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COLLEGE OF ART HUMANITIES AND SOCIAL SCIENCE

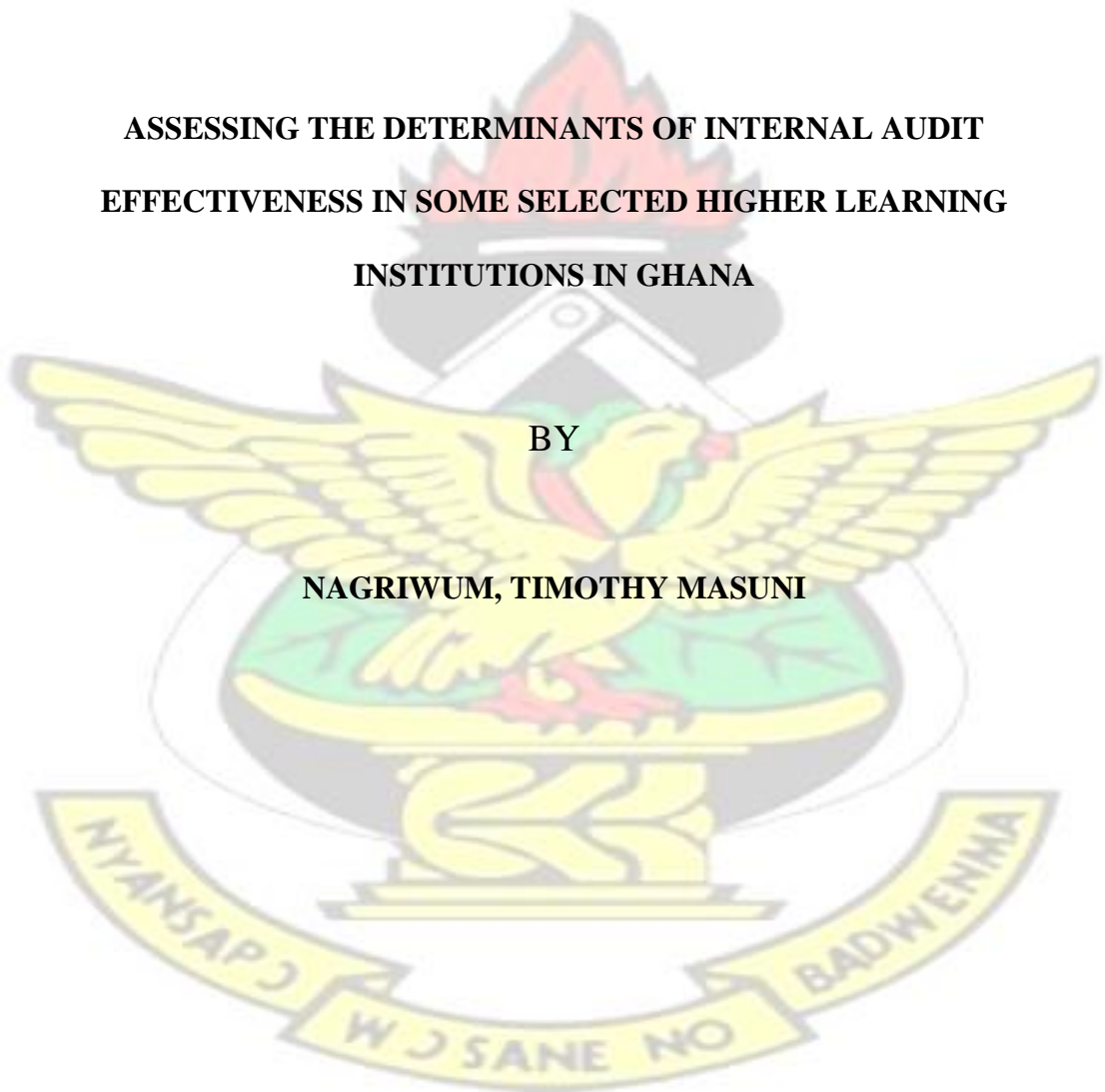
SCHOOL OF BUSINESS

KNUST

**ASSESSING THE DETERMINANTS OF INTERNAL AUDIT
EFFECTIVENESS IN SOME SELECTED HIGHER LEARNING
INSTITUTIONS IN GHANA**

BY

NAGRIWUM, TIMOTHY MASUNI



NOVEMBER, 2020

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(B-TECH, ACCOUNTING WITH COMPUTING)

**A THESIS SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND
FINANCE, COLLEGE OF HUMANITIES AND SOCIAL SCIENCES IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
MASTER OF SCIENCE IN ACCOUNTING AND FINANCE**

NOVEMBER, 2020

DECLARATION

Candidate's Declaration

I hereby declare that this submission is my own work toward the award of the Master of Science in Accounting and Finance and that to the best of my knowledge, it contains no material previously published by another person, nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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Signature

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Date

DEDICATION

I dedicate this Research work to God Almighty, my late Father, Mr. Nagriwum Moses Kodjo, my Mother, Nagriwum Martha Adjoa, my brothers, sisters and my dear Benamba Patricia Yesolimo.

