IMPACT OF CONTINUOUS AUDIT ON AUDIT QUALITY IN NIGERIAN BANKS

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Abstract

The study examines the impact of the internal audit function of continuous audit on audit quality in Nigerian banks. The specific objectives of the study were to investigate; the impact of continuous audit on audit quality in terms of enhancing control environment, improving control activities, facilitating risk assessment, and promoting monitoring activities in Nigerian banks. The population of the study consisted of the 22 deposit money banks listed on the stock exchange but 8 banks were eliminated because of their inability to satisfy the selection criteria. Purposive sampling technique was used to select 10 respondents from the internal control and internal audit departments of the 14 selected banks. Only 83 out of the 140 copies of questionnaire sent out was returned and found usable. Data obtained was analysed using descriptive statistics and correlation and regression analysis. The results showed that the internal audit function of continuous audit had a significant impact on audit quality in terms of enhancing the control environment and control activities and, by promoting monitoring activities it also strengthens the risk assessment of banks and consequently impacts on the quality of statutory audit carried out by the external auditor. The study concludes that continuous audit is an effective strategy in enhancing internal control and managing risks in the banking sector. It was recommended that organisations should concentrate on proactively and deliberately managing risks arising from its core competencies as well as critical technologies and processes needed to ensure continued market leadership by leveraging on continuous audit. This is because continuous audit ensures compliance with organizational policies, which are crucial to the achievement of organizational objectives and enhancing organizational effectiveness.

Keywords: audit quality, continuous audit, COSO framework, Nigerian banks, risk management.

1.   INTRODUCTION
Some decades ago, banking was a straight forward business that required just simple procedures to execute but advancement in Information and

Communication Technology (ICT) has had significant impact on business organizations all over the world including the banking industry. According to Laudon and Laudon (2010), cell phones, blackberrys, iphones and e-mails have become essential tools of business. Today, millions of people shop online, millions have purchased items online and millions of people have gone online to research a product or service.

Bank customers are now getting more informed than before and they have become highly sophisticated. Banks can no longer retain customer just because their funds are safe and secured only, now customers demand fast, efficient, convenient and personalized value added banking services. Banks have transformed from manual to automated systems and this transformation comes with attendant consequences.

The annual reports of the Central Bank of Nigeria (CBN) as well as the Nigerian Deposit Insurance Cooperation (NDIC) have consistently shown that fraud and forgery in Deposit Money Banks (DMBs) have been in the increase. The rising fraud cases have been said to be traceable to frauds committed through the use of ATM cards, transaction done through internet banking and suppression of customers' deposits (CBN, 2019). The CBN (2014) attributes one of the causes of frauds in DMBs to poor accounting and weak internal control systems.

In a market-driven environment that is networked, it is very important for banks to have a variable and adaptable operating process that can positively and quickly react to the challenges of adopting modern systems as well as sound and vigorous internal control procedures to safeguard transactions. As part of best practices in corporate governance, banks are expected to establish internal audit units to boost their risk management endeavours. In response to this requirement, banks typically have internal audit systems as part of the structures in their respective organizations (Kalakota & Whinson, 2016). The internal audit department therefore engages in continuous audit as part of service to management. However, little is known on the extent to which such continuous audit services have impacted audit quality in terms of enhancing control environment, improving control activities, facilitating risk assessment, and promoting monitoring activities. The motivation to carry out this study is driven by these observations. Against this backdrop, this study examined the impact of continuous audit on the quality of audit in Nigerian banks. The objectives of the study were to investigate: (i)The impact of continuous audit on audit quality in terms of enhancing control environment in Nigerian banks; (ii) the impact of continuous audit on audit quality in terms of improving control activities in Nigerian banks; (iii) the impact of continuous audit on audit quality in terms of facilitating risk assessment in Nigerian banks; and (iv) the impact of continuous audit on audit quality in terms of promoting monitoring activities in Nigerian banks.

2. LITERATURE REVIEW

2.1   Continuous Audit

There are two broad external audit approaches these are interim audit and final audit. The Interim Audit is carried out just before the year-end with a focus on tests of control, while the Final Audit is conducted between the year end and the reporting deadline. The focus of the Final Audit is on substantive procedures. In order to drastically reduce the occurrences of errors and/or fraud most organizations carryout a continuous audit to examine accounting practices, compliance risk controls and business processes of a continuing basis. Continuous-audit is an internal audit function performed usually by the firm's internal auditors on an ongoing basis. The process of continuous audit is usually technologically driven and management requires that the internal auditor renders a report of the effectiveness of internal controls at regular intervals.

