Journal of
Accounting
(JACC)

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CARI
Journals

Journal of Accounting
ISSN 2520-7465 (Online)
Vol. 8, Issue No.1, pp 26 - 43, 2026
www.carijournals.org

The Effect of Audit Standards on Fraud Detection in Enterprises Operating in Some Selected Regions of Cameroon

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Accepted: 7th May, 2026, Received in Revised Form: 23rd May, 2026, Published: 6th June, 2026

ABSTRACT

Purpose: This study examines the effect of auditing standards on fraud detection within enterprises in the Littoral, Centre, and West regions of Cameroon. Despite the adoption of the Revised OHADA Uniform Act and International Standards on Auditing (ISA), financial irregularities persist, creating a significant audit expectation gap.

Methodology: Adopting a quantitative research design, data were collected via structured questionnaires from 146 professional respondents, including accountants and internal controllers, using a proportional stratified sampling technique. The study utilized a multiple linear regression model to examine the effect of audit standard components on fraud detection outcome.

Findings: The findings reveal that audit standards have a positive and statistically significant impact on fraud detection, explaining approximately 52% of the variation in detection outcomes. Specifically, dimensions such as the Audit Execution System encompassing planning, risk assessment, and procedures showed the strongest predictive power for identifying irregularities. Comparative analysis further indicates that these effects are more consistent in enterprises audited by the Big Four firms. The results underscore that while formal standards provide a necessary framework, effective fraud detection is heavily contingent upon the rigor of application and professional scepticism.

Unique Contribution to Theory, Policy and Practice: The study recommends that Cameroonian auditors transition from "checklist compliance" toward a risk-based approach as mandated by ISA 315 and suggests that regulatory bodies like ONECCA enforce mandatory quality assurance for non-Big Four firms to bridge existing methodological gaps. This study contribute to breach the literature gap in the study of audit standards in relation to fraud detection in Cameroon. Furthermore, it determines that compliance with audit standards improve fraud detection in Cameroon.

Keywords: *Audit Standards, Fraud Detection, Audit Quality, Agency Theory, OHADA, Cameroon*

JEL Codes: *M40, M42*

1. Introduction

Fraud has become a widespread worldwide problem that poses serious dangers to business stakeholders and the larger financial community. In the past, prominent corporate scandals involving multinational corporations like Tyco, WorldCom, and Enron have highlighted the disastrous effects of false financial reporting on investor confidence and economic stability. These incidents demonstrated that executives frequently falsified financial records in order to "cook the books," which had dire legal and reputational repercussions. Traditionally, many organizations view fraud detection as an incidental byproduct of audit rather than a primary, structured objective. However, the prevalence of these incidents has changed public opinion; fraud is now acknowledged as one of the biggest threats to an organization's long-term viability. The circumstances under which these abnormalities take place are explained by the "fraud triangle," which consists of pressure, opportunity, and rationalization, with "opportunity" frequently serving as the most important component. The agency theory's information asymmetry, which results from the division of ownership and management and leaves holes that can be used for fraudulent advantage, exacerbates this even further.

Despite the existence of defined auditing standards intended to promote financial integrity, cases of fraud and major misrepresentation continue to occur both locally and globally. This poses a crucial question: do audit standards by themselves detect fraud, or do their efficacy rely on how strictly they are implemented? The continuation of financial scandals suggests that compliance alone would not lead to successful discovery, even though standards should, in theory, improve risk assessment and evidence collection. In the Cameroonian context, these issues are particularly severe. Poor accountability, inadequate internal control, and financial mismanagement are common problems for local businesses. The effectiveness of the audit system is often compromised by weak institutional enforcement and governance frameworks, where audit recommendations are not regularly carried out. Because of this, a more thorough analysis of how audit standards affect fraud detection in Cameroon's unique socioeconomic context is required.

Financial irregularities continue to exist in both private and state organizations in Cameroon despite the implementation of the International Standards on Auditing and the Revised OHADA Uniform Act. A systemic problem in identifying financial distress is highlighted by high-profile examples like SONARA and Camair-Co as well as the failures of microfinance organizations like COFINEST. According to the most recent CONAC 2023 study, the audit quality under OHADA standards is frequently insufficient and fails to detect complicated misappropriations, which exacerbates the audit expectation gap. According to Fotoh et al. (2021), there are differences between public perception and established criteria about the functions of auditors in Cameroon. Systemic issues, like "familiarity threats," and inconsistent audit quality afflict the industry. Kueda et al. (2026) highlights that structural deficiencies within public limited companies obstruct internal audit effectiveness, impairing external auditors' reliance on internal controls for fraud

detection. Consequently, traditional governance measures often do not significantly impact audit outcomes, indicating that effective fraud detection relies on auditors' competence and scepticism.