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I am most grateful to the Almighty God for seeing me through my Research Work. His guidance and grace sustained me during the challenging times. This effort could not have been complete without the prayers and support of my family. I wish to express my profound gratitude to you all. I strongly appreciate your effort. The immerse support from Mr. Martin Teye Mensah, Mr. Michael of Brain Trust Company, lecturers and course mates is highly recommendable. The candid efforts of my understandable and caring supervisor, Mr. Frimpong Stephen cannot be ignored but to be applauded. To all the Staff and Management of the Institutions who gave me audience during my research, I say “Thank you and God bless you”.



ABSTRACT

Public finance management's effectiveness is very significant for achieving economic stability and growth thus reducing poverty in the country's economy. Lack of effective management of financial resources might result to poor operational performance, reduce effectiveness and also decrease the financial stability of public sectors. Public officials are therefore expected to recruit individuals with financial knowledge and capabilities to undertake effective auditing to help promote and enhance efficiency in business activities. The study sought to assess the determinants of internal audit effectiveness in some selected higher learning institutions in Ghana. The study adopted quantitative research approach and survey questionnaire. The filed data were analyzed using SPSS version 23. The study found that 79.6% changes in internal audit effectiveness were explained by the independent variables used in the study, the remaining 20.4% changes in internal audit can be related to other factors which were not considered in the study. The study found that internal audit staff competency is a significant determinant of effectiveness of internal audit; independence of internal audit is a significant determinant of internal audit effectiveness; and management support of internal auditing is a significant determinant of internal audit effectiveness. The study recommends that internal auditors should be professionals, proactive, have sufficient and professional knowledge, attend regular educational seminars and ensure effective interactions with their management to enable them enhance the competencies of internal audits operations in the public sector.

Key words: Internal Audit, Audit Effectiveness, Higher Learning Institutions in Ghana

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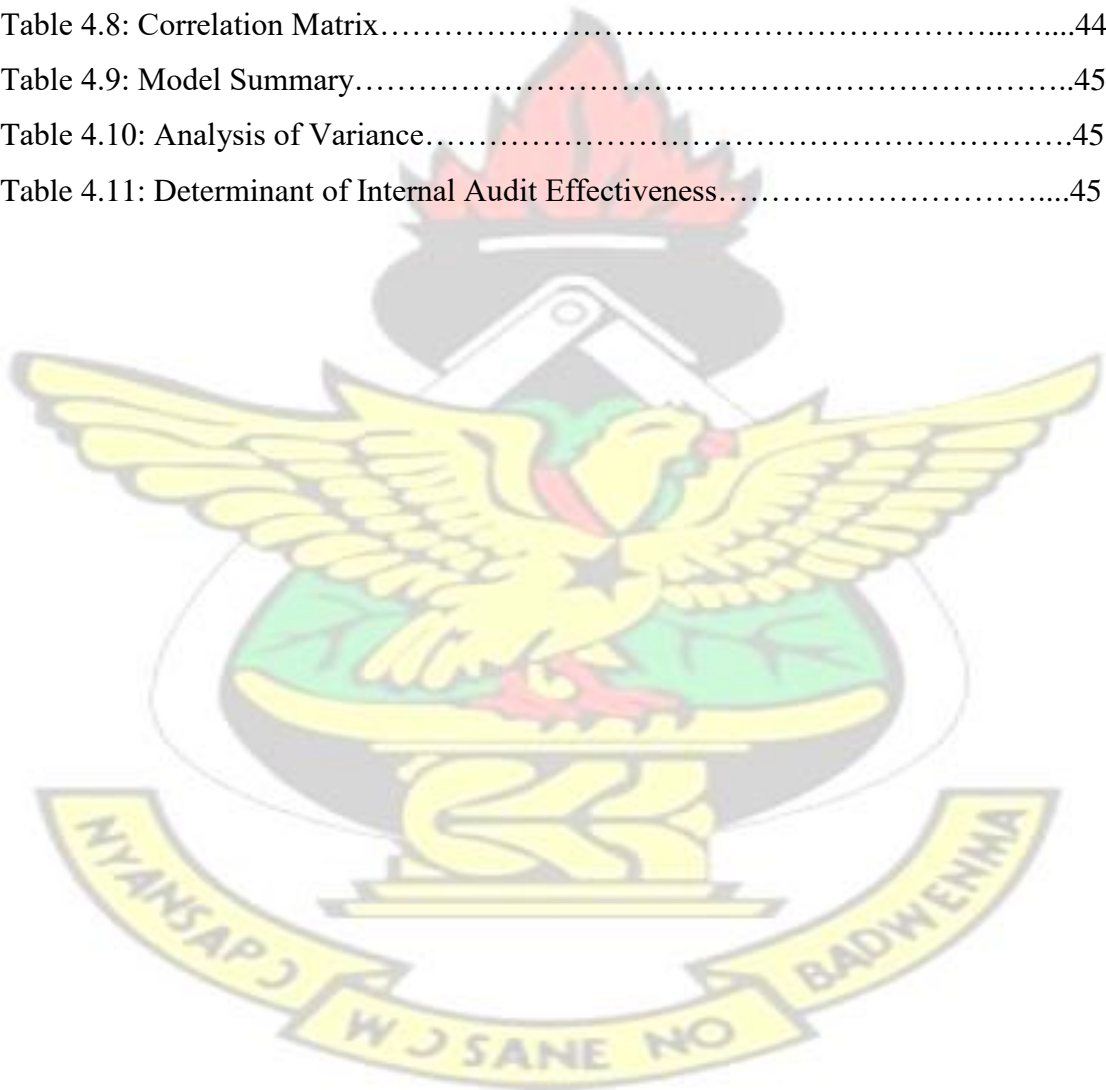
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LIST OF ABBREVIATIONS