2.2   The Concept of Audit Quality

The Committee of Sponsoring Organizations (COSO, 2013) framework proposed a framework for assessing audit quality. An audit would be of high quality if it enhances the following elements of internal control which are the control environment, control activities, risk assessment, information and communication, and monitoring activities (Moeller, 2011).

The set of standards, processes, and structures that provide the basis for carrying out internal control processes across the organization are categorized as the control environment. It is the responsibility of senior management as well as the board of directors to dictate management's position regarding the importance of internal controls including expected standards of conduct. The integrity and ethical values of the organization are embodied within the control environment and this enables the board of directors to carry out its governance oversight responsibilities. Kenneman (2014) states that "the control environment also dictates the organizational structure and assignment of authority and responsibility; the process for attracting, developing, and retaining competent individuals; and the rigor around performance measures, incentives, and rewards to drive accountability for performance".

Risk assessment involves a process for constantly evaluating and identifying risks that can hinder the attainment of corporate objectives in order to establish risk tolerances which forms the basis for determining how risks will be managed. The essence of continuous audit is to mitigate risks on an on-going basis. Banks typically use continuous audit as a strategy to effectively manage all dimensions of risks they are exposed to.

Control activities are the policies and procedures put in place to ensure that management's charge and intention to quell the risks to the achievement of objectives are carried out. Control activities are required to be performed at all

stages within the business processes and by all levels of staff, especially in the technology driven business environment. Control activities may be carried out to prevent or detect irregularities or unintended errors and may include a wide range of manual and automated activities that checks out authorization and approval for transactions; performs verification and reconciliation as well as review of business performance. It is needful to ascertain that the five components of internal control (control environment, control activities, risk assessment, information and communication, and monitoring activities) are present and functioning. In summary, the internal audit function of continuous audit is expected to reflect in enhancing the control environment, improving control activities, facilitating risk assessment, encouraging information sharing and communication, and in promoting monitoring activities in organisations. To this end the following null hypotheses have been formulated for this study;

1. H_{01}:   Continuous audit has no significant impact on audit quality in terms of enhancing control environment in Nigerian banks.
2. H_{02}:   Continuous audit has no significant impact on audit quality in terms of improving control activities in Nigerian banks.
3. $H_{03\backslash}$:   Continuous audit has no significant impact on audit quality in terms of facilitating risk assessment in Nigerian banks.
4. $H_{04\backslash}$:   Continuous audit has no significant impact on audit quality in terms of promoting monitoring activities in Nigerian banks.

2.3   Theoretical Framework
The theories invoked for this study, supporting continuous audit practice to ensure risk management as part of the outcomes of audit efficiency and quality, are the stakeholder theory and the assurance theory. They are discussed as follows:

1.   Stakeholder Theory
The stakeholder view of the organization recognizes that there are different stakeholders who have a legitimacy over the organization as well as the power to influence activities in and around the organization thus, there is a need for management to consider stakeholder concerns towards determining how those concerns will be addressed. The relevance of the Stakeholder theory to this study is grounded in the view that organizations comprise of an aggregate of different stakeholders with various interests with a need for management to recognize and respond to the expectations of the diverse stakeholders. It is well established that one of the paramount concerns of stakeholders is as regards the audited information that organizations provide about their activities and the level of assurance to place on the audited information. In this instance, auditors in their capacity as verifiers of the activities of a firm act in a capacity as agents to satisfy the interests of stakeholders such as shareholders and creditors. A stakeholder's dissatisfaction might arise without the confidence that the auditors have done what they are expected to do in the

course of carrying out internal and statutory audits. Mohrs (2017) is of the view that based on the analytical view, the stakeholder theory is instrumental to ensuring that the goals of the organization is met. The internal audit function of continuous audit is one tool useful to management in facilitating the achievement of organizational objectives.

2.   The Assurance Theory

Cosserat (2009) define an assurance service as "a service in which a public accountant expresses a conclusion about the reliability of a written assertion that is the responsibility of another party". Elder, Beasley and Arens (2010) also define an assurance service as "an independent professional service that improves the quality of information for decision makers. Individuals responsible for making business decisions seek assurance services to help improve the reliability and relevance of the information used as the basis for their decisions". One of the important functions of the auditor in providing assurance services is the attestation which the auditor provides that the financial statements provided by the management can be relied upon.

