



## Assessment of internal control practices of Nigeria integrated water resources management commission

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### Abstract

The study assesses the internal control practices of Nigeria Integrated Water Resources Management. The purposive sampling technique was used to gather data from 220 staff of five offices of Nigeria Integrated Water Resources Management in Lagos. The Statistical Package for Social Sciences v. 20 was employed to analyze the data gathered. It was revealed that preventive internal controls, detective internal controls and directive internal controls are the internal controls practices of Nigeria Integrated Water Resources Management. Findings of the study also show that control environment, risk assessment, information and communication system, control activities and monitoring are part of the components of internal controls system of Nigeria Integrated Water Resources Management. The study discusses the policy and managerial implications as well as direction for future research.

**Keywords:** Internal control practices, organizational profitability, NIWRMC

### Introduction

Management of many organizations with well-established visions, missions and objectives seek ways to best control their enterprises. Internal controls are put in place to keep the company on course toward profitability goals and achievement of its mission (Harasheh & Provasi, 2023) <sup>[11]</sup>. Internal controls are designed and maintained to meet basic objectives of: carrying on the business in orderly and efficient manner, safeguarding assets, ensuring adherence to management policies and securing as far as possible the completeness of record (Ostaev *et al.* 2020) <sup>[18]</sup>. Because internal controls serve many important purposes, the increasing call for effective implementation of internal control system led to the Committee of Sponsoring organizations of the Tread way Commission's (COSO) report; hence the need for internal audit (Alqudah *et al.*, 2023) <sup>[2]</sup>. According to Hutabarat (2024) <sup>[12]</sup>, internal audit is established by management as an independent appraisal function to review the internal control system as a service to the organization. It objectively examines, evaluates and reports on the adequacy of the internal control system as a contribution to proper, economic, efficient and effective use of the resources (Musana & Setyawan, 2023) <sup>[14]</sup>. In the views of Solomon *et al.* (2023) <sup>[23]</sup>, even though internal auditors are employees of the organization, they are guided by principles such as independence, objectivity, integrity, confidentiality and competency to perform their functions which in turn lead to effective internal controls. The role of internal auditors is receiving recognition rapidly. This is evident in the establishment of Institute of Internal Auditors (IIA) in countries like U.S, U.K, and the recent passage of the Internal Audit Agency Act 2003 (Act 658). Today, internal auditors are seen as part of top management team involved in the creation of organizational wealth and values through effective internal control system (Gunn *et al.*, 2023) <sup>[9]</sup>. In Nigeria, organizations especially those of publics are found of wanting with respect to internal control measures leading to poor and organizational ineffectiveness. However, extant literature (Lennox & Wu, 2022; Yusuf & Kanji, 2020) <sup>[26]</sup> confirm the relevance of internal control

system to organizational effectiveness and profitability. The Nigeria Integrated Water Resources Management was set up to produce clean water to Nigerians. The company has internal control systems in place, however frequent irregularities and errors has results in waste where treated water could be seen gushing out for days without attention. It has also been assumed that resources of the organization are not utilized for its intended purposes posing a great risk which is associated with the misuse of organization funds and resources. The question is: How have the internal control practices of Nigeria Water Company Limited led to profitability?

### Objectives of the Study

To determine the internal control practices of Nigeria integrated water resources management;  
To identify the components of Nigeria integrated water resources management and;  
To ascertain the relationship between internal control measures and organizational profitability

### Significance of the Study

The study among its usefulness adds to existing knowledge of internal control systems and the role internal, auditors play in ensuring effective internal controls. It will also serve as a good source of reference to organizations as far as instituting and ensuring effective internal controls is concerned. Also, this would enable the company derive optimum results from its employees by improving upon its control systems. Again, the study will inform organizations that internal auditors do not only exist to detect fraud but to make sure that internal control systems of the organization are effective implemented.