CPA	Chartered Financial Analyst
IA	Internal Audit
IAC	Internal Audit Competence
IAE	Internal Audit and Effectiveness
IAE	Internal Audit Exceptional
IAI	Internal Audit Independence
IFA	Independent Financial Advisers
IIA	Institute of Internal Auditors
IEA	Institute of Economic Affairs
IPPF	International Professional Practices Framework
ISO	International Organization for Standardization
SPSS	Statistical Package for Social Scientist
UK	United Kingdom



CHAPTER ONE

INTRODUCTION

1.0 BACKGROUND OF THE STUDY

Financial management systems in public institutions have become very essential in concurrent business environment. Internal auditors' role in an organization has become very significant in firms' operation thus contributing significantly to the stability of the operations of most institutions. Internal auditing is mainly meant to promote and enhance corporate growth, sustainability and long-term benefits (Institute of Internal Auditors (IIA), 2009). Internal auditing is an essential component of a firms' internal factors for business growth and development. Due to this, it is required that every organization establish internal audit committee that would help make sure that all internal auditing functions are controlled and monitored to help ensure consistency, efficiency and transparency in all operational activities especially the financial activities of the firm. The improvement of public sectors mostly depends on the functioning of the internal auditors, particularly the relationships between the executive and the (Coetzee and Erasmus, 2017; Oussii and Taktak, 2018).

Internal auditors are also a body in an organization held with the responsibilities of controlling and protecting the internal resources of the institution to avoid waste, maintain quality and responsible utilization of the resources. As a form is promoted by its available resources, it is essential that management improve auditing systems within the institution to help make sure that members of the organization utilize resources efficiently to achieve desirable outcome while maximizing overall income of the organization. In this case, management must ensure continuous assessment on activities including resource appraisals and financial reporting to avoid any risk

associated with the firms' resources (Roussy, Barbe and Raimbault, 2019; Turetken, Jethefer and Ozkan, 2020). Management should interfere in the operational activities of the firm to help enhance employee motivation and corporation to increase individual performances (Erasmus and Coetzee, 2018). Besides, the internal auditor must be independent so that duties can be undertaken without fear or favour as well as making sure that internal systems and practices are well structured to help workers understand the missions of the organization (Cioban, Hlaciuc and Zaicéanu, 2015; Erasmus and Coetzee, 2018).

Internal audit effectiveness can be explained as an ability of the audit committee to conduct activities the way they are expected to perform and achieve desirable results (Institute of Internal Audit (2010). Also, the attitude of commitment showed by the audit committee or auditor towards auditing responsibilities (Alzeban and Gwilliam, 2014; Lenz et al., 2014; Erasmus and Coetzee, 2018). Bananuka et al. (2017) explained that, internal audits have several techniques and dynamics used by the audit committee to undertake audit functions. These according to Bananuka et al. include; management capabilities, effective operation and among others. Other components include trustworthy processes, risks management and guarantee and board commitment or effectiveness (Alzeban and Sawan, 2013; Cioban et al., 2015).

According to Oussii and Taktak (2018) internal auditing could be effective when there are appropriate internal controls, governance and threat management practices of business. Based on this, internal auditing effectiveness can be explained as the process of achieving auditing goals and objectives through effective procedures and strategies. Roussy et al. (2019) also added that, auditors can achieve auditing goals and objectives through appropriate measures and strategies. Notwithstanding, audit

report revision play an essential role in the auditing activities in a firm, especially during board meetings and other decision-making processes (Oussii and Taktak, 2018; Turetken et al., 2020).

Internal auditing is one of the best management techniques that can be used by firms to achieve effectiveness in business operation. Through internal auditing, management is able to detect fraud and inconsistencies in the business operations (Cioban et al., 2015; Erasmus and Coetzee, 2018; Roussy et al., 2019). Internal auditing is the main organizational process that facilitates business activities, enhance transparency and also ensure efficiency and effectiveness. Internal audit effectiveness in public sector allows the government to accomplish business goals and objectives (Alzeban and Sawan, 2013; Alzeban and Gwilliam, 2014).

For the purpose of operational effectiveness, government officials must pay critical attention to the internal audit roles for the certainty that internal resources are well monitored and controlled to achieve effectiveness and success (Coetzee and Erasmus, 2017). Internal audit functions are very significant in an organization. Due to this, there is enquiry in relation to the truthfulness of the financial reporting, governance and compliance to procedures and guidelines (Bananuka et al., 2017).