3.   METHODS
3.1   Research Design
The study utilized a survey research design which was considered appropriate for this study because it elicits the required psychographic information from respondents on the subject of this study.

3.2   Population and Sampling
For this study the population comprised listed deposit money banks in operation from January 2012 to December 2019. This timeframe was selected because it is expected that a relatively medium to long time-frame provides the opportunity to sufficiently assess how continuous audit has affected the organization, as well as audit quality. As at January 2012, there were 22 deposit money banks. Among these 22 banks, 8 banks were dropped because of their inability to satisfy the selection criteria; Citibank and Standard Chartered banks are subsidiaries of foreign banks; hence their shares are not publicly traded on the Nigeria Stock Exchange (NSE) and their annual reports rendered in Naira as the reporting currency was also unavailable. For the sampling period it was discovered that Mainstreet Bank, Enterprise Bank and Keystone Bank were nationalized and their shares were delisted. Fin Bank was acquired by First City Monument Bank during 2012; and Intercontinental Bank was acquired by Access Bank in the course of the year 2012, Diamond Bank was subsequently acquired by Access bank.

The 14 banks that satisfied the selection criteria and from which data were obtained are; Access Bank Plc, Ecobank Nigeria, Fidelity Bank Plc, First Bank of Nigeria Ltd., First City Monument Bank (FCMB) Ltd., Guaranty Trust Bank (GTB) Plc, Stanbic-IBTC Bank Plc, Polaris Bank Ltd., Sterling

Bank Plc, Union Bank of Nigeria Plc, Unity Bank Plc, United Bank for Africa (UBA) Plc, Wema Bank Plc and Zenith Bank Plc.

3.3   Measurement of Variables

The COSO framework guided the measurement of audit quality. Audit quality was considered from four perspectives including audit quality in terms of control environment, audit quality in terms of control activities, audit quality in terms of risk assessment, and audit quality in terms of monitoring activities. Statements were constructed around how audit quality produced outcomes that would enhance these variables and responses were measured on a scale of 1 (Not at all) to 5 (very large extent).

Continuous audit was measured using scale developed by the researcher after an extensive review of literature. Respondents were requested to rate how often certain critical internal audit activities were performed in their banks on a scale of 1 (never) to 5 (Always). Responses obtained were summed up and averaged to derive an index for continuous audit.

3.4   Method of Data Collection

Purposive sampling technique was used to select respondents from the internal control and internal audit departments of the banks. The study respondents were restricted to this category of officers because of the expectation that their involvement in internal audit activities in banking suggests that they should be knowledgeable about continuous audit and how it impacts audit quality.

Ten (10) copies of the questionnaire were distributed to the target respondents in each of the fourteen (14) selected banks, making a total of one hundred and forty (140) copies distributed. This study drew samples from officers in the head offices of the banks in Lagos State.

3.5   Model Specification

Four models were specified to enable the achievement of the objectives:

Model 1: $CTE = C_{01} + C_1 CAT + ert_1$ Equation 1

Model 2: $CTA = C_{02} + C_2 CAT + ert_2$ Equation 2

Model 3: $RAS = C_{03} + C_3 CAT + ert_3$ Equation 3

Model 4: $MTR = C_{04} + C_4 CAT + ert_4$ Equation 4

Where:

CAT is Continuous Audit

CTE is audit quality in terms of control environment

CTA is audit quality in terms of control activities

RAS is audit quality in terms of risk assessment

MTR is audit quality in terms of monitoring activities

C_{01-4} are constants for Models 1 to 4

C_{1-4} are regressor coefficients for Model 1 to 4

ert_{1-4} are stochastic error terms for Models 1 to 4

3.6   Validity and Reliability

To ensure validity, items appearing in the questionnaire stem from a careful review of relevant extant literature on the subject (Asika, 2006; Ohaja, 2003). Internal consistency was gauged using the Cronbach alpha. Result obtained from the analysis is reported in Table 3.1.

Table 3.1: Test of Reliability

Measure	Cronbach's Alpha	No. of Items
Continuous audit	.726	6
Audit quality in enhancing control environment	.706	4
Audit quality in improving control activities	.781	5
Audit quality in facilitating risk assessment	.701	5
Audit quality in terms of promoting monitoring activities	.811	3

Source: Field Survey (2020)

In Table 3.1, the Cronbach alpha for each of the four constructs is more than 0.6 minimum recommended by Nunnally (1978). It is thus deduced that the research instrument is consistent.

