

The Effectiveness of Financial Control Systems in Preventing Corporate Fraud

Prof. Surekha Gaikwad, Pooja Soni, Gayatri Panchal

Professor¹ and Students, TY BCOM^{2,3}

MIT Arts, Commerce and Science College, Alandi (D), Pune, India

Abstract: *Corporate fraud remains a significant threat to businesses globally, leading to substantial financial losses, legal consequences, and reputational damage. Financial control systems, a central part of organizational governance, aim to mitigate these risks by ensuring accuracy, transparency, and accountability. This paper examines the effectiveness of financial control systems in preventing corporate fraud, exploring how these systems can detect and prevent fraud and identifying gaps in current research. Through a review of existing literature, this study highlights key factors, including internal audits, financial reporting standards, and regulatory oversight, that influence the effectiveness of financial control systems. The paper provides insights into best practices and challenges faced in implementing robust financial controls and outlines areas for future research.*

Keywords: Corporate fraud, financial control systems, internal audits, financial reporting standards, corporate governance, regulatory compliance, fraud prevention