1.1 PROBLEM STATEMENT

Public finance management's effectiveness is very significant for achieving economic stability and growth, thus reducing poverty in the country's economy. Lack of effective management of financial resources might result to poor operational performance, reduce effectiveness and also decrease the financial stability of public

sectors. Public officials are therefore expected to recruit individuals with financial knowledge and capabilities to undertake effective auditing to help promote and enhance efficiency in business activities (Erasmus and Coetzee, 2018). Audit quality plays an essential role in public financial management practices (Coetzee and Erasmus, 2017).

In Ghana, every government institution is required to establish internal audit committee that would help control and ensure effectiveness in operational activities (Ghana Audit Agency Act, 2003). Moreover, internal auditors are expected to develop technical skills and abilities to enable them enhance auditing performances in order to warrant the stability of the institution thus improving financial performance (Oussii and Taktak, 2018; Erasmus and Coetzee, 2018). Internal auditing promotes transparency, efficiency and consistency in all operational activities. Notwithstanding, effective internal auditing promotes accountability since the utilization of resources are controlled and managed to avoid waste. The issue however is that, although measures have been undertaken to help ensure that inconsistency in business activities are mitigated yet there is still inconsistency in the public financial systems especially in public sector (Cioban et al., 2015). Per suggestions of the Auditor General report (2012), financial resources in state-owned institutions demands further attention due to the poor management practices and mismanagement of resources. This study employed the IEA to measure audit quality with main focus on manager audit department in the organization under study.

Thus, this study would consider IEA such as planning to enhance productivity, evaluate the steadiness of outcomes. Through established objectives and goals, the recommendations proposed through the internal audit, evaluating internal control

systems to identify risks to help management. These risks are to make general recommendation to enhance organizational activities.

Specifically, this study was aimed to contribute new knowledge to the existing knowledge concerning internal audit. Again, this study would explore how management support, organizational independence, competence of internal audit staff and audit committee on the internal audit effectiveness in higher learning institutions in Ghana.

1.2 OBJECTIVES OF THE STUDY

The general objective of the study is to assess the determinants of internal audit effectiveness in some selected higher learning institutions in Ghana. Below are the specific objectives of the study:

1. To examine the effects of internal audit staff competency on internal audit effectiveness
2. To ascertain the effects of internal and external auditors' relationship on internal audit effectiveness
3. To assess the effects of independence of the internal audit on internal audit effectiveness
4. To examine the effects of management support for internal auditing on internal audit effectiveness

1.3 RESEARCH QUESTIONS

The study seeks to address the following questions:

1. What are the effects of internal audit staff competency on internal audit effectiveness?

2. What are the effects of internal and external auditors' relationship on internal audit effectiveness?
3. What are the effects of independence of the internal audit on internal audit effectiveness?
4. What are the effects of management support for internal auditing on internal audit effectiveness?

1.4 SIGNIFICANCE OF THE STUDY

The research study would be beneficial to several stakeholders in the country such as: Management within public sector of Republic of Ghana, managers of instructional establishments, internal auditors, academicians. The study might facilitate management to acknowledge the role internal auditing perform in entities and perceive the hurdles they Janus-faced by auditors in capital punishment in their roles and facilitate derive up with methods aimed toward the discoveries of answers to those challenges.

The government to be specific can develop the understanding of the elements impeding the effectiveness of internal audit in authorities in customary and localized governments in particularly. The government can accordingly be in an exceptionally position to frame properly-versed as well as applicable regulations which will enhance internal audit effectiveness in encouraging practical governance, manage and chance organization structures in the Republic of Ghana. The internal auditors can also recognize their obligation in counties and therefore the challenges they will come across as they perform their title roles.

Again, the research adds meaningfully to the internal auditing deliberations. The research can make an input to the triumphing literature with regards to the

determinants of internal audit effectiveness in localized controls in Republic of Ghana. Similarly, the study would possibly offer avenue for greater evaluation via recognizing future look at degrees with a view to be useful to drawing close researchers to conduct more study for the duration of this space.

1.5 SCOPE OF THE STUDY

The study explores the determinants of internal audit effectiveness in some selected higher learning institutions in Ghana. Specifically, it seeks to explore how management support, organizational independence, competence of internal audit staff and audit committee on the internal audit effectiveness in higher learning institutions in Ghana. The study focuses on the following higher learning institutions: Sunyani Technical University, Kwame Nkrumah University of Science and Technology, University College of Education, (Kumasi), Kumasi Technical University and University for Development Studies. The study considers current internal audit practices hence a cross sectional timeline is utilized. In terms of methodology this study adopted quantitative research approach.

1.6 LIMITATIONS OF THE STUDY

Since most studies in this area covers external auditing compared to internal auditing, having access to related literature was a challenge. The researcher's experience in the use of SPSS is limited hence further training was needed for the researcher to be able to comprehend with the functionalities of the SPSS. This resulted in a delay in completing the studies. Data collection was another limitation that was faced by the researcher since the study is not sponsored. This affected the sample size that was selected as well as the time period for gathering data because the researcher gathered data by himself. Moreover, the fear of victimization on the

part of the respondents limited information access and unduly delayed the progress of the study.