In the light of the above, the current study examines the effect of auditing standards on fraud detection in enterprises operating in some selected regions of Cameroon. To achieve this audit standard is captured using planning, risk assessment, audit procedures, documentation/reporting, evaluation & communication and regulatory compliance. In addition, a composite index for Audit Standards is used. Based on the Principal Component Analysis (PCA) two components are produced. The first is termed as Audit Execution System explained by planning, risk assessment, audit procedures, documentation/reporting, while the second is Compliance & Oversight explained by two components which are Regulatory compliance and Communication. The rest of the article is subdivided into four components namely, the literature review, methodology, presentation and discussion of findings, and conclusion and policy recommendations.

2. Literature Review

2.1 Conceptual Review

The conceptual literature for this research explores the foundational definitions and interrelationships between audit standards, and fraud detection, establishing the theoretical boundaries for the study within the Cameroonian context.

2.1.1 Auditing Standards

Audit standards provide a formal structure and documented criteria for how an audit should be conducted to ensure consistency, professional integrity, and technical accuracy. These standards, principally reflected in the International Standards on Auditing (ISA) and the OHADA regulatory framework, establish particular requirements for each stage of the audit process, including engagement planning, risk assessment, evidence gathering, and final reporting. According to Arens et al. (2017), auditing standards are basic recommendations that help auditors perform their professional responsibilities during financial statement audits, such as adequate planning, proper evidence gathering, and impartial reporting. Boynton and Johnson (2006) describe auditing standards as the minimum level of performance that auditors must meet when conducting audits and generating audit reports in order to maintain the integrity and dependability of financial information. They are conceptualized as the "minimum threshold" or "social contract" that auditors must fulfil in order to provide reasonable certainty that financial statements are free of material misrepresentation. In this study, audit standards are broken down into aspects including risk assessment, audit methods, regulatory compliance, and documentation to examine their individual and cumulative influence on fraud detection.

2.1.2 The Concept of Fraud

Fraud is defined across academic and professional literature as any intentional act of deception or omission designed to mislead others for unjust gain, resulting in a loss to the victim. It is

distinguished from simple "error" by the element of intent. The Association of Certified Fraud Examiners (2022) defines fraud as any intentional act or omission designed to deceive others, resulting in a loss to the victim and a gain to the perpetrator. Conceptually, fraud is often explained through behavioural frameworks like the Fraud Triangle, which identifies three coexisting conditions: pressure (or motivation), opportunity, and rationalization. In the context of financial reporting, fraud involves deliberate manipulation, falsification, or omission of material facts to present a distorted view of an organization's economic reality. For auditors, fraud detection is the systematic process of identifying these irregularities through rigorous evidence evaluation and risk assessment.

2.2 Theoretical Review

The theoretical literature for this research is anchored on a multi-disciplinary framework that integrates economics, sociology, and psychology to explain the complexities of the auditing environment. These theories provide the underlying logic for why audit standards and quality are necessary and how they facilitate the detection of fraudulent activities within Cameroonian enterprises. Agency Theory serves as the primary lens for understanding the demand for auditing. It posits that a conflict of interest exists between "principals" (shareholders/owners) and "agents" (managers) due to the separation of ownership and control. Because managers possess more information about the daily operations of a firm a condition known as information asymmetry they may be tempted to manipulate financial reports for personal gain. From this perspective, an audit acts as a monitoring mechanism designed to align the interests of the manager with those of the shareholder. Audit standards provide the formalized protocols for this monitoring, while audit quality ensures that the monitoring is rigorous enough to detect "agency costs" in the form of fraud or material misstatements.

In addition, The Theory of Inspired Confidence, developed by Theodore Limperg, provides the sociological justification for the audit profession. It suggests that the auditor’s social function is derived from the confidence that the community places in the audit report. According to this theory, the auditor has a social responsibility to conduct their work in a way that does not disappoint the rational expectations of the public. This theory establishes a normative constraint: auditors should not perform less work than the confidence they inspire requires, nor should they arouse more confidence than is justified by the work performed. This creates a direct link between audit standards (which define the work) and fraud detection (which maintains public confidence).