### Delimitation of the Study

The study assesses the internal control practices of Nigeria Water Company Limited. A sample size of 220 was determined from five branches of Nigeria Water Company Limited. The geographical scope was Lagos as Lagos has a

preponderance of offices of Nigeria Water Company Limited in relation to other states

## Literature Review

### Theoretical Review

#### Agency Theory

Jensen and Meckling (1976) originally developed the agency theory. The agency theory operates on the assumption that, the firm is viewed as a nexus of contracts between different stakeholders of the organisation. According to Jensen and Meckling (1976), the owners and executives of an organisation may have differences in opinion with regard to the best interests of the organisation. Consequently, executives may see as using organisations to get as much as they can at the expense of the owners. Agency theory explains the application of controls being primarily based on economic cost benefit analysis, where controls are put in place in order to reduce information asymmetries between principals and owners. Furthermore, the agency theory has been used to explain demands for monitoring controls such as the financial statement audit, external directors on boards and committees, audit committees, internal audit, and compensation schemes (Arwinge, 2013). According to Jensen and Payne (2013), internal controls, financial reporting, budgeting, audit committees and external audits are some of the many mechanisms used in business to address agency problems. Gupta (2001) as cited in Magu and Kibati (2016) acknowledged that internal controls can provide reasonable assurance to management objectives. Internal control systems have been introduced into policies, rules and regulations of organisations to achieve their stated objectives. This agency theory is relevant in current study since it throws light on how the principal and agency interact for the benefit of the organisation. It will also enable the evaluation of the organisation on internal controls. There mere fact that, the principal delegates his/her power to the agent also creates an oversight responsibility by the principal to the agent.

#### Internal Controls

A primary lesson from financial failures and collapses of many organizations is that internal controls are essential to corporate success and survival (Abdo *et al.*, 2022) <sup>[1]</sup>. According to Eskin (2020) <sup>[8]</sup>, internal control is a whole system of controls, financial and otherwise, established by management in order to carry on the business of the enterprise in orderly and efficient manner, ensure adherence to management policies, safeguard its assets and secure as far as possible the completeness and accuracy of the records. Also, according to the COSO report issued in 2002, internal control is a process that affects an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objective in the following categories

1. Effectiveness and efficiency of operations
2. Reliability in financial reporting and
3. Compliance with applicable laws and regulations

Though there are differences in the definitions, it can be seen that the difference are only semantics as some definitions use structure; because internal controls operate everyday within an entity's framework, others use process since internal control is a dynamic function (Napitupulu,

2023) <sup>[15]</sup>. The definitions, however, make use of the same concepts with the same objectives. For instance, a structure or process as used in the definitions means that internal controls are only means to an end but not an end in them. Also, in all the definitions, it is clear that internal controls are designed and implemented by people at the various levels of management; that is, people make the system work (Nguyen & Duong, 2024) <sup>[16]</sup>. All the definitions also emphasized the fact that internal controls provide reasonable assurance, not absolute, that objectives will be achieved. This means that internal controls can only help prevent and detect errors that caused failures but it cannot guarantee that those errors will never recur (Salehi *et al.*, 2023) <sup>[21]</sup>. Most importantly, all of the definitions assert that internal controls are designed to achieve objectives. Though from the definitions, everyone in the organization has a role to play if internal controls were to be effective, that of internal auditors cannot be over emphasized (Boulhaga *et al.* 2023) <sup>[6]</sup>. This is the more reason why the COSO, in its recommendations, emphasized the importance of a competent and involved audit committee and an active internal audit unit in preventing fraudulent practices. Internal auditors, though part of internal controls, play an inside – out role to ensure that all the components of internal controls are effective.

#### Establishment of Internal Control System

Bakhodirovich (2023) <sup>[5]</sup> argue that every business has some kind of accounting system by which transactions are processed, and records of those transactions maintained. Sari *et al.* (2021) <sup>[22]</sup> further stipulates that management establish internal control system, either directly or by means of external consultants, internal audit, or accounting personnel. It follows that management is responsible for designing controls in order to carry on the business of the enterprise in orderly and efficient manner, ensure adherence to management policies, safeguard its assets and secure as far as possible the completeness and accuracy of the records (Rapani & Malim, 2020) <sup>[19]</sup>. The above responsibility stems from the fiduciary responsibility of management. Internal controls are designed to suit the purpose of management. It must be noted, however, that even though the establishment of internal control system is purely a managerial function and the internal audit department contributes significantly in the design of these controls (Epa, Badruzaman & Supriadi, 2024) <sup>[7]</sup>. Since Internal Auditors are professionals who possess the necessary skill to evaluate the potential impact of any control system to be instituted, their input is vital in establishing effective internal controls.

#### Components of Internal Control

The Committee of Sponsoring Organizations of the Tread way Commission (COSO, 1992; 1994), in its study on the causal factors that lead to fraudulent financial reporting in the early ninety's in the USA, concluded that internal controls consist of five (5) components. These are derived from the way management run the business, and are integrated with the management process. The components are

**The control environment:** This includes factors such as integrity and ethical values, board of directors or audit committee, management philosophy and operating style, organizational structure, human resource policies and practices and assignment of authority and responsibility.