1.7 OVERVIEW OF METHODOLOGY

The study employs an explanatory design to explore the determinants of internal audit effectiveness in selected higher learning institutions in Ghana. The target population of the study includes senior management and staff of the finance, accounts offices of the selected higher learning institutions in Ghana. The study estimates a sample of 150 respondents using convenient sampling technique. Data was sourced from primary and secondary sources. Structured questionnaires were the main instruments used in obtaining primary data. Data analysis was performed through the help of SPSS version 23. The study will observe all the necessary ethical requirements.

1.8 ORGANIZATION OF THE STUDY

This study is categorized into five chapters. Chapter one serves as the general introductory section. Chapter two pays attention to definition of concepts, conducting of empirical review, presentation of conceptual framework and finding a suitable theoretical review of the study. Chapter three centers on the methodology of the study where the different approaches that define the process of data collection and analysis are identified. Chapter four deals with data analysis and discussions of the study whilst chapter five shows the summary of findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter provides a review of the literature relating to the analysis of factors that determine the effectiveness of internal audit in local and regional governments. The study examines empirically: the relationship between the competence of internal audit staff and the effectiveness of internal audit; the impact of the relationship between internal and external auditors on the effectiveness of internal audit; the impact of internal audit independence on the effectiveness of internal audit; and the impact of management support for internal audit on the effectiveness of internal audit. The stewardship and the contingency principles are theoretically reviewed and discussed. In addition, internal audit issues and their historical background is discussed.

2.1 CONCEPTUALIZING INTERNAL AUDIT

For the records of Mesopotamian civilization, auditing was inaugurated in the year 3500 BC where men realized the consequence of shielding and safeguarding nation's property as well as individual properties (Nordin, 2003 and Dumitrescu, 2004). Auditing was then seen to be an imperative practice that ensured effective operation mechanisms. Auditing practices encompassed structures of verification, internal controls and separation of duties (Nordin, 2003).

Internal auditing was vividly taken into consideration within sector in businesses after the World War II. The consequences established from World War II affected most agencies and hence internal auditing gain the credibility in been followed in

operation by most firms. Through internal audits, critical factors that are/likely to be threat to internal practices are verified and methods and technique to assist prevent those challenges are informed. Internal auditing commonly associated with financial auditing by the means of public accounting firms. Financial auditing is of utmost important in public organizations because it ensures responsibility and clearness. Lawrence Sawyer (1911-2002), the ancestor of present internal auditing, popularized the theory of internal auditing. To be precise, internal auditing definitions was derived from Sawyer's internal auditing theory which comprises the definition issued by International Professional Practices Framework (IPPF).

In the beginning, the word 'audit' was reduced from the Latin which means hearing or to examine and interrogate (IIA, 2012). Audit is usually linked to controlling structures, assessments and other evaluation criteria (Morgan, 2009 and Wynne, 2001). Just like supply chain management, internal auditing is also very essential systems for intensifying business operation. Audit has been elucidated in the standard of ISO 9000 family of standards. From the ISO's definition, audit is described as an orderly process of obtaining better information concerning internal operations which include figuring out financial performance in the corporation to indicate whether or not resources are exploited to satisfy the business interest.

Audit can be grouped in two classes, internal audit and external auditing. Internal auditing is an auditing operation executed by means of an agency in its very own activities while the external auditing includes audits performed by a hired organization (Manoukian, 2016). Both sorts of the auditing may additionally give up different outcomes and various frameworks and workflows. In line with the Institute of Internal Auditors (IIA) (2009), internal auditing can be described as the process wherein companies undertake checks within the internal systems of the institute to

make sure that all practices end in fulfillment of goals. Inner auditing add-value to firms' operation since it enables units within the industry to concentrate more on job overall performance to boost core competencies to enhance effectiveness and control of operational risks (Morgan, 2009).

Imperatively, internal auditing ought to be executed with the aid of experts who have more business experience and skills in an effort to make apposite and fair audits among all units within the organisation. For that, agencies ought to set up the audit committee with the full potential to perform audits within the financial flows in the organisation to encourage accuracy and transparency within the financial resource management and promoting accountability and consistency (IIA, 2004 and Protivi information leader, 2005). Inner audit activity aids to boom risk management, improve quality and facilitating businesses to accomplish organizational desires and targets (inner auditor's expert, 2013).

Notably, internal audit process is meant to be an autonomous activity that is meant to help boost business operation, encourage transparency, accountability and adding economic worth to the organization. Effective internal auditing allows businesses to acquire goals and objectives therefore boom competitiveness. This additionally increases the effectiveness of risk management, control and governance (internal auditors professional, 2013).

Internal auditing is a crucial structure for increasing business operation inclusive of permitting companies to spot and control risk, intensify controlling structures as well as encouraging compliance in a firm (wooden, 2012). Managers, through inner auditing are able to discover weaknesses and strengths inside the agency and in so doing letting them approving measures to enhance upon operational overall

performance. Internal auditing has numerous advantages to firms but its effectiveness may determine by how serious the firm will take it into consideration. The audit activity is supposed to be performed with the aid of professionals and qualified auditors who can institute proper audits on all internal operations to achieve audit purposes (Mihret&Yismaw, 2011; Cohen and Sayag, 2010).

