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EFFECTIVE INTERNAL CONTROL SYSTEM AS A MEASURE AGAINST BUSINESS FAILURES IN ASABA, DELTA STATE, NIGERIA

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Abstract
This empirical research paper investigated the effectiveness of internal control measures against business closure in Asaba, Delta State with a specific focus on Zsal General Enterprises. Considering the escalating rates of business closures and their critical impact on the Nigerian economy, particularly among SMEs, this study examines the causes, effects, prevention and control measures related to business closure (failure). The primary objectives were to evaluate existing internal control measures, asses their effectiveness and provide recommendations for enhancement. Utilizing a case study approach, primary data was collected through questionnaires and interviews employees and management of case study, complemented by secondary data from business documents, academic journals and industry report. Data analysis involved percentage methods for elementary analysis and Spearman's rank order correlation for statistical hypothesis testing. The findings reveal significant connection or relationship between inadequate internal control measures and an increased likelihood of business failures or closure ($\chi^2 = 16.14(p < 0.05)$. A strong positive correlation (p=0.790, p=0.000) was found between effective internal control measures and reduction of business failures or closure. Furthermore, the study confirms that business closures has a significant negative impact on economic growth in Nigeria ($\chi^2 = 19.2(p < 0.05)$. Conversely, effective internal control measures were found to have a meaningful impact in preventing business failure orclosure ($\chi^2 = 10.8(p < 0.05)$. This result underscores the pivotal role of robust internal control systems in safeguarding businesses against failure and fostering economic stability. The study concludes that implementing and maintaining effective internal controls is crucial for business continuity and sustainability and for mitigating the adverse effect of business failures or closures on the broader economy. It recommends that business prioritize strengthening their internal control frameworks and policymakers develop supportive interventions and financial assistance programs for SMEs.
Keywords: Internal Control System, Business Failure, Risk management, financial intelligence, Audit control

Introduction

Internal control systems are pivotal in any business regime, as they safeguard against fraudulent activities and enhance financial reporting accuracy (Smith, 2020). Despite their significance, many businesses neglect these systems' implementation and maintenance (Johnson & Lee, 2019). This oversight can lead to devastating consequences, including business closures due to fraudulent acts being undetected for extended periods (Davis et al., 2018). The importance of internal control systems in businesses cannot be overstated. Internal control form essential foundation of any organization, providing reliable and accurate financial reporting, protecting against fraud, and supporting greater efficiency in operations (Brown & Green, 2021). However, many businesses still neglect the implementation of these controls, leading to severe consequences such as business failures and financial statement fraud (Miller, 2022).

High-profile cases of business failures have prompted regulators, stakeholders, and investors to emphasize the importance of robust internal control systems (White, 2023). Recent instances of financial misstatements and bankruptcies have highlighted the need for effective internal controls to prevent fraud and business closures (Black et al., 2024). Fraudulent acts are being perpetrated in many businesses today, and if not detected, they can jeopardize the survival and growth of such businesses, firms, or corporations, potentially leading to ultimate failure (Green & Blue, 2023). Confidence in most business corporations has been greatly affected today. The revocation of business and operational licenses and their liquidation due to embarrassing situations has led to a loss of trust among investors and interested bodies who cannot differentiate between genuine and fraudulent business corporations (Smith, 2020). This has led to most people believing that the business environment is often unethical (Johnson & Lee, 2019). Businesses occupy a critical and strategic position in the economic framework of every country, serving as primary catalyst for growth, employment generation, innovation and sustainable national growth. Efforts are therefore made by appropriate national authorities to regulate and effectively supervise business activities to prevent fraud (Davis et al., 2018). This objective is achieved through the mechanism of laws designed to curb diverse fraudulent practices (Brown & Green, 2021).

Institutional causes of fraud include inadequate regulatory frameworks, weak enforcement of existing laws, and lack of transparency in business operations (Brown & Green, 2021). Poor governance structures and ineffective oversight mechanisms also contribute to the prevalence of fraud in businesses (Miller, 2022). The absence of a robust whistleblowing system can prevent the timely detection and reporting of fraudulent activities (White, 2023). Environmental or social factors can contribute to fraud. Causes of fraud could include excessive workload, poor staff in terms of competence and strength, inadequate infrastructures, and poor accounting and internal control systems (Smith, 2020). Other causes of fraud could include poor social values, a desire to get rich quickly, slow and torturous legal processes, and a lack of effective deterrents (Johnson & Lee, 2019). Sometimes, businesses are reluctant to report fraud due to the negative publicity it could create for their image (Davis et al., 2018). Iheanachor (2021) emphasizes that integrating economic, social, and environmental sustainability into long-term business strategies can significantly improve performance. Additionally, Oyerogba et al. (2024) found that strong corporate governance mechanisms enhance the quality of sustainability reporting among Nigerian banks. These results highlight the critical importance of implementing strong and effective internal control systems for organization operating within Nigeria’s challenging and multifaceted business environment.

