AN INVESTIGATION ON THE EFFECTIVENESS OF INTERNAL CONTROL SYSTEM OF MJM REAL ESTATE AGENT

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ABSTRACT

The purpose of this study is to investigate the effectiveness of internal control system in MJM Real Estate Agents. The study aims to identify the nature of internal control procedures and records kept in MJM Real Estate Agents, to identify inherent internal control deficiencies in MJM Real Estate Agents, to establish management perceptions towards control environment, to ascertain to what extent the internal control system in MJM Real Estate Agents is meeting the objectives of an effective internal control system and to determine strategies which increase effectiveness of an internal control system in MJM Real Estate Agents. The study was motivated by the increase of fraud in MJM Real Estate Agents. Primary data instruments used include questionnaires and semi-structured interviews. Bar graphs, tables and pie-charts and qualitative approach were used in data analysis. The study found out that inadequate record keeping, absence of key internal control activities and unawareness of the management to the importance of internal control system affects the efficiency and effectiveness of the internal control system in MJM Real Estate Agents. In view of the findings the study recommended that management in MJM Real Estate Agents must lead by example and among other recommendations the researcher also recommended that MJM Real Estate Agents must enhance staff skills and training to improve staff quality. Further research to carry out such studies that explain how an effective internal control system affects performance of small to medium enterprises in developing countries was also suggested.