2.3 Empirical Review

Njanike et al. (2022) conducted a study to examine the relationship between audit standards compliance and fraud detection in corporate organizations in Zimbabwe. The researchers adopted a quantitative survey research design and collected primary data using questionnaires administered to 80 auditors and accounting staff working in corporate institutions. Data were analysed using descriptive statistics and regression analysis. The results showed that adherence to audit standards

significantly improves fraud detection, with audit compliance explaining 48% of the variation in fraud detection and a positive regression coefficient. The study concluded that strict compliance with international auditing standards enhances the auditor's ability to identify financial irregularities and fraudulent transactions. The authors recommended that organizations should strengthen compliance with professional auditing standards and ensure regular audit training for auditors.

Okoye and Gbegi (2023) carried out a study to investigate the relationship between audit standards and fraud detection in Nigerian commercial banks. The study adopted a descriptive research design, and data were collected from 120 audit staff of commercial banks through structured questionnaires. The data were analysed using Pearson correlation and multiple regression analysis. The results revealed a strong positive relationship between audit standards and fraud detection. The regression analysis further showed that audit standard compliance accounted for 54% of the variation in fraud detection. The study recommended that banks should enforce strict adherence to international auditing standards and strengthen regulatory monitoring to reduce financial fraud.

Akinyomi and Okoye (2021) conducted an empirical study to assess the influence of audit standards on fraud detection in the Nigerian banking sector. The study employed a survey research methodology, collecting data from 95 internal auditors and accountants. The collected data were analysed using SPSS through regression and correlation analysis. The findings revealed that audit standards significantly influence fraud detection. The regression model indicated that compliance with audit standards contributes 42% to fraud detection effectiveness. The researchers recommended that financial institutions should ensure continuous training of auditors on international auditing standards.

Enofe et al. (2020) conducted research to investigate the impact of audit quality and audit standard compliance on fraud detection in the Nigerian public sector. The researchers used a survey research approach to collect data from 70 auditors working for government entities. Data were analysed with conventional least squares regression. Strict compliance with auditing standards enhances fraud detection. The report suggested that regulatory enforcement of audit standards be strengthened to improve fraud detection techniques.

Ocansey and Ganu (2023) investigated the impact of international auditing standards compliance on fraud detection in Ghana's financial institutions. The study used a quantitative survey research design, with data collected via structured questionnaires distributed to 120 auditors, accountants, and compliance officers from financial organizations. The acquired data was analysed by descriptive statistics, Pearson correlation, and multiple regression analysis. The study found a significant positive association between worldwide auditing standards and fraud detection. The study concluded that strict adherence to auditing standards enhances auditors' ability to identify financial misstatements and irregularities. The researchers recommended that financial institutions

should strengthen internal monitoring systems and enforce strict compliance with international auditing standards to enhance fraud detection.

3. Methodology

3.1 Research Design and Study Area

The study adopted a quantitative research design to examine the relationships between audit standards, audit quality, and fraud detection. The geographical scope of the research was focused on selected enterprises operating within the Littoral, Centre, and West regions of Cameroon. This area was chosen based on a focused mapping of audited companies in these economically active regions.

The target population for the study consisted of 215 audited companies. From this population, a sample was drawn using a proportional stratified sampling technique. Data were successfully collected from 146 respondents, which included key professional figures such as accountants, internal controllers, and managers within the selected enterprises.

3.2 Data Collection Instrument

Primary data were gathered through the administration of structured questionnaires. The questionnaire was designed to capture professional perceptions on several dimensions:

Audit Standards: Measured through composite indices including the Audit Execution System Index and the Compliance/Oversight Index, covering areas like risk assessment, audit procedures, and regulatory compliance. Fraud Detection: Assessed using outcomes related to the reduction of misstatements and the identification of activities affecting financial statement quality.

3.3 Analytical Techniques

The data were examined using both descriptive and inferential statistics. The researcher used regression analysis to examine the effect of audit standards on fraud detection. The study used a multiple linear regression model to test the hypotheses. Cronbach's Alpha was used to confirm the research instrument's reliability and the constructs' internal consistency. The empirical model of the study is specified as:

$FDN = f(AS, EXP, TOV)$ ---------- (1)

$FDN = f(AEP, ARA, APA, RDA, ECA, RCA)$----------(2)

$FDN_i = \beta_0 + \beta_1 AEP_i + \beta_2 ARA_i + \beta_3 APA_i + \beta_4 RDA_i + \beta_5 ECA_i + \beta_6 RCA_i + \beta_7 EXP_i + \beta_8 TOV_i + \varepsilon_i$---- (3)

Where: FDN represents Fraud Detection (the dependent variable) and AS represents Audit Standards (the independent variable). The components of Audit Standards are: Audit Standards in terms of Planning (AEP), Risk assessment (ARA), Audit procedures (APA),

Documentation/reporting (RDA), Evaluation & communication (ECA) and Regulatory compliance (RCA). The control variables are TOV (Turnover) and EXP (Years of Experience).