Although many factors go into control environment, this component is significantly influenced by the effectiveness of the board of directors or audit committee if any (Sadiq *et al.*, 2023) <sup>[20]</sup>. However, the effectiveness of these factors largely depends on their interaction with the internal and external auditor. This means internal auditors are essential to effective control environment.

**Risk assessment:** This is the careful assessment of factors that affect the possibility that the organization's objective will not be achieved. As we saw in the definition of internal control, management always design internal controls in order to ensure effectiveness and efficiency, reliability of financial reporting and compliance with applicable laws and regulations Tesson *et al.*, 2020) <sup>[25]</sup>. As part of the internal auditor's function to ensure that these objectives are achieved, the internal auditor conducts performance review and evaluates the adequacy and effectiveness of the controls designed.

**Information and communication system:** Pertinent information must be identified, captured and communicated in a form and time frame that enable people to carry out their responsibilities. Information systems produce reports containing operational, financial and compliance - related information that makes it possible to run and controls the business (Olaniyi & Omubo, 2023) <sup>[17]</sup>

**Control Activities:** These are policies and procedures that help ensure management directives are carried out. Control activities occur throughout the organization, at all levels and in all functions. They include range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of asset and segregation of duties Hanoon *et al.*, 2021) <sup>[10]</sup>. Most of these activities are made possible through the help of the internal audit function

**Monitoring:** This process assesses the quality of the internal control structure over time. This is because internal controls are processes; and thus, may need modifications over time. This could be achieved through regular supervision and management activities such as monitoring of customer complaints as well as periodic audits by internal auditors. Internal auditors investigate and appraise internal control structure and the efficiency with which the various functions are performing their assigned duties (Stirling *et al.*, 2021) <sup>[24]</sup>. According to the Institute of Internal Auditors (IIA), internal auditors bring a systematic and disciplined approach to the evaluation and improvement of risk management activities and governance process through examination of internal controls and evaluation of how adequate and effective the controls are. From the above, we can say that internal controls are as effective as its components and these components are as effective as that of internal auditors.

### Types of Internal Controls

Hoai & Nguyen (2022) categorized internal controls into Preventive internal controls, Detective Internal Controls and Directive Internal Controls

**Preventive internal controls:** These seek to deter events from occurring. This is achieved through activities such as segregation of duties and authorization.

**Detective Internal Controls:** Detective internal controls aim at uncovering and correcting undesirable event that have occurred. Activities such as investigation, reconciliations and auditing help to achieve this aim.

**Directive Internal Controls:** These encourage desirable events to occur. These controls are designed to assist in the accomplishment of goals and objectives. The establishment of an effective organizational structure is an example of a directive internal control.

### Internal Control and Organizational Profit Relationship

The Integrated Framework about Internal Control (COSO, 2020) provides the definition, role, and objectives of the internal control system. The role of internal controls cannot be undermined in the organizational setting because organizations which are the pillars of the economic development of a nation, are now being characterized by economic instability and slow growth. An effective internal control system has a great influence on organization's operations. According to Khalmurzayevna *et al.* (2023) <sup>[13]</sup>, The internal control system provides an independent assessment of the compliance with, and the adequacy of, the established procedures and policies, and for this reason it constitutes a pillar of the continuous monitoring of the system of internal controls (BCBS, 2018). Internal controls help organizations limit their risk and assess their operations periodically (Bayyoud & Sayyad, 2020). Akwaa-Sekyi (2021) has proved that four out of five internal control components significantly influence organizational Profitability. In the study of Thuneibat, Rehaily, & Basodan (2022), it was found that a properly functioning internal control system increases the profitability and financial performance of an institution. Inferring from the literature, the study hypothesis as

**H1:** *there is a significant relationship between internal control system and organizational profitability*

### Empirical Literature Review

Adu-Frimpong (2021) sought to examine the components of the internal control systems, assess the effectiveness, analyze the challenges of internal control system, and evaluate the effects of the internal control system on operations of Bond Savings and loans Ltd and concluded that the control system had led to positive financial and non-financial performance of Bond.

Douglas (2020) also conducted a study on Internal Control and its Contributions to Organisational Efficiency and Effectiveness at Ecobank Ghana Limited. Internal controls were looked at from the perspective of assessing the contributions of internal controls on efficiency and effectiveness of organizational performance. The study exploited information by the help of primary data from interview schedules. However, the purposive type of sampling was used in sampling. In all five respondents were sampled from the thirty (30) respondents under review. The data gathered was analyzed and interpreted by the help of percentages and frequency tables. The findings of the study revealed that there are measures put in place by the Ecobank Ghana to enhance compliance. The study also revealed that the internal audit unit was responsible for monitoring internal control policy compliance whiles management assesses risk but the internal audit unit is not part of branch operations, they only visit the branches on monthly bases.