2.2 INTERNAL AUDIT EFFECTIVENESS

Effectiveness of audit activity can be calculated by using auditors' abilities and capabilities. Auditors are imagined to be devoted and tolerable in executing internal audits mainly in the financial activities of the organisation (Cohen and Sayag, 2010). And so, internal audits must have full concentration on major element for business improvement as well as growth. In lieu of this, internal audit function should be directed to encouraging compliance with financial laws and regulations (Diamond, 2002). Institute of internal auditors (IIA) (2012) confirmed that successful public sector internal auditing typically pursuits at intensifying business governance and compliance with organizational legal guidelines.

Firms can attain operational performance if compliance level is more within the firm. Internal auditors impart significantly to organizational development and growth as a result lead to achievement of suitable governance. Also, through inner auditing firms exhibit accountability, transparency and consistency within internal activities in particular in the financial activities. Further, internal audit narrows corruption, intensify risk management and improve core competencies. Hence, internal auditors need to improve auditing performance to obtain predicted outcomes. Then also, internal auditors must be emancipated to take action with integrity and present correct information to aid in decision making process of the agency (IIA, 2011).

Alzeban and Gwilliam (2014) assessed the determinants of internal audit and effectiveness (IAE). The study discovered the most important components that increases the effectiveness of the auditing role is senior management's assistance and internal auditor's objectives and goals. Managements' support right here consists of workforce training and provision of adequate resources in addition to enhancing the associations among external and internal auditors consequently empowering the autonomy of the auditors. Studies revealed that, association among management assistance and inner audit effectiveness are in essence broadened beyond the context of public sectors in Saudi.

Similar research (Baharud-din et al, 2014) determined that, deficiency of management backing may additionally result in ineffectiveness of the auditing unit. Auditors can grow to be very effective when they are encouraged by the management through offering the appropriate tool and equipment wanted by the auditing committee to make proper auditing to obtain inform reports and plans. Akpomi and Amesi (2014) discovered that in several Nigerian public establishments, directors are constantly scared of being caught on a particular irresponsible behaviour and consequently as opposed to making the auditing committee very successful they rather threaten the audit committee so that you can gain a cover up in the activities they do.

Deribe&Regasa (2014) as well showed that, management control over the auditing committee would help increase auditing performance of the corporation which would lead to effectiveness and fairness in the auditing function. As indicated by Lenz (2013), relations among the Chief Audit executive and senior management are major key component to help enhance the auditing role in an organization. Through the effective communication and coordination, auditors can be stimulated to sustain

quality auditing performance to increase efficiency and transparency within the auditing performance of the company. Manager need to concentrate more on the auditing structure in the firm which will improve the activities of auditors by offering training aids and delivering vital gear and gadget to boost internal auditing activities.

Further, internal audit as an autonomous activity promotes self-efficacy and privacy. In this case, the auditors would not encounter any threats from external hence concentrating on job performance to obtain supposed consequences (Dumitrescu, 2004). Internal audit is likewise an effective monitoring mechanism for measuring internal capital (Dumitrescu, 2004 and IIA, 2009). The internal audit acts as a pillar holding and supporting managements and the board of directors to perform their obligations.

2.3 THEORETICAL ORIENTATION

2.3.1 The Contingency Theory

This theory has gained much concentration in modern-day accounting and auditing studies (Badara&Saidin, 2014; Ninlaphay&Ngamtampong, 2013; Abushaiba&Zainuddin, 2012; Badara, 2015; Sudsomboon&Ussahawanitchakit, 2009; Valanciene&Gimzauskiene, 2009). The field the theories are been implemented determined its effectiveness (Drazin& Van de Ven, 1985; Chenhall, 2003). Touching on this, the contingency principle (Krishnamoorthy, 2002) is used in this study to assist designate the principle's capability to present the proper hypothesis and regular functions (Schoonhoven, 1981).

According to the study of Kepes et al., (2009) organization's effectiveness relies upon the relevance attached to business activities methods and structures. The

concept explains that; effectiveness of companies is normally narrowly with challenges which encourage the probability of not allowing the company meets organizational goals. This study in so doing employs the contingency concept which pertains to the success of effectiveness in the area of auditing.

However, the concept can be applied in the perspective of state-owned settings (timber, 2009). The contingency theory remains a principle that can be apposite to the context of effectiveness success. Due to this, numerous authors have used contingency concept in several studies mainly in the business sector where effectiveness is among the priorities of organizations. For instance, Nicolaou (2000) implemented the contingency theory in analyzing the efficiency of accounting information systems in businesses. The study found that, the effectiveness of organizations relied on three primary factors which include structural formalization, interdependence of information amongst functional sections in the agency and interdependence of information sharing with different agencies. Furthermore, study revealed that, firm's effectiveness becomes higher when the capabilities and abilities of management higher hence the capacity for the firm to evolve to environmental adjustments either internally or externally (Haldma&Laats, 2002).

Kim and Umanath (1993) similarly confirmed that, firm's effectiveness in the business area is on the internal structures and decision-making system of the corporation. Commonly, firms get competitiveness through effective exploitation of resources thus internal management. Business's potential to attain internal controlling structures within firm operation is very essential for boosting performance and process activities. Besides, companies' decision-making method also have certain impact on firm performance. If the decision-making ways of organization is supporting, management is able to make conversant decisions by

incorporating the reasons shared by the employees together with strategic processes to increase business performance.