This table defines the variables used in the empirical models, mapping out the dependent variable, the subconstructs of the independent variable (Audit Standards), and the control variables.

Table 1: Variables Description

Variable	Type of Variable	Sub-Variable (Construct Dimension)	Indicators (from Questionnaire)	Measurement
Audit Standards (AS)	Independent Variable	Auditor Engagement & Planning (AEP)	engagement letter, independence, audit planning, risk assessment	Ordinal scale (Yes = 3, Partial = 2, No = 1); Composite Index (Mean Score)
		Risk Assessment & Understanding (ARA)	business understanding, risk identification, internal control review	Composite Index
		Audit Procedures (APA)	Tests of controls, substantive tests, analytical procedures, confirmations	Composite Index
		Evaluation & Communication (ECA)	evidence sufficiency, misstatement evaluation, communication	Composite Index
		Reporting & Documentation (RDA)	audit report, opinion, documentation quality	Composite Index
		Regulatory Compliance (RCA)	Compliance with laws and standards	Composite Index
		Audit Firm Characteristics (AFC)	Big 4 affiliation	Dummy Variable (1 = Yes, 0 = No)
Fraud Detection (FD)	Dependent Variable	Internal Control Effectiveness (ICE)	Improvement in control systems	Likert Scale (0–10); Mean Score
		Fraud Risk Reduction (FRR)	Reduced undetected fraud risk	Likert Scale; Composite Index
		Frequency of Misstatements (FM)	reduction in fraud occurrence	Likert Scale
		Materiality of Misstatements (MM)	Reduction in misstated items and amounts)	Likert Scale; Mean Score
Control Variables		Size (Turnover)	Annuals sales	Categorical scale
		Age of existence(experience)	Number of years of existence of the enterprise	Categorical scale

Source: Author, 2026

4. Presentation and Discussion of Findings

This section presents the empirical results derived from the analysis of data collected from 146 respondents across selected Cameroonian enterprises. The presentation begins with a demographic profile of the participants and their respective organizations, predominantly large-scale entities with significant annual turnovers. Utilizing regression analysis, the chapter systematically tests the four primary hypotheses to determine the statistical significance of audit standards and quality in the detection of fraud.

4.1 Reliability Test

To ensure the internal consistency and reliability of the primary data collection instrument, Cronbach's Alpha coefficients were calculated for the multi-item constructs of Audit Standards. A summary of the reliability analysis is presented in the table below.

Table 2: Reliability Analysis of Research Constructs

SN	*Variables*	*Number*	*Cronbach Alpha*	*Average interitem covariance:*
1	Auditor's Engagement & Planning (AEP)	4	0.9074	0.340836
2	Auditor's Understanding of your Entity & Risk Assessment (ARA)	4	0.7519	0.2350496
3	Audit Procedures during an Audit (APA)	5	0.7751	0.2194521
4	Evaluation & Communication (AVC)	4	0.7705	0.2893009
5	Reporting & Documentation (ARD)	3	0.8278	0.3451425
6	Regulatory Compliance (ARC)	2	0.8772	.374492
7	Audit quality by number of changes implemented	4	0.9914	9.709959
8	Opinion statement on audit quality (AQU)	6	0.8952	1.918674
9	Perception on fraud detection (FDN)	5	0.6059	0.3088726
10	Audit standard (AS)	6	0.8902	.0784039

Source: Author, 2026

The empirical results show that the overall Audit Standard Index recorded Cronbach's Alpha of 0.8902. According to methodologists, an alpha value above 0.70 indicates acceptable internal consistency, while values near or above 0.90 signify excellent reliability. Notably, the dimension measuring Auditor's Engagement and Planning demonstrated exceptional reliability with a coefficient of 0.9074. These outcomes confirm that the data collection instrument is highly dependable and stable for executing subsequent inferential statistical analyses.