**Methodology**

**Research Design**

The study design adopted is descriptive and cross sectional survey. It had been chosen in view of the fact that, it is involves systematic collection and presentation of data to give a clear picture of a particular situation.

**Population**

Kothari (2003) defines target population as the total enumeration of the subjects under investigation. The population for this study consists of staff of Nigeria Water Company

**Sampling Technique and Sample Size**

A research sample is a selected group from the targeted population on which information is obtained (Fraenkel & Wallen, 1993). Sampling is the process of selecting individuals for a study (McMillan & Schumacher, 1999). For the purpose of this study, the purposive sampling technique was used. Out of 240 questionnaire sent out, 220 (91.7%) was return representing the sample size. According to Coffey *et al.* (1996) stated that a high rate of response from respondents indicates the study’s validity of its findings. From this statement it can be concluded that, the response rate of 91.7% is deemed adequate for the study

**Source of Data**

The study employed both primary and secondary sources of data. For the primary source, data was gathered from the respondents from the field. The secondary source were articles and publications used.

**Instrument for Data Collection**

Questionnaire was the main instruments for the data collection. The questionnaires administration took approximately five (5) weeks and each respondent spent about 15 minutes in responding to the questionnaire. The Statistical Package for Social Sciences (SPSS) version 21 was used to carry out the data analysis and the findings presented in tables for easy reading and interpretation. It is also accompanied by short commentaries. To ascertain validity, the questionnaire was pre-tested using 10 respondents from the service industry in Lagos. Reliability on the other hand refers to the stability of the measuring instrument used and its consistency over time. For reliability purposes, a Cronbach Alpha ( $\alpha$ ) was used. Respondents were encouraged to participate at will. The purpose of the study was well explained and participants’ anonymity and confidentiality was assured

**Results and Discussions**

**Demographic Characteristics of the Respondents**

The study demonstrate the dominance of male staff in the Nigeria integrated water resources management, it became apparent as male staff accounted for 72.3% as against 27.3% of female staff.

The age groups 50-59(85) and 40-49(70) were the majority representing 38.7% and 31.8% respectively. This was followed by age group 30-39(50). The least age group is 20-29(15). It can be concluded that majority of staff of the Nigeria integrated water resources management are in the age group 50-59 and 40-49 respectively. The result is a departure of the notion held prior to the study.

The findings of the study showed that master degree holders (36.4%) were fairly the majority followed by bachelor degree (29.5%). Professional certificate holders accounted for (6.0%) whist those with other certificate recorded (6.8%). The findings are admission that all the staff of the Nigeria integrated water resources management are educated but at varied levels.

The results revealed that 150(68.2%) of the respondents which is the majority have been working with the Nigeria integrated water resources management for between 1-3 years. 29.5% of the respondents between 4-6 years and 2.3% between 7-9 years. The findings are an admission that the respondents have considerable knowledge on the subject of the study

**Reliability Statistics**

The Cronbach alpha was used to ascertain the internal consistency and stability of the responses received, the Cronbach alpha reliability test was conducted. A Cronbach alpha of 0.7 is found reliable. From the study, the coefficient value of Cronbach alpha realized for the four variables is between .0802 and 0.8888 which is higher implying a high internal consistency. Table 1 presents the results obtained

**Table1:** Reliability Test

SN	Variables	Cronbach Alpha
1	Preventive internal controls	.0802
2	Detective Internal Controls	.0846
3	Directive Internal Controls	.0888

Source: Field work, 2024

**Objective One: To determine the internal control practices Nigeria Integrated Water Resources Management**

The first objective sought to determine the internal control practices Nigeria integrated water resources management The opinion of the respondents were measured on a 5- point Likert scale rated as 1= *Strongly disagree*; 2= *Disagree*; 3=*Neither agree nor disagree*; 4=*Agree* and 5=*Strongly agree*. Descriptive statistics such as mean and standard deviation were used for the analysis of the responses. According to Dess, Lumpkin and Mefarlin (2005), on a scale of 1-5, the midpoint is 2.9, hence any mean score below 2.9 denotes disagreement and any mean score above 2.9 represents Agreement. The findings are presented on Table 2