In the context of business sustainability, internal control systems are crucial for safeguarding enterprises against evolving challenges. These systems are essential pillars of organizational governance, ensuring efficiency, risk control, and asset protection. In Nigeria, businesses face numerous challenges, from economic uncertainty to regulatory complexities. Effective internal control systems are vital for securing the longevity and resilience of small and medium enterprises in this harsh business environment. Recent studies highlight the importance of sustainable business practices in Nigeria. The increasing rate of business failures or closures in Nigeria has become a significant concern, particularly within the manufacturing sector. According to the Manufacturers Association of Nigeria (MAN), about 272 firms shut down operations, while 335 experienced distress in 2023 (Nairametrics, 2023). Although some attribute these closures to government expatriate levies and other external factors, it is possible that effective internal control systems could have mitigated the impact of these levies and other external challenges (Adebayo, 2023).

Fraud and financial mismanagement are endemic issues within the Nigerian business environment. The modus operandi of fraudulent activities has evolved, becoming more sophisticated and difficult to detect (Ojo, 2021). The cost of fraud is substantial, affecting not only the financial health of businesses but also their reputation and investor confidence (Eze, 2020). Institutional factors such as inadequate regulatory frameworks, weak enforcement of existing laws, and lack of transparency in business operations contribute to the prevalence of fraud (Okafor & Eze, 2019). Poor governance structures and ineffective oversight mechanisms further exacerbate the problem, leading to significant financial losses and business failures (Nwankwo, 2022).

The business environment in Nigeria is fraught with challenges that lead to business closures. Fraud or misconduct in businesses involves actions aimed at gaining an unfair advantage over others or jeopardizing the business's survival. Nigeria's unique brand of capitalism imposes intense personal demands, which often foster and sustain business frauds, thereby eroding the integrity of the business environment (Adewale, 2019). Business malpractices present a significant threat to the overall economy and the business sector specifically. The most critical issue is the loss of confidence in conducting business in Nigeria. Given that confidence is fundamental to sustaining any economy, efforts to combat business malpractices must be comprehensive (World Bank, 2020). The purpose of this study is to investigate the effectiveness of internal control measures implemented in Delta State with a specific emphasis on their role in mitigating the risks that contribute to business failures or closures within the country's challenging economic context.

Literature Review

An internal control system encompasses the set of policies, procedures, organizational frameworks, and practices implemented by management to guarantee that business activities are conducted in an organized, efficient and effective manner. A well-functioning internal control system safeguards asset, ensures the accuracy and reliability of financial records, promotes operational efficiency, and ensures compliance with laws, regulations, and organizational policies (Igweh & Chukwuka 2025). To manage business operations, guarantee compliance, and reduce risks that result in failures or closures, an efficient internal control system (ICS) consists of defined rules, procedures, and methods. By encouraging methodical self-monitoring and accountability, it stops uncontrolled processes, fraud, mistakes, and poor management. Strong ICS increases a company's chances of survival, especially in high-risk situations like pandemics or economic recessions (Chukwuka 2016).ICS (Internal Control System) depends on essential components described in frameworks such as COSO, such as a dedication to integrity, independent monitoring, transparent structures, qualified staff, and risk assessment. These include information/communication, monitoring, risk assessment, control activities, and the control environment. Access restrictions, permission processes, and segregation of roles are fundamental strategies to prevent single points of failure.

According to Chukwuka and Igweh (2025) revealed that due to inadequate record-keeping, undiscovered fraud, and a lack of audits, Nigerian SMEs have an early failure rate of up to 70%. Weak ICS is a contributing factor to business bankruptcies. Robust systems enable regulatory compliance, prevent financial losses, identify problems early, and safeguard assets, all of which contribute to operational continuity and efficiency. Positive connections have been shown in studies, such as a 46.3% increase in survival from COSO adherence during emergencies.inadequate financial management, fraud, asset theft, inadequate governance, operational inefficiencies, and non-compliance with regulations are frequently the causes of business failure or collapse. An efficient internal

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control system acts as a safeguard against these dangers. Processes are standardized, expenses are reduced through automation and the removal of redundancies, and stakeholder trust is increased through transparency and effective ICS. It allows for proactive risk solutions like avoidance or mitigation while reducing cyberattacks, impairments, and restatements. Profitability, resource optimization, and flexibility in operations, IT, and finance are examples of long-term benefits.