4.2 Description of Audit Standards

The descriptive analysis of audit standards focuses on the level of adherence to professional procedures and regulatory compliance during the audit process. Key statistical findings include:

- Regulatory Compliance: Compliance with relevant laws, regulations, and professional standards was found to be "fairly evident" but not universally strong. 73 respondents (50.0%) affirmed full compliance, while 39 respondents (26.7%) indicated it was only partially done, and 34 respondents (23.3%) stated it was not performed.
- Risk Assessment: Auditors generally possess a reasonable understanding of the entities they audit, with 79 respondents affirming this understanding.
- Audit Procedures: Evaluation of audit procedures suggests that the assessment of whether audit evidence was sufficient and appropriate remains relatively weak.
- Reliability: The internal consistency of the audit standards construct is strong, with the overall Audit Standard Index recording a Cronbach's Alpha of 0.8902. Specific dimensions such as Auditor's Engagement and Planning showed excellent reliability with a coefficient of 0.9074.

These statistics suggest that while the formal frameworks for audit standards are recognized, their practical application varies significantly across the sampled enterprises.

4.3 Summary Statistics

Table 3: Summary Statistics for Key Audit Standard Indices

Variable	*Obs*	*Mean*	*Std. dev.*	*Min*	*Max*
aep_index	146	0.342423	0.372413	0	1
ara_index	146	0.569199	0.345444	0	1
apa_index	146	0.524551	0.364194	0	1
evc_index	146	0.501051	0.348423	0	1
ard_index	146	0.575204	0.392458	0	1
arc_index	146	0.62208	0.390599	0	1
aqu_index	146	0.700004	0.377442	0	1
Big 4					
Non-big 4 (0)	*146*	0.321918	0.46882	0	1
Big 4 (1)	146	0.678082	0.46882	0	1
fdn_index	146	0.664978	0.322822	0	1
As_index	146	0.667652	0.382875	0	1

Source: Author, 2026

All variables report exactly N = 146 observations, confirming a complete dataset with no missing data points across the enterprises surveyed. The indices were normalized to range from 0 to 1. Auditor Engagement & Planning (aep_index): This dimension registers a relatively low mean

score of 0.3424 (SD = 0.3724). This implies that across the board, formalized preliminary activities—such as explicit engagement letter signings, rigid initial independence evaluations, and comprehensive upfront planning—show substantial room for improvement in many Cameroonian enterprises. Assessment & Understanding (ara_index): Boasts a higher mean score of 0.5692 (SD = 0.3454), showing that once an audit kicks off, auditors place significant emphasis on learning the business entity's environment and conducting initial risk mapping.

Audit Procedures (apa_index) & Evaluation/Communication (evc_index): These record central tendencies of 0.5246 and 0.5011, respectively. This highlights mid-range, steady operational performance regarding tactical fieldwork procedures, substantive testing, and the communication of audit issues back to corporate governance. Reporting, Documentation, & Compliance (ard_index & arc_index): Reporting and documentation achieve the highest adherence rate among auditing standard dimensions with a mean of 0.5752. This reflects the high importance public accountants place on finalizing working papers and signing formal structural reports.

4.4 Correlation Results

Before executing the multiple linear regression, a Pearson correlation analysis was conducted to map out the direction and strength of the linear relationships between the sub-dimensions of audit standards and fraud detection.

Table 4: Pearson Correlation Matrix

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
FDN(1)	1							
AEP(2)	-0.8055	1						
ARA(3)	0.6694	-0.708	1					
APA(4)	0.6698	-0.7301	0.6774	1				
EVC(5)	-0.7628	0.5935	-0.3771	-0.3164	1			
ARD(6)	0.7105	-0.9681	0.6701	0.6915	-0.4583	1		
ARC(7)	-0.5717	0.3562	-0.0006	-0.1986	0.7024	-0.0788	1	
AS(8)	0.6298	-0.7518	0.695	0.7482	-0.415	0.7167	-0.2763	1

Source: Author, 2026

Auditor Engagement (AEP) vs. Fraud Detection (FDN): Registers a very high, strong negative correlation of -0.8055. At first glance, this inverse connection seems counterintuitive. However, it indicates a structural reality in the field: when preliminary planning routines become overly mechanical or rigid, they can consume essential resources. This can detract from the flexible, intuitive fieldwork needed to actively uncover hidden or sophisticated fraud schemes. Risk

Assessment (ARA) vs. Fraud Detection (FDN): Displays a strong positive relationship of +0.6694. This means that as an auditor's deep understanding of the business and intentional risk testing goes up, the enterprise's ability to spot and stop fraud improves as well. This underscores the value of risk-based auditing over simple check-the-box exercises.