Furthermore, Woods (2009) measured how the contingency principle relates with risk management at local government in the United Kingdom and showed that, the contingency concept had an influence on risk control. Factors causing this involved technology, strategy, exterior environment and organizational scope. Further, Gordon, Loeb and Tseng (2009) suggested a progressively important relationship among organizational risk management and operational performance. Such variables comprised, company complexity, size of a company and others.

Jokipii (2010) however used the contingency theory to crosscheck the efficacy of internal management structure employing of contingency variables such as uncertainty, company size, organizational structure and others. Study revealed that, the variables listed had a significant contingent relationship with organizational performance. Krishnamoorthy (2002) further found out that, contingency variables have a full-size effect on audit performance of companies either internally or externally. However, Sudsomboon and Ussahawanitchakit (2009) indicated that factors including audit reputation, audit quality, expert regulation, stakeholder pressure and expert competitive are advantages gained through the application of the contingency concept in business operation by of firms. This in that way suggests the significance of the contingency theory in assisting corporations to gain effective audit structures. Firms should intensely concentrate on internal structure and implement measures and practices that can assist boost the auditing function to gain effectiveness and transparency in all organizational activities.

Endaya and Hanefah (2013) suggested that, organizational development, achievement and improvement as well as auditing effectiveness are reliant on member's assistance. This explains why decision-making process within an organization is more essential. Managers need to make sure that all members within the organization involved their views and suggestions as a contribution in all firm decisions to assist management make the best decision. Members must ensure a considerable effort to support all decisions made to assist project the performance of the company as well as encouraging coordination and integration to gain effectiveness and development. The audit unit must make certain that there is coordination among auditors in order that proper output can be yield to maintain effectiveness and transparency in every financial activity within the organisation. Badara (2015) showed that the use of the contingency principle is another means for estimating the level of auditing performance subsequently predicting effectiveness.

The contingency theory conversely differs from different theories as reflecting on its impact on variables since it primarily hypothesizes on the provisional relationship among two or more impartial variables (Drazin& Van de Ven, 1985). The contingency principle in addition enables researchers to decide variables complexities and relationships, including examining the moderating effect of variable across examination (Heo& Han, 2003). Sekaran and Bougie (2009) indicated that controlling variables normally have the most substantial effect on the association among impartial variables and structured variable. Standing on the suggestions, the contingency theory has a significant effect on audit performance and hence firm should follow the contingency theory in the decision making procedure. Anyway, making use of the contingency concept could permit firms to

define the internal auditing effectiveness and pinpoint the proper ways to utilize it to promote its overall performance as well as achieving effectiveness.

2.3.2 Stewardship Theory

Despite all other theories, the stewardship theory was recognized as the most proper theory for discussing internal audit as the studies framework. The motive being that, the concept particularly elaborates on the verification of issues that fits the interest of organization. Ebimobowei and Binaebi (2013) assumed that, business entities execute auditing owing to the concept of stewardship as a theory as well as stewardship accounting. Appreciably, effective application of stewardship method within state-owned institutions might assist make various organizational modifications and development in the public ministries. This is because the stewardship concept acts as a device for ensuring accountability and transparency in all operation. The idea also promotes compliance with rules and regulations among all sectors within the industry which facilitates in encouraging discipline among employees subsequently improving operational overall performance (Cribb, 2006). Ebimobowei and Binaebi (2013) advised that, auditing activity can be boost by applying the stewardship methods.

Through that, public sectors can attain growth and better performance for the reason that stewardship principle would help plan organizational activities towards attaining goals and objectives. In fact, the stewardship concept allows managers to set up effective structures which permit employees to improve on capabilities and abilities for that reason increase job overall performance (Hernandez, 2012). The stewardship concept furnishes managers to make certain that organizational objectives and goals are completed to fulfill the company as a whole (Donaldson & Davis, 1991). Higher performance of a firm motivates personnel to enhance job

performance thereby improving the corporations' capacity to improve investment into long time projects (Davis, Allen & Hayes, 2010).

Additionally, auditors can be more efficient and effective if the local councils perform properly in business operations. For that reason, the audit department might be able to attain audit goals and aims of the local government. The stewardship concept is preferred in the agency theory because of its comprehensiveness and realistic than the agency theory and in fact the stewardship concept is more focused on the psychological literature and sociological. The stewardship theory is likewise one mechanism for enhancing employee performance thus controlling worker behaviors towards job performance (Schepers, Falk, Ruyter, Jong & Hammerschmidt (2012). Nonetheless, stewardship results may be depending on inner structures of the business enterprise (Hernandez, 2012). Because of this, the stewardship theory is adopted in the study to elaborate on relationship among numerous cultures within agencies (Davis et al., 2010).

Certain advantages of the stewardship theory encompass recognizing the relationships among employees, clients and organizations (Hernandez, 2012). Because of this, public sectors can be more effective if systems and strategies are based totally on the concepts of stewardship including allowing auditors develop sturdy relationships with respective organizations. Firms must therefore make certain that proper stewards are employed within corporations to boost organization performance (Davis et al., 2010). More so, through the application of the stewardship idea, the local council could be capable of improving auditors' performance to attain auditing goals and objectives in addition to improving the operations of the audit committee to turn out to be more effective and transparent within the councils (worldwide Federation of Accountants, 2001).