3.7   Methods for Data Analysis

Descriptive statistical techniques and inferential statistical tools were used for the study. Inferential statistical tools used include correlation and regression analysis and inferences were drawn at 5% significance level.

4.   RESULTS AND DISCUSSION
4.1   Response Rate

140 copies of questionnaire were administered in the 14 selected banks, 87 copies were retrieved, 4 copies were unsuitable for use because of incomplete response, and 83 copies were used for the final analysis. The effective response rate therefore stood at 59.3%.

4.2.   Impact of Continuous Audit on audit quality on the control environment in Nigerian banks

An analysis of the relationship between Continuous Audit and audit quality in terms of enhancing control environment in Nigerian banks is captured in Tables 4.1 to 4.4.

Table 4.1: Correlations between Continuous Audit and Control Environment

		Continuous Audit	Control Environment
Continuous Audit	Pearson Correlation	1	.580**
	Sig. (2-tailed)		.000
	N	83	83
Control Environment	Pearson Correlation	.580**	1
	Sig. (2-tailed)	.000	
	N	83	83

**. Correlation is significant at the 0.01 level (2-tailed).

In Table 4.1, the coefficient of correlation between Continuous Audit and audit quality in terms of enhancing control environment in Nigerian banks is .580 (p = .000), implying a moderate positive association of 58.0% between the variables. The association is also statistically significant at 1%.

Table 4.2: Summary of Model 1

Model	R	R-Square	Adjusted R-Square	Std. Error of Estimate
1	.580a	.337	.328	.45630

a. Predictors: (Constant) Continuous Audit

Table 4.3: ANOVA[a] Tabel of Model 1

Model		Sum of Squares	Df	Mean Square	F	Sig
1	Regression	8.556	1	8.556	41.095	.000b
	Residual	16.865	81	0.208		
	Total	25.421	82			

a. Dependent Variable: Control Environment
b. Predictors: (Constant) Continuous Audit

Table 4.4: Regressor Co-efficients of Model 1

Model		Unstandardized Coefficient		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig
1	(Constant)	2.804	.289		9.710	.000
	Continuous Audit	.413	.064	0.580	6.411	.000

a. Dependent Variable: Control Environment

Tables 4.2. And 4.3 report the regression results. In Table 4.2, the coefficient of determination (R square) is .337, meaning that Continuous Audits explains 33.7% of the variation in audit quality in terms of control environment in Nigerian banks.

Table 4.3shows that at 1% significance level the model is statistically significant as the ANOVA p value is .000. In Table 4.4, for the independent variable the regressor co-efficient is statistically significant at 1% significance level. The results in Tables 4.1 to 4.4shows overall that Continuous Audit has a significant positive impact on audit quality in terms of enhancing control environment in Nigerian banks.

4.3   Impact of Continuous Audit on audit quality in terms of improving control activities in Nigerian banks

Analysis of the relationship between Continuous Audit and audit quality in terms of improving control activities in Nigerian banks is captured in Tables 4.5 to 4.8.

Table 4.5: Correlations between Continuous Audit and Control Activities

		Continuous Audit	Control Activities
Continuous Audit	Pearson Correlation	1	.331**
	Sig. (2-tailed)		.002
	N	83	83
Control Activities	Pearson Correlation	.331**	1
	Sig. (2-tailed)	.002	
	N	83	83

**. Correlation is significant at the 0.01 level (2-tailed).

In Table 4.5, the coefficient of correlation between Continuous Audit and audit quality in terms of improving control activities in Nigerian banks is .331 (p = .002), implying a weak positive association of 33.1% between the variables. The association is also statistically significant at 1%.

Table 4.6: Summary of Model 2

Model	R	R-Square	Adjusted R-Square	Std. Error of Estimate
2	.331a	.110	.099	.52857

a.   Predictors: (Constant) Continuous Audit

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	2.791	1	2.791	9.991	.002b
	Residual	22.630	81	.279		
	Total	25.422	82			

a. Dependent Variable: Control Activities

b.   Predictors: (Constant), Continuous Audit

Model 2 ANOVA

Table 4.8: Regressor Coefficients[a] of Model 2

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
2 (Constant)	4.007	.204		19.600	.000
Continuous Audit	.168	.053	.331	3.161	.002

a.   Dependent Variable: Control Activities

Regression result is reported in Tables 4.6 to 4.8. In Table 4.6, the coefficient of determination (R square) is .110, meaning that Continuous Audits explains 11.0% of the variation in audit quality in terms of control activities in Nigerian banks.