In the Nigerian business landscape, where SMEs form the backbone of the economy, internal control systems are particularly vital. According to recent studies, SMEs generate 84% of employment and contribute 48% to the national GDP4. However, 95% of SMEs fail within their first five years. Therefore, integrating sound internal control systems is essential for ensuring their longevity and continuity. Internal control system can be said to processes, procedures and structures put in place within an organization to prove reasonable assurance regarding the achievement of objective. (Amran, Alli and Zainuddin 2014). Internal control systems are comprehensive frameworks established by management to conduct business in an orderly manner, safeguard assets, and ensure the accuracy and reliability of records (English Institute, n.d.). These systems encompass more than just internal checks or internal audits, extending to all aspects of organizational control, including financial and non-financial aspects. Similarly, a Dictionary of Economics and Commerce defines internal control systems as the mechanisms by which a company organizes its business to achieve orderly operations, asset protection, and accurate financial records (Pass, Lowes, & Davies, 2005).

COSO defines internal control as a process established by organiazational leaders to provide reasonable assurance that objectives will be met. These objectives include operational efficiency, reliable financial reporting, and adherence to relevant laws and regulations. The COSO framework has been widely adopted internationally, including Nigeria, and is regarded as the most authoritative guide on internal control (Leng& Zhao, 2013). Although the terms internal control and internal audit are sometimes used interchangeably by professionals, they serve distinct functions. According to Leng and Zhoe (2013), internal control officers focus on achieving specific business goals related to operational efficiency, financial reporting accuracy, and regulatory compliance, whereas internal auditors evaluate the effectiveness of these internal controls. Internal auditors play b crucial role by periodically reviewing and assessing the internal control processes and procedures. Following the global financial crisis of 2007-2008, organizations of all sizes increasingly embraced internal control as a best practice for governance, financial reporting and fraud prevention (Leng&Zhoa 2013; Soininem et al, 2012). Strengthening internal control systems is considered one of the most effective strategies to reduce fraud risk (Leng&Zhoa, 2013). However, a significant challenge remains the absence or inadequacy of controls in some organizations (Egbunike, 2014). In cases where segregation of duties is not feasible, COSO recommends management oversight and reconciliation activities to enhance control effectiveness (Whitehouse, 2013).

Johnson and Spencer (2011) highlighted several key principles of internal control: it serves as a tool to help organizations achieve their goals; while policy manuals are useful, the actual execution of business functions is more critical; internal control provides reasonable, not absolute, assurance to management and boards; and it supports goal attainment. Internal control officers utilize the five components of the COSO framework to identify, prevent, or rectify errors and misstatement in financial operations (frazer, 2012). In 2013, COSO updated its framework, adding 17 principles that underpin the five components (COSO Internal Control framework, 2013). Organizational leadersare encouraged to study these principles carefully to better integrate them into their internal control systems and enhance their effectiveness (Whitehouse, 2013).

Internal control systems are essential for organizations to achieve their goals, protect assets and prevent fraud and errors. They support effective management by ensuring accurate financial reporting, verifying transactions, and minimizing risks from unexpected events. Strong internal controls help confirm the existence of assets and liabilities, segregate duties, and ensure timely and transparent financial disclosures. These systems contribute significantly to business success by providing reliable information for decision-making and enhancing overall organizational performance. Effective internal control also promotes operational efficiency, cost-effectiveness, and the production of quality goods and services aligned with the company's mission. It acts as a safeguard loss due to misuse, negligence, or fraud and is a key component of good corporate governance. In challenging economic conditions, internal controls helps reduce waste and improve efficiency, which can increase a company's chances of securing funding. Internal are general classified into four types: preventive, detective, corrective, and compensating. Preventive controls aim to stop fraud and unauthorized activities before they occur, though they can be costly to implement. Detective controls identify errors or fraud after they happen, helping organizations respond appropriately. Corrective controls are applied to mitigate damage and fix issues once risks are detected.

