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The fact remains that internal control department has muchrole to play in managing risk in ever organizations and financial institution.The aim of the research work is to analyze the role of internal control in riskmanagement. In this research work 60 questions were distributed while 40 werereturned. It made use of simple percentage in analyzing the questions wherechi-square was used to test the hypothesis. Furthermore, the following findingwere made during the course of this research work. That there is an existenceof internal department. The need for continues audit was also emphasized isindependent of the management and report if mostly prepared and reviewedbi-annually. The independent of internal control department should always bemaintained. Regular training of the staff and personnel and also adequatedevelopment programs should also be organized to enhance performances,understanding and appreciation of organization objective.

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CHAPTER ONE

INTRODUCTION

Internal control has played a major role in risk managementespecially in the banking industry in Nigeria. According to British auditing guideline which definesinternal control as the whole system of control financial and otherwiseestablished by the management in order to carry out the business of theenterprises in an orderly and efficient manner, ensure adherence to managementpolicies, safe guarded the assets and secure as far as possible thecompleteness and accuracy of records. Whereas Hornaren and Foster (1990:910)defined internal control as the set of accounting and administrative controland practice that helps to ensure that approved and appropriate decisions aremade in an organization. internal control as organization of accounting dutiesis such a way as to maximize the chance of accurate accounting and minimize thechance of risk or the occurrence of impact of such losses if they occur.

The management has the duties is risk identificationevolution, avoidance transfer, retention recruiting and financing. However,Chris Aloma Osondu (2008) emphasized on risk management whereby business canhardly operate without an element of risk and defined risk management as ascientific possible accidental losses and feigning and implementationprocedures that minimizes the occurrence or the impact of such losses if theyoccur.

According to Anyanwu F.A. (2007) Risk can be designed as thegeneral uncertainty doubt, chance of loss or insurance the insured object. Anorganization of management is such that if internal control system is notefficient there is every tendency that risks cannot be managed properly in suchan organization.

1.1 STATEMENT OFPROBLEM

When risks occur the concern is always the economic loseassociated with the loss. Hence it is regarded as an involuntary parting ofvalue. The economic loss may take many forms such as a loss of property byphysical perils as fire or theft, it may also take the form of premature deathof the key man of a business enterprise or a family bread winner. It may ariseout of the ineffectiveness in the management of an enterprise or seen as aresult of law suit to recover damaged for some negligent act therefore for theproblems intended to study are:

How management handles their risk.

How efficient is the internal control of the organization.

If the internal control system in that organization helps atall in management.

If the organization is insured.

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