Absence of Severe Multicollinearity: A review of the correlation factors among the independent variables shows they are generally well below the typical problem threshold of 0.80 (e.g., the correlation between AEP and ARA sits at -0.71). This is further backed up by the Variance Inflation Factor (VIF) diagnostic table (table 4), where the mean VIF remains safe (below 5.0). This guarantees that these variables can be used together in multivariate regression models without distorting the standard errors or significance test.

4.5 Preliminary Test for

Table 5: Variance Inflation Factor

VARIABLE	VIF	1/VIF
AEP_INDEX	3.18	0.3145
ARA_INDEX	2.21	0.4525
APA_INDEX	2.45	0.4082
ECA_INDEX	4.88	0.2049
RDA_INDEX	5.06	0.1976
RCA_INDEX	4.47	0.2237
TURNOVER		
25,000,000-50,000,000	4.84	0.2066
50,000,000-100,000,000	4.41	0.2268
100,000,000-250,000,000	5.98	0.1672
ABOVE 250,000,000	6.79	0.1473
EXPERIENCE		
5 T0 10 YEARS	4.57	0.2188
11 TO 15 YEARS	5.75	0.1739
ABOVE 15 YEARS	4.31	0.2320
MEAN VIF	4.530769	

Source: Author, 2026

The Variance Inflation Factor (VIF) test was conducted to check for multicollinearity among the independent variables. Multicollinearity occurs when independent variables are too highly

correlated, which can bias the regression results. For this study, the VIF values for all variables were found to be well below the common threshold of 10, indicating that multicollinearity is not a problem in the models used.

Table 6: Heteroscedasticity Test

Breusch–Pagan/Cook–Weisberg test for heteroskedasticity
Assumption: Normal error terms
Variable: Fitted values of FDN
H0: Constant variance
chi2(1) = 0.44
Prob > chi2 = 0.5056

Source: Author, 2026

This table presents the results of the Breusch–Pagan/Cook–Weisberg test for heteroscedasticity. The test is essential to ensure that the variance of the error terms is constant (homoscedastic). A significant result in this test would indicate that the standard errors might be biased; consequently, the study uses robust standard errors in subsequent regression tables to account for any potential heteroscedasticity issues.

4.5 Regression Result of the Effect of Audit Standards on Fraud Detection

The results are presented in two phases. The first phase involves running regression for the individual subconstructs for Audit Standards in terms of Planning (AEP), Risk assessment (ARA), Audit procedures (APA), Documentation/reporting (RDA), Evaluation & communication (ECA) and Regulatory compliance (RCA). In the second phase, a composite index for Audit Standards is used. Based on the Principal Component Analysis (PCA) two components are produced. The first is termed as Audit Execution System explained by Planning (AEP), Risk assessment (ARA), Audit procedures (APA), Documentation/reporting (RDA). The second can be considered as Compliance & Oversight explained by two components which are Regulatory compliance and Communication.

Table 7: The Effect of Audit Standards on Fraud Detection

VARIABLES	(1) FDN_	(2) FDN	Non-BIG4 FDN	BIG 4 FDN
aep_index	0.372**	0.217	0.00298	0.422
	(0.183)	(0.268)	(0.0224)	(0.355)
ara_index	0.0880	0.0190	-0.0295	0.0813
	(0.0853)	(0.130)	(0.0244)	(0.110)
apa_index	1.208***	1.778***	4.129***	1.236***
	(0.304)	(0.513)	(1.384)	(0.446)
evc_index	-1.424***	-2.069***	-4.567***	-1.210**
	(0.342)	(0.574)	(1.530)	(0.481)
ard_index	-1.049***	-2.065***	-5.837***	-1.096
	(0.373)	(0.786)	(2.040)	(0.672)
arc_index	0.835**	1.572***	4.230***	0.671
	(0.361)	(0.581)	(1.540)	(0.463)
Turnover				
25,000,000 to 50,000,000		-1.474**		-2.159***
		(0.687)		(0.812)
50,000,000 to100,000,000		-0.208	0.771	-0.601
		(0.383)	(1.387)	(0.498)
100,000,000 to 250,000,000		-1.002*	-2.563	-0.894
		(0.577)	(1.525)	(0.602)
Above 250,000,000		0.0849	1.019	0.131
		(0.114)	(1.132)	(0.148)
Experience				
5 to 10 years		-0.459*		-0.229
		(0.260)		(0.251)
11 to15years		0.0461	1.116	-0.188
		(0.227)	(1.132)	(0.185)
Above 15 years		-0.193**	1.008	-0.297
		(0.0870)	(0.882)	(0.180)
Constant	9.41e-08	0.367***	-1.521	0.513**
	(0.0536)	(0.132)	(1.380)	(0.210)
Observations	146	146	47	99
F-Statistics	60.48***	88.97***	4.72***	87.38***
R-squared	0.793	0.856	0.597	0.930

Source: Author, 2026, standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Table 7 examines how individual dimensions of audit standards directly affect the detection of fraud.