Table 4.7provides result that establishes that the model is statistically significant at 1% with an ANOVA p-value of .002. In Table 4.8, the regressor coefficient of the independent variable is statistically significant at 1%. Tables 4.6 to 4.8results establish that Continuous Audit has a significant positive impact on audit quality in terms of improving control activities in Nigerian banks.

4.4   Impact of Continuous Audit on audit quality in terms of facilitating risk assessment in Nigerian banks

Analysis of the relationship between Continuous Audit and audit quality in terms of facilitating risk assessment in Nigerian banks is captured in Tables 4.9 to 4.12.

Table 4.9: Correlations between Continuous Audit and Risk Assessment

		Continuous Audit	Risk Assessment
Continuous Audit	Pearson Correlation	1	.514[**]
	Sig. (2-tailed)		.000
	N	83	83
Risk Assessment	Pearson Correlation	.514[**]	1
	Sig. (2-tailed)	.000	
	N	83	83

**. Correlation is significant at the 0.01 level (2-tailed).

In Table 4.9 the coefficient of correlation between Continuous Audit and audit quality in terms of facilitating risk assessment in Nigerian banks is .514 (p =

.000), implying a moderate positive association of 51.4% between the variables. The association is also statistically significant at 1%.

Table 4.10: Model Summary for Model 3

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3	.514[a]	.265	.255	.48043

a. Predictors: (Constant), Continuous Audit

Table 4.11: Model 3 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
3	Regression	6.726	1	6.726	29.139	.000[b]
	Residual	18.696	81	.231		
	Total	25.422	82			

a.   Dependent Variable: Risk Assessment
c.   Predictors: (Constant), Continuous Audit

Table 4.12 Model 3 Regressor Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
3 (Constant)	3.482	.218		15.944	.000
Continuous Audit	.282	.052	.514	5.398	.000

Regression result is reported in Tables 4.10 to 4.12. In Table 4.10, the coefficient of determination (R square) is .265, meaning that Continuous Audits explains 26.5% of the variation in audit quality in terms of risk assessment in Nigerian banks.

Table 4.11 establishes that the model is statistically significant at 1% significance level with an ANOVA p-value of .000. In Table 4.12, the regressor coefficient of the independent variable is statistically significant at 1%. Tables 4.9 to 4.12 present an overall result that shows that Continuous Audit has a significant positive impact on audit quality in terms of facilitating risk assessment in Nigerian banks.

4.5   Impact of Continuous Audit on Audit quality in terms of promoting monitoring activities in Nigerian banks

Analysis of the relationship between Continuous Audit and audit quality in terms of promoting monitoring activities in Nigerian banks is captured in Tables 4.13 to 4.16.

Table 4.13: Correlations between Continuous Audit and Monitoring Activities

		Continuous Audit	Monitoring Activities
Continuous Audit	Pearson Correlation	1	.358**
	Sig. (2-tailed)		.001
	N	83	83
Monitoring Activities	Pearson Correlation	.358**	1
	Sig. (2-tailed)	.001	
	N	83	83

**. Correlation is significant at 0.01 level (2-tailed).

In Table 4.13, the coefficient of correlation between Continuous Audit and audit quality in terms of promoting monitoring activities in Nigerian banks is .358 (p = .001), implying a weak, positive association of 35.8% between the variables. The association is also statistically significant at 1%.

Table 4.14: Model Summary for Model 4

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
4	.358a	.128	.118	.52304

a. Predictors: (Constant), Continuous Audit

Table 4.15: Model 4 ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
4	Regression	3.263	1	3.263	11.926	.001b
	Residual	22.159	81	.274		
	Total	25.422	82			

a. Dependent Variable: Monitoring Activities
b. Predictors: (Constant), Continuous Audit

Table 4.16 Model 4 Regressor Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
4	(Constant)	3.598	.303		11.868	.000
	Continuous Audit	.247	.071	.358	3.453	.001

a. Dependent Variable: Monitoring Activities

Regression result is reported in Tables 4.14 to 4.16. In Table 4.14, the coefficient of determination (R square) is .128, meaning that Continuous Audits explains 12.8% of the variation in audit quality in terms of monitoring activities in Nigerian banks.

