakaniye, D. J. P. (2022). Effect of Competency internal audit staff on Internal Audit Effectiveness in Rwanda's Public Organization. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.4074112

Nisak, I. A., & Rochayatun, S. (2023). Role of Internal Audit, Fraud Detection, and Prevention in Universities: A Literature Review. *Dialektika : Jurnal Ekonomi Dan Ilmu Sosial*, *8*(1), 63–71. https://doi.org/10.36636/dialektika.v8i1.1800

Nuswantara, D. A. (2020). Exploring Internal Control System As Deterrent To Occupational Fraud In Local Government. *International Journal of Economics and Management Studies*, *7*(2), 103–114. https://doi.org/10.14445/23939125/ijems-v7i2p116

Oyerogba, E. O. (2021). Forensic auditing mechanism and fraud detection: the case of Nigerian public sector. *Journal of Accounting in Emerging Economies*, *11*(5), 752–775. https://doi.org/10.1108/JAEE-04-2020-0072

Shah, A. A., Azmat, M., Rasheed, Q.-U.-A., & Arshad, A. (2023). Impact Evaluation of Factors of Internal Audit on Intrnal Audit Effectiveness: The Moderating and Mediating Effect of Ethical Culture and Internal Controls. *Pakistan Journal of Humanities and Social Sciences*, *11*(1), 490–506. https://doi.org/10.52131/pjhss.2023.1101.0367

Volodina, T., Grossi, G., & Vakulenko, V. (2022). The changing roles of internal auditors in the Ukrainian central government. *Journal of Accounting and Organizational Change*, *19*(6), 1–23. https://doi.org/10.1108/JAOC-04-2021-0057

Wahidahwati, W., & Asyik, N. F. (2022). Determinants of Auditors Ability in Fraud Detection. *Cogent Business and Management*, *9*(1). https://doi.org/10.1080/23311975.2022.2130165

Weekes-Marshall, D. (2020). The role of internal audit in the risk management process: A developing economy perspective. *Journal of Corporate Accounting and Finance*, *31*(4), 154–165. https://doi.org/10.1002/jcaf.22471

Zhang, X., Du, Q., & Zhang, Z. (2022). A theory-driven machine learning system for financial disinformation detection. *Production and Operations Management*, *31*(8), 3160–3179. https://doi.org/10.1111/poms.13743

Zhu, X., Ao, X., Qin, Z., Chang, Y., Liu, Y., He, Q., & Li, J. (2021). Intelligent financial fraud detection practices in post-pandemic era. *Innovation*, *2*(4), 100176. https://doi.org/10.1016/j.xinn.2021.100176

Zisu, M., Shefer, N., & Carmeli, A. (2023). Facilitating internal audit quality and improving the performance of medical clinics. *Public Money and Management*, *0*(0), 1–13. https://doi.org/10.1080/09540962.2023.2268299