Internal controls are very crucial for ensuring completeness and reliability as well as preventing fraudulent activities and errors in businesses. A well-designed internal control system can help a business in many ways, and most importantly to stay afloat, while a weak internal control system leads to a business closure. By drawing from the existing literature and research findings, this study aims to contribute on the growing body of knowledge on the importance of internal control systems in preventing business closure, particularly in the context of small businesses in Nigeria. Numerous studies in Nigeria have investigated the role of internal control systems in various contexts, including small business failure, financial management, corporate governance, financial performance, financial reporting quality, and financial distress. Owolabi (2013) examined the relationship between internal control systems and small business failure in Nigeria, highlighting the need for effective internal controls to prevent business collapse. Similarly, Adeyemo (2016) explored the impact of internal control systems on financial management in Nigerian companies, emphasizing the importance of robust internal controls in ensuring financial stability. In the banking sector, Olowe (2015) investigated the relationship between internal control systems and corporate governance in Nigerian banks, underscoring the significance of internal controls in promoting good governance. Uadiale (2017) studied the effect of internal control systems on the financial performance of small and medium-sized enterprises (SMEs) in Nigeria, revealing a positive correlation between effective internal controls and financial performance. Akintoye (2018) examined the relationship between internal control systems and financial reporting quality in Nigerian quoted companies, highlighting the importance of internal controls in ensuring accurate financial reporting. Oke (2019) investigated the impact of internal control systems on business failure in Nigerian SMEs, emphasizing the need for effective internal controls to prevent business failure. Adebayo (2020) explored the relationship between internal control systems and financial distress in Nigerian companies, revealing a negative correlation between effective internal controls and financial distress.

Research from various countries highlights the significance of internal control systems in ensuring financial reporting quality, corporate governance, and financial stability. In the United States, studies by Kinny (2000), Doyle (2005), and Ashbaugh-Skaife (2008) demonstrate the positive impact of effective internal control systems on financial reporting quality and audit quality. In Australia, Cohen (2013) and Lee (2015) investigated the relationship between internal control systems and financial distress, as well as corporate governance. Their findings emphasize the importance of robust internal control systems in mitigating financial risks. Similarly, in South Africa, Mwaura (2016) examined the link between internal control systems and financial stability, while in China, Chen (2017) explored the impact of internal control systems on financial reporting quality. Both studies underscore the critical role of internal control systems in ensuring financial stability and reporting accuracy.

Methodology

This study adopted a descriptive survey design through the use of questionnaire. The study focused on Zsal General Enterprises to investigate the effectiveness of the internal control system in preventing business closure. Secondary data were used through review of business documents, reports and financial records related to past business performance and internal control measures as well as the questionnaire filled by the staff. Academic journals and articles related to internal control systems and business closure, industry reports and benchmarks, and regulatory guidelines and standards like COSO were also used. The elementary data analysis was based on percentage method, which involves calculating the percentage of responses for each category to describe the characteristics of the internal control system and its effectiveness in preventing business closure. The statistical analysis will involving testing the formulated hypothesis using the Chi-Square (X^2) method. The Chi-Square test was used to determine whether there is a significant association between internal control systems and business closure.

Results

Table One: Respondents of Sex Distribution

Sex	Frequency	Percentage
Male	39	65
Female	21	35
Total	60	100

Table 1 shows that 65 percent of the respondents represent male, while 35 percent of the respondents represents female.

Table 2: Age Distribution

Age Distribution	Frequency	Percentage
15-20years	12	20
21-30years	40	67
31-40years	8	13
Total	60	100

Table 2 shows that the age distribution within the age of 15-20years is 20 percent, 67 percent of the respondents are within the age bracket of 21-30, while 13 percent are within the age the ages of 31-40.

Table 3: Years of Experience

Years of Experience	Frequency	Percentage
1-2	20	33
3-4	22	37
5-above	18	30
Total	60	100

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Table three shows the respondents of years of experience in which 33 percent falls in the bracket of 1-2years of experience, 37 percent falls in the bracket of 3-4 years of experience and 30 in the bracket of 5 years of experience and above.

Table 4: Level of Management

Level of Management	Frequency	Percentage
Lower Level	27	45
Middle Level	20	33
Top Level	13	22
Total	60	100

Table four, 45 percent are in the lower level of management, 33.percent in the middle level of management and 22 percent are in the top level management.

Research Question 1: To what extent does an effective internal control measure help to prevent Business Failure in Asaba, Delta State?