Table 4.15 present results that established that the model is statistically significant as the ANOVA p-value is .001 at a 1% significance level. In Table

4.16, the regressor coefficient of the independent variable is statistically significant at 1%. Tables 4.13 to 4.16 present result that confirms that Continuous Audit has a significant positive impact on audit quality in terms of promoting monitoring activities in Nigerian banks.

4.6   Test of Hypotheses
H_{01}:   Continuous audit has no significant impact on audit quality in terms of enhancing control environment in Nigerian banks
The regression result of Model 1 in Table 4.3 shows that the coefficient of the independent variable is statistically significant at 1%. The null hypothesis is therefore rejected, and it is concluded that Continuous audit has a significant impact on audit quality in terms of enhancing control environment in Nigerian banks.

H_{02}:   Continuous audit has no significant impact on audit quality in terms of improving control activities in Nigerian banks
The regression result of Model 2 in Table 4.8 shows that the coefficient of the independent variable is statistically significant at 1%. The null hypothesis is therefore rejected, and it is concluded that Continuous audit has a significant impact on audit quality in terms of improving control activities in Nigerian banks.

H_{03}:   Continuous audit has no significant impact on audit quality in terms of facilitating risk assessment in Nigerian banks
The regression result of Model 3 in Table 4.12 shows that the coefficient of the independent variable is statistically significant at 1%. The null hypothesis is therefore rejected, and it is concluded that Continuous audit has a significant impact on audit quality in terms of facilitating risk assessment in Nigerian banks.

H_{04}:   Continuous audit has no significant impact on audit quality in terms of promoting monitoring activities in Nigerian banks
The regression result of Model 4 in Table 4.16 shows that the coefficient of the independent variable is statistically significant at 1%. The null hypothesis is therefore rejected, and it is concluded that Continuous audit has a significant impact on audit quality in terms of promoting monitoring activities in Nigerian banks.

5.   CONCLUSION AND RECOMMENDATIONS
This study examined the impact of the internal audit function of continuous audit on audit quality in Nigerian banks. The objectives of the study were to investigate: the impact of continuous audit on audit quality in terms of enhancing control environment in Nigerian banks; the impact of continuous audit on audit quality in terms of improving control activities in Nigerian

banks; the impact of continuous audit on audit quality in terms of facilitating risk assessment in Nigerian banks; and the impact of continuous audit on audit quality in terms of promoting monitoring activities in Nigerian banks. It was observed that Continuous Audit has a significant positive impact on audit quality in terms of enhancing control environment in Nigerian banks (research objective one); Continuous Audit has a significant positive impact on audit quality in terms of improving control activities in Nigerian banks (research objective two); Continuous Audit has a significant positive impact on audit quality in terms of facilitating risk assessment in Nigerian banks (research objective three); and Continuous Audit has a significant positive impact on audit quality in terms of promoting monitoring activities in Nigerian banks (research objective four). Continuous audit is therefore an effective strategy in managing risks in the banking sector.

Based on the findings from this study, it is recommended that that organizations should concentrate on proactively and deliberately managing risks arising from its core competencies, the critical technologies and processes needed to ensure continued market leadership by leveraging on continuous audit. This is because continuous audit ensures compliance with organizational policies directed at ensuring the achievement of organizational objectives and enhancing organizational effectiveness. Other considerations which ensure that the risk exposure of a firm is minimized to enhance organizational effectiveness and sustainability must be considered so as to guarantee stakeholders satisfaction. This includes putting up structures that ensures the independence of internal audit staff as well as measures to enhance the effectiveness of the internal audit function.

The results of this study suggest that continuous audit, as performed by the internal audit function, enhances audit quality in terms of enhancing control environment, improving control activities, facilitating risk assessment, and promoting monitoring activities. Since continuous audit adds value to the organization in these dimensions, it is important to enlighten auditees/ staff of banks on this in order to correct the negative notion that internal auditors/ internal control officer is on witch-hunting mission as popularly held by some officers being examined.

Internal auditors require the cooperation of staff to effectively discharge their duties in providing assurance to management on the functionality of controls instituted. To this end, more emphasis should be placed on risk management education by the Board of Directors in respective organizations. This could help checkmate the detrimental effects of poor risk management culture, lax risk management practice, weak internal control systems, and weaknesses in monitoring and controlling organizational activities, risk assessment, information communication and a weak control environment.

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