# AN ASSESSMENT ON THE EFFECTIVENESS OF CORPORATE GOVERNANCE ON THE DETECTION OF FRAUD WITHIN KENYAN UNIVERSITIES

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# ABSTRACT

Corporate governance is the system by which organizations are directed and controlled. Empirical evidence suggests that corporate governance has a direct and indirect effect on fraudulent activities within institutions. It's for this reason that this study sought to establish the effectiveness of corporate governance on the detection of accounting fraud within Kenyan universities. The objectives of this study were: (1) to determine the effectiveness of internal controls adopted by Kenya Universities to detect accounting fraud; (2) to examine the effectiveness of the monitoring activities adopted by the Kenyan Universities to detect accounting fraud; (3) to examine the effectiveness of the policies and procedure adopted by Kenyan universities to detect accounting fraud; (4) to identify other risk assessment measures that can be adopted by Kenyan Universities to enhance the detection accounting fraud. The findings from the study were to help interested investors and institutions to embrace corporate governance. In addition, the study was to bridge the gap in the existing body of knowledge since not much had been done in this area. The study employed descriptive research design and further used qualitative and quantitative research approaches. The target population for the study was 48 individuals. The 48 individuals were financial controllers, chief accountants, and internal auditors within the 16 universities located within Nairobi. The study did a census on the target population of the study. Questionnaires were used as the instrument for data collection. Data analysis was done quantitatively and qualitatively. The findings of the study revealed that the universities located within Nairobi employed the following measures with in an effort to detect accounting fraud: internal controls, monitoring activities, policies and procedures, and risk assessment measures. The findings further revealed that the four measures were effective in the detection of accounting fraud. The study recommended that other measures have to be developed to enhance the detection of accounting fraud within Kenyan Universities.