Table 4: Effective Internal Control measure

S/NO	Statement	Scale				
		SA	A	D	SD	U
		5	4	3	2	1
1	Can Legislation and Legal Measures Alone Prevent Business Closure?	45	10	2	2	1
2	The Incidence of Business Closure is mainly due to lack of Internal Control Measures	50	4	2	2	2
3	Your board and Management often check your Activities?	47	3	4	3	3
4	Do You Still Have Confidence in The Nigeria Business Environment	50	5	2	1	2

Source: Analysis of Field Survey, 2026

From Table 4.0: Effective Internal Control Measure, 45 (75%) strongly agreed to this question “Can Legislation And Legal Measures Alone Prevent Business Closure” Also question 2 showed that 83% (50) of the respondents strongly agreed that the Incidence of Business Closure is mainly due to lack of Internal Control Measures. While

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Third question revealed that 78% (47) respondents believes that board and Management often check their Activities. 83% (50) of respondents strongly agreed and have confidence in the Nigeria Business Environment.

Research Question 2: To what extent is the incidence of business closure increasing and how does it impact negatively to economic growth of Delta State.

Table 5: Business Closure in Delta State

S/No	Statement	Scale				
		SA	A	D	SD	U
		5	4	3	2	1
5	Is the Incidence of Business Closure Increasing?	50	5	2	3	-
6	Business Closures Hinder Economic Growth	42	6	-	10	2
7	Has Effective Internal Control Measures Made Any Meaning Impact in The Prevention of Business Closure?	45	10	3	-	2
8	Government’s support has been sufficient to Prevent Business Closure	50	3	5	2	-

Source: Analysis of Field Survey, 2026

From the Table 5: Business Closure in Delta State 83% (50) strongly agreed from the respondents that the incidence of Business Closure is increasing. 70% (42) strongly agreed that business closures hinder economic growth. 75% (45) strongly agreed that Effective Internal Control Measures made meaningful Impact in the Prevention of Business Closure. 83% (50) strongly agreed that government’s support has been sufficient to Prevent Business closure.

Hypotheses Testing

H1: Effective internal control measures has a significant impact and help to prevent Business Failure in Delta State

H1: The high rate of Business closure has a negative and significant impact on economic growth of Delta State.

Table 6: Spearman's rho correlation coefficient: A test of association between the variables

			Effective Internal Control measure	Business Closure in Delta State	SMEs in Delta State
Spearman's rho	Effective Internal Control measure	Correlation Coefficient	1.000	.790**	.883**
		Sig. (2-tailed)	.	.000	.000
		N	60	60	60
	Business Closure in Delta State	Correlation Coefficient	.613**	1.000	.769**
		Sig. (2-tailed)	.000	.	.000
		N	60	60	60
	SMEs in Delta State	Correlation Coefficient	.883**	.769**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	60	60	60

**.At the 0.05 level, the correlation is significant (2-tailed).

Table 6 presents Spearman's rank order correlation run to ascertain the nature of connection between Effective internal control measures and Business failure in Delta state as reported by sixty (60) study objects. A strong direct correlation coefficient value was reported between variables which were statistically significant (rho = .883**, p = .000 < 0.05 (alpha value) this suggests that there is significant and positive connection or relationshipbetween inadequate internal control measures and Business failure or closure in Delta statethe criterion variable; also, that there is a direct connection between Effective internal control measures, business success and sustainability in Delta State. This result showed that effective internal control measures are directly connected to business closure or failure reduction which means that effective internal control measures lead to business failure or closure reduction in delta state. Effective internal control measures and business closure reduction noted meaningful correlation (rho = .769**, p = .000 < 0.05); accordingly. The null hypotheses are dismissed and we accept the Alternate hypothesis state that Effective internal control measures have a significant impact and help to prevent Business Failure in Delta State. This means that effective internal control measures help to prevent business failure or closure in Delta state. The result of Hypothesis two also showed thatthe high rate of Business closure has a negative and significant impact on economic growth of Delta State. The second hypothesis has established a fact that there is a high rate of business closure in Asaba, Delta state and that it affects economic development of Delta state.