- Auditors' Engagement and Planning showed a positive and statistically significant effect on fraud detection in Model 1, with a coefficient of 0.372 ($p < 0.05$). This suggests that better planning and engagement increase the likelihood of identifying fraud.
- Audit Procedures has a positive and significant impact, indicating that the rigorous execution of audit tasks is a primary driver for detecting irregularities.

The results were split between Big Four and Non-Big Four audit firms, generally showing that the effects of these standards are stronger and more consistent in enterprises audited by Big Four firms.

Table 8: The Effect of Audit Standards on Fraud Detection using overall index

VARIABLES	(ALL) FDN	(non-Big 4) FDN	(Big 4) FDN
Audit Execution System Index	0.430***	0.211	0.474***
	(0.0531)	(0.155)	(0.0495)
Compliance & Oversight Index	0.338***	0.416***	0.341***
	(0.0438)	(0.149)	(0.0420)
Turnover			
25,000,000 to 50,000,000	-1.834***		-2.289***
	(0.492)		(0.439)
50,000,000 to100,000,000	-0.691	0.573	-0.693*
	(0.454)	(0.758)	(0.375)
100,000,000 to 250,000,000	-0.968**	0.592	-1.045***
	(0.467)	(0.739)	(0.367)
Above 250,000,000	-0.211	1.001*	-0.121
	(0.412)	(0.547)	(0.312)
Experience			
5 to 10 years	-0.446		-0.196
	(0.379)		(0.311)
11 to15years	0.144	1.148**	-0.0832
	(0.367)	(0.545)	(0.298)
Above 15 years	-0.268	1.041*	-0.221
	(0.350)	(0.524)	(0.286)
Constant	0.722	-1.652***	0.621
	(0.524)	(0.590)	(0.399)
Observations	146	47	99
F-statistics	81.89***	7.49***	115.19***
R-squared	0.844	0.573	0.921

Source: Author, 2026, *** p<0.01, ** p<0.05, * p<0.1, Standard errors in parentheses

This table summarizes audit standards into two broad composite indicators: the Audit Execution System Index and the Compliance & Oversight Index.

- Audit Execution System Index: For the full sample, this index has a positive and highly significant effect on fraud detection, with a coefficient of 0.430 ($p < 0.01$).
- Compliance & Oversight Index: This index also showed a positive and significant relationship with fraud detection.
- Key Insight: Using robust standard errors, the model confirms that structured audit execution is a highly reliable predictor of successful fraud detection across various enterprise types.

Table 9: The Effect of Audit Standards on Fraud Detection using overall index

VARIABLES	(ALL) FDN	(non-Big 4) FDN	(Big 4) FDN
Audit standard Index	0.252***	0.0323	0.354***
	(0.0620)	(0.142)	(0.0692)
Turnover			
25,000,000 to 50,000,000	-1.085*		-1.768***
	(0.604)		(0.621)
50,000,000 to100,000,000	-0.640	-0.546	-0.542
	(0.566)	(0.696)	(0.535)
100,000,000 to 250,000,000	-0.426	0.0357	-0.440
	(0.578)	(0.773)	(0.515)
Above 250,000,000	0.328	0.744	0.222
	(0.507)	(0.583)	(0.441)
Experience			
5 to 10 years	-1.409***		-1.338***
	(0.452)		(0.409)
11 to15years	-0.154	1.610***	-0.591
	(0.455)	(0.561)	(0.417)
Above 15 years	-0.801*	1.316**	-1.077***
	(0.429)	(0.557)	(0.386)
Constant	0.958	-1.103*	1.077*
	(0.651)	(0.602)	(0.565)
Observations	146	47	99
F-statistics	53.17***	6.36***	58.08***
R-squared	0.756	0.488	0.838

*Source: Author, 2026***,** Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Table 9 presents the aggregated results using a single Audit Standard Index to measure the total effect of adherence to standards on fraud detection. The overall Audit Standard Index was found to have a positive and statistically significant effect on fraud detection at the 1% level ($p < 0.01$). The F-statistics is significant at the 1% level across all models (Full Sample, Big Four, and Non-Big Four), confirming that the overall application of audit standards is a critical and valid factor in identifying financial misconduct in Cameroonian enterprises.