**Table 2:** Descriptive Statistics of Internal Control Practices

SN	Statement	Mean	Standard Deviation
1	The company uses the preventive internal controls to deter events from occurring	3.48	1.15
2	Management uses the detective internal controls to uncover and correct undesirable events that have occurred	3.84	1.19
3	Management uses the directive internal controls to accomplish goals and objectives	3.64	1.29

Source: Fieldwork, 2024

The respondents agreed that management of Nigeria integrated water resources management uses preventive internal controls to deter events from occurring ( $M=3.48$ ;  $SD=1.15$ ), Management uses the detective internal controls to uncover and correct undesirable events that have occurred

( $M=3.84$ ;  $SD=1.19$ ) and Management uses the directive internal controls to accomplish goals and objectives ( $M=3.64$ ;  $SD=1.29$ ). The findings showed agreement to the different internal control practices of Nigeria Water Company. This is because all the responses measured had a mean score above 3 showing agreement as indicated by Dess, Lumpkin & Mefarlin (2005). The findings confirm the study of Avlokulov *et al.* (2021) [4] who confirmed that internal control practices such as the use of preventive internal controls, directive and detective internal controls are measures to curtail unwanted and unsuspected events on organizations Also, extant literature (Arfismanda *et al.*, 2021; Harasheh & Provasi, 2023) [3,11] posit that internal control is one of the tools to help the company achieve its goals. Only when the internal control of the enterprise is effectively organized, it will be possible to objectively assess the potential development, timely identify and eliminate risks

**Reliability Statistics**

Zikmund *et al.* (2010) posit that internal consistency is vital to ascertain how the appropriate items on the test measure the same construct”. The Cronbach’s Alpha is said to be the appropriate tool for this measurement. As indicated by Zikmund *et al.* (2010), a scale with coefficient alpha values between 0.6 and 0.7 indicate fair reliability. However, Cronbach’s Alpha coefficient of 0.7 or above is considered acceptable and adequate to determine reliability in most

social science research situations. As can be observed, the study’s reliability value is between 0.802 and 0.862 which is above 0.7 and hence considered acceptable and adequate.

**Table 3:** Reliability Test

SN	Variables	Cronbach Alpha
1	Control environment	.0802
2	Risk assessment	.0822
3	Information and communication system	.0844
4	Control Activities	0.848
5	Monitoring:	0.862

Source: Fieldwork, 2024

**Objective Two: To identify the components of Nigeria Integrated Water Resources Management**

The second objective sought to identify the components of Nigeria integrated water resources management internal control measures

The opinion of the respondents were measured on a 5- point Likert scale rated as 1= *Strongly disagree*; 2= *Disagree*; 3=*Neither agree nor disagree*; 4=*Agree* and 5=*Strongly agree*. Descriptive statistics such as mean and standard deviation were used for the analysis of the responses. According to Dess, Lumpkin and Mefarlin (2005), on a scale of 1-5, the midpoint is 2.9, hence any mean score below 2.9 denotes disagreement and any mean score above 2.9 represents Agreement. The findings are presented on Table 4

**Table 4:** Descriptive Statistics of Internal Control Components

SN	Statement	Mean	Standard Deviation
1	Control environment as an internal control component of Nigeria Water Company includes: integrity and ethical values, board of directors or audit committee, management philosophy and operating style, organizational structure, human resource policies and practices and assignment of authority and responsibility	3.42	1.39
2	Risk assessment as an internal control component of Nigeria Water Company is used to assess factors that affect the possibility that the organization’s objective will not be achieved.	3.64	1.12
3	Information and communication systems as an internal control component of Nigeria Water Company is used to identify pertinent information and communicate same in a form and time frame that enable people to carry out their responsibilities	3.47	1.26
4	Control activities as an internal control component of Nigeria Water Company are policies and procedures that help ensure management directives are carried out. Control activities occur throughout the organization, at all levels and in all functions	3.49	1.15
5	Monitoring as an internal control component of Nigeria Water Company assesses the quality of the internal control structure over time. This is because internal controls are processes; and thus, may need modifications over time	3.44	1.27

Source: Fieldwork, 2024

The respondents agreed that internal control components of Nigeria integrated water resources management includes control environment such as integrity and ethical values, board of directors or audit committee, management philosophy and operating style, organizational structure, human resource policies and practices and assignment of authority and responsibility ( $M=3.42$ ;  $SD=1.39$ ), Risk assessment which is used to assess factors that affect the possibility that the organization’s objective will not be achieved ( $M=3.64$ ;  $SD=1.12$ ), Information and communication systems which is used to identify pertinent information and communicate same in a form and time frame that enable people to carry out their responsibilities ( $M=3.47$ ;  $SD=1.26$ ), Control activities used as policies and procedures to help ensure management directives are carried out ( $M=3.49$ ;  $SD=1.15$ ), Monitoring used to assesses the quality of the internal control structure over time ( $M=3.44$ ;