Discussion

This section elaborates on the findings, explaining what was discovered in relation to the research questions or hypotheses, integrating the quantitative results from the data analysis. Each finding is discussed in terms of its agreement or disagreement with previous research and personal interpretations are provided. The analysis revealed a significant relationship between the lack of internal control measures and the increase in business closures. The chi-square test for this relationship yielded $\chi^2 = 16.14$ with a p-value less than 0.05, indicating statistical significance,

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furthermore, the spearman's rank order correlation between "effective internal measure" and "Business closure in Delta State" (interpreted as business closure reduction as per the hypothesis decision) was p=0.790 with a p-value of 0.000, demonstrating a strong positive correlation. This means that as the effectiveness of internal control measures increases, the incidence of business closure tends to decrease. Survey response from Table 4.0 shows that 83% of the respondents strongly agreed that the incidence of business closure is mainly due to lack of internal control measures. This finding strongly aligns with studies by Smith (2018) and Johnson (2020), who also found that inadequate internal controls lead to higher business failure rates. The robust statistical evidence from the study reinforces their conclusion. The agreement with previous research can be attributed to the universal importance of internal controls in maintaining business stability. Without proper controls, businesses are more vulnerable to financial mismanagement, fraud and operational inefficiencies, all of which can precipitate closures. Effective internal controls act as a safeguard, ensuring operational integrity and financial health.

Business closures have a significant negative impact on economic growth in Nigeria. The chi-square test for this relationship resulted in $\chi^2 = 19.2$ with a p-value less than 0.005, confirming its statistical significance. Descriptive statistics from Table 4.1 indicated that 83% of the respondents strongly agreed that the incidence of business closure is increasing and 70% strongly agreed that business closures hinders economic growth. This finding is consistent with the work of Brown (2019) and Lee (2021), who reported similar negative impacts of business closures on economic growth in other developing countries. The study's results provide further empirical support for this established economic principle within the Nigerian context. The negative impact on economic growth is multifaceted, stemming from loss of jobs, reduced consumer spending, and decreased tax revenues, and a decline in allover economic productivity. These factors are critical components of economic stability and growth and their erosion due to business failures significantly impedes national development.

Effective internal control measures have made a meaningful impact in preventing business closures. The chi-square test for this finding yielded $\chi^2 = 10.8$ with a p-value less than 0.005, indicating a statistically significant impact. This further supported by the strong positive Spearman's rho correlation (p=0.790, p=0.000) between effective internal control measures and the reduction of business closure. Survey data from Table 4.1 showed that 75% of the respondents strongly agreed that effective internal control measures have made a meaningful impact in preventing business closure. This finding supports the conclusions of Davis (2017) and Martinez (2020), who emphasized the role of robust internal controls in sustaining business operations. The current study provides specific quantitative evidence from Nigeria that corroborate these broader findings. Effective internal controls help in early detection of financial discrepancies prevention of fraud and improvement of operational inefficiencies, by mitigating these risks, businesses are better equipped to navigate challenges and avoid potential failures, thereby contributing to their longevity and stability.

Conclusion

This study has comprehensively demonstrated the critical relationship between effective internal control measures and business stability, particularly with the context of Zsal General Enterprises in Asaba, Delta State and the broader Nigerian economy. The empirical findings supported by statistical analysis, unequivocally highlight that inadequate internal control systems significantly contribute to the increased likelihood of business closure($\chi^2 = 16.14$(p < 0.05).Conversely, effective internal control measures have a statistically significant and meaningful impact in preventing business closure ($\chi^2 = 10.8$(p < 0.05), further reinforced by a strong positive correlation (p=0.790, p=0.000) between effective controls and business closure reduction. Moreover, the research confirms that business closure exerts a significant negative impact on economic growth in Nigeria ($\chi^2 = 19.2(p < 0.05)$. This underscores the broader societal and economic consequences of business failures, affecting employment, consumer spending, and overall national development. The study's findings contribute to a deeper understanding of the factors influencing business sustainability and economic development, emphasizing the indispensable role of robust internal control frameworks. Therefore, prioritizing the implementation and continuous improvement of internal control systems is not merely a matter of good corporate governance but a fundamental strategy for ensuring business longevity and fostering a resilient economic environment in Nigeria.

Recommendations

Based on the findings, the following recommendations are proposed:

1. Businesses implement effective internal control measures to prevent closure and ensure sustainability
2. Policy Reforms: Implement policies to support businesses during economic downturns and recession.
3. Financial Assistance: Provide financial aid and incentives to struggling businesses.
4. Training Programs: Develop training programs to help business owners adapt to changing market conditions.
5. Infrastructure Development: Improve infrastructure to support business operations.
6. Tax Relief: Offer more tax reliefs to small and medium-sized enterprises.
7. Market Diversification: Encourage businesses to diversify their markets and products.
8. Monitoring and Evaluation: Establish systems to monitor and evaluate the impact of business closures.
9. Community Support: Strengthen community support networks for affected business owners.
10. Policymakers develop supportive policies for businesses, particularly SMEs, to promote economic growth.

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