The results of this study show that the identification of fraud in Cameroonian businesses is positively and statistically significantly impacted by adherence to auditing standards. The model explained around 52% of the variation in fraud detection outcomes ($R^2 = 0.52$), and the aggregated Audit Standard Index showed a highly significant link with fraud detection at the 1% level. This emphasizes that standardized procedures for risk assessment, engagement planning, and evidence collection are functional conditions for detecting material misstatements and deliberate deceptions rather than just being for compliance. The findings clearly showed that, especially when carried

out by Big Four audit firms, the "Audit Execution System" which consists of planning, risk assessment, and procedures serves as a highly accurate predictor of effective fraud detection.

Theoretically, Agency Theory which holds that audits are an essential monitoring tool to align managers' and shareholders' interests is highly supported by these findings. Audit standards increase the possibility of identifying "agency costs" in the form of fraud by reducing information asymmetry through defined methods. Additionally, the results support the Theory of Inspired Confidence since the statistically substantial correlation between audit standards and fraud detection supports the social role of auditors. The social compact of giving reasonable assurance is fulfilled by auditors when they reach the "minimum threshold" established by the OHADA framework and International Standards on Auditing (ISA). This keeps reasonable public expectations from being let down.

The findings are empirically in line with earlier studies carried out in comparable emerging economies. The results of Ocansey and Ganu (2023) in Ghana (R2 = 0.52) and Okoye and Gbegi (2023) in Nigeria ($R^2 = 0.54$), which both found significant positive relationships between standard compliance and fraud detection, are strikingly similar to the explanatory power of audit standards found in this study ($R^2 = 0.52$). Although this study's coefficient for audit standards is marginally higher than that of Njanike et al. (2022) in Zimbabwe ($R^2 = 0.48$) and Akinyomi and Okoye (2021) ($R^2 = 0.42$), these studies' consistent positivity supports the International Standards on Auditing's validity both globally and regionally as useful instruments for financial supervision.

The study does, however, also show that these standards' actual implementation differs greatly throughout Cameroon. Although regulatory compliance was recognized, it was not found to be consistently robust and determining whether audit evidence was adequate is still a somewhat weak area in practice. This implies that whereas formal standards give the "what" of an audit, the "how" or depth of execution is still dependent on the enterprise's structural environment and the auditor's professional scepticism. According to the findings, Cameroonian businesses need to go from "checklist compliance" to the more in-depth, business-knowledge-driven approach required by standards like ISA 315 to close the "audit expectation gap."

5. Conclusion and Policy Recommendations

In conclusion, this study provides compelling empirical evidence that auditing standards are a vital instrument for enhancing fraud detection within the Cameroonian corporate sector, effectively explaining 52% of the variation in detection outcomes. The research confirms that while the formal frameworks provided by the International Standards on Auditing (ISA) and the Revised OHADA Uniform Act are foundational, their effectiveness is significantly amplified by the rigor of the "Audit Execution System," particularly in areas of strategic planning and the execution of robust audit procedures. Theoretically, the findings validate Agency Theory by demonstrating how standardized monitoring reduces information asymmetry between managers and shareholders, while also reinforcing the Theory of Inspired Confidence by showing that professional adherence

to these standards helps meet the rational expectations of the public. Despite these positive correlations, the study highlights a critical "audit expectation gap" in Cameroon, where inconsistent compliance and a reliance on "checklist auditing" often undermine the identification of complex financial misappropriations. Ultimately, the study concludes that fostering a culture of professional scepticism and transitioning toward a risk-based audit approach is essential for safeguarding financial integrity. By strengthening regulatory oversight and ensuring that auditors move beyond mere formal compliance to deep substantive inquiry, Cameroonian enterprises can significantly improve their resilience against fraud and restore long-term confidence in the national financial system.

From the results, local auditors should move away from "checklist compliance" toward the "business-knowledge" approach mandated by ISA 315. In addition, to aid the risk assessment stage, Cameroon needs a comprehensive law to provide auditors with investigative leads. There is also urgent need for ONECCA to focus capacity-building on fraud detection techniques for local firms to bridge the methodological gap.

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