$SD=1.27$ ). The findings showed agreement to the various components embedded in the internal control activities of Nigeria integrated water resources management. This is because all the responses measured had a mean score above 3 showing agreement as indicated by Dess, Lumpkin & Mefarlin (2005). The results of the study are in tandem with the findings of Koutoupis & Malisiovas (2023). In their study, Koutoupis & Malisiovas (2023) shared that internal control component such as control environment, risk assessment, information and communication system, control activities and monitoring assist organizations to plan and coordinate its activities to success and safeguard it from unsuspected events which could plug the organization into abyss.

**Objective Three: Relationship between Internal Control and Organizational Profitability**

**Table 5:** Summary of Simple Regression Analysis of the relationship between Internal Control and Organizational Profitability Relationship

Variables	B	R <sup>2</sup>	T	F	P-value
IC->OP	.942	.888	38.070	1449.353	.000

Source: Fieldwork, 2024

Note: N=220, p <.05, Adjusted R<sup>2</sup>= .887 IC means internal control, OP means organisational profitability

The result from the linear regression analysis in Table 5 above revealed a significant positive relationship internal control and organizational profitability ( $\beta = .942$ ,  $t=38.070$ ,  $p=0.00$ ). This means that the effect of internal control resulted to an increase in organisational profitability. Hence, the predicted hypothesis, *H1: there is a significant relationship between internal control system and organizational profitability* was accepted. The study supports the work of Niyonsenga and Abuya (2021) regarding financial institutions has proven that internal controls not only increase profitability and capital but also contribute to the risk management process.

### Conclusion

The purpose of the study was to assess the internal control practices of Nigeria integrated water resources management. The purposive sampling technique was used to gather data from 220 staff of five offices of Nigeria integrated water resources management in Lagos

The findings of the study showed the dominance of male staff in the Nigeria Water Company Limited

It can be concluded that majority staff of the Nigeria Water Company Limited are in the age group 50-59 and 40-49 respectively

The findings are admission that all the staff of the Nigeria Water Company Limited are educated but at varied levels

The results revealed that 150(68.2%) of the respondents which is the majority have been working with the Nigeria integrated water resources management for between 1-3 years

The findings of the study showed that preventive internal controls, detective internal controls and directive internal controls are the internal controls practices of Nigeria integrated water resources management.

The results of the study revealed control environment, risk assessment, information and communication system, control activities and monitoring as the components of internal controls system of Nigeria integrated water resources management

From the findings, it was concluded that a significant relationship exists between internal control system and organizational profitability

### Policy and Managerial Implication

#### Policy Implication

The Nigeria Government should ensure that the Nigeria integrated water resources management establishes Internal Audit units to give them the necessary manpower to be able to carry out regular visits to monitor compliance of internal control policies. This is to put the organization into surveillance and checks. Even though, management is chiefly responsible for setting up internal control systems, the internal audit unit must be involved in an advisory capacity.

### Managerial Implication

Management of the Nigeria integrated water resources management should focus on building internal control systems that include control environment, risk assessment, information and communication system, control activities and monitoring to ensure organizational profitability. The preventive controls should seek to deter events from occurring. Also, the detective controls should aim at uncovering and correcting undesirable event that have occurred. Directive controls should be designed to assist in the accomplishment of goals and objectives. The establishment of an effective organizational structure should be an example of a directive internal control.

Management of the Nigeria integrated water resources management the internal control systems built is improving efficiency of operations by removing unnecessary or duplicate steps in a procedure or process. This might include automation of manual controls or combining functions cost-effectively. Again, the improved operational efficiency should allow management to receive timely information to verify current operations are meeting the company's objectives.

Again, management should have continuous monitoring to observe how effective is the system Continuous monitoring of their effectiveness helps management make decisions about whether the process is working or if it needs additional attention. When processes are improved, so is the accuracy of financial reporting which management may rely on to make informed business decisions or judgments.

### Direction for future studies

This study is quantitative in nature therefore, future studies could be qualitative. Also, the sample size which is 220 could be expanded by incorporating offices of Nigeria integrated water resources management in other states for generalization

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