From the theory, it was as well stated that people within various corporations make decisions on the way they behave or be a steward to specific object in the organisation (Pastoriza&Arino, 2008). The stewardship principle facilitates to enhance the association among individuals in the organization especially between management and subordinates. Technically, association is the principal criteria to improve organizational performance and growth thus encouraging coordination and understanding between units. However, for the concept to be effective on business performance, managers have centered more concentration to the stewardship ideas and use it on operational activities to ensure goals accomplishment (Cribb, 2006). The theory stipulates that most managers are excellent stewards and honest and therefore shall follow the principle to improve individual capacity and also promote operational performance. Similarly, the theory indicates that precise steward managers would not interact into activities that might not serve the purpose of the business or that may see as mismanagement of resources but might work diligently to achieve set goals and objectives (Donaldson & Davis, 1991). In effect, auditing activity is very effective thereby promoting the local authority's administration which will lead to the accomplishment of objectives and goals. Davis et al., (2010) showed that worker commitment, trust and consistency significantly and positively affect firm growth and development consequently substantially related to stewardship.

2.4 EMPIRICAL REVIEW

2.4.1 Internal Audit Effectiveness and Internal Audit Staff Competency

Kabueye et al. (2017) analyzed data on the reputation of the internal audit organization, the expertise of internal audit and internal fraud prevention activities

of financial service providers. The study was cross-sectional and correlated with data from the entire organization collected through a survey from a sample of 54 financial service providers in Kampala, Uganda. The outcomes showed that the classification of internal audit organizations and the expertise of internal audit were important predictors of fraud management. In contrast to earlier surveys, internal audit firms did not play an important role in predicting fraud.

Musah et al. (2018) identified elements that determine the effectiveness of internal audit in public enterprises in Ghana. The survey was conducted in retort to numerous scandals in Ghanaian public companies and the deficiency of empirical research on the factors determining the effectiveness of internal audit to address these issues. The survey used primary data from 110 respondents collected through a questionnaire survey. The survey results showed that management support for the internal audit function is a significant determining factor of the effectiveness of internal audit. The survey also showed that the size of the internal audit division, the competence of the internal audit staff, the impartiality of the internal audit and the clear relationship between internal and external auditors are important indicators of the effectiveness of internal audit.

Roussy et al (2020) examined how internal audit (IA) attains and consolidates organizational relevance. Interviews were held with the chairs of the audit committees and the audit directors of the multinational companies and the registration documents of the participating companies were examined. The data showed that internal audit achieved and consolidated organizational relevance by activating the 'building blocks' of internal audit effectiveness (Lenz et al., 2014), all with the aim of combining organizational learning and positive change. Here, too, new factors have emerged that affect the effectiveness of impact assessment.

2.4.2 Internal Audit and External Auditors Relationship

Satka (2017) discussed how the internal and external audit is done and its roles in the private sector (industrial businesses). The qualitative approach is followed to achieve the study purpose. The main device used for data accumulation was semi-structured interviews with 15 employees in change businesses. Data analysis showed that the internal audit is practiced more than the external audit within the company. Consistent with specialists, the audit frequently results into conflicts in the company due to the absence of a clear definition of audit instructions and absence of training at the significance or usefulness of the audit. The nature of the enterprise's audit, as internal and outside included financial control, fraud, financial resources, and the evaluation of risk control of the enterprise's activity; the nature of the company's audit, as internal and external consist of financial control, fraud, monetary assets, and the assessment of risk management of the firm's activity.

Azad (2017) measured the IAF's major issues to permit reliance on its work and moreover to detect the audit zones most appropriate for such reliance. To attain the research objectives, the study accumulated data from the audit managers working in public accounting firms using survey tool. The analysis of hypotheses indicated, notably, EAs do not rely on IAF. The findings exhibited that practical independence of IAF was the most essential issue to encourage such reliance in addition to the most fit area for reliance was the assessment of the structure of internal control.

Satka (2017) identified and described how internal and external audits are carried out and functioned in the private sector (commercial companies). A qualitative methodology is used for this study. The main data collection tool was semi-structural interviews with 15 employees of commercial companies. Data analysis

showed that the internal audit was carried out internally and not externally in the company. According to experts, the audit often led to conflicts within the company due to the lack of a clear definition of the audit instructions and the lack of training in the meaning or effectiveness of the audit. The nature of the company's audit, both internal and external, focuses on financial control, fraud, financial resources and evaluation of the company's risk control activities.

2.4.3 Internal Audit Effectiveness and Independence of Internal Audit

Bello et al (2017) associated the exceptional internal Audit (IAQ) to the variables of organizational effectiveness and control of support for federal universities in Nigeria. The independent variables included internal audit competence (IAC) and internal audit Independence (IAI), with the organizational effectiveness variables derived from the structural variable. The correct data 313 was used to examine the research assumptions using descriptive and inferential statistics. The study results showed a significant encouraging relationship between the study variables, with the exception of the IAI, and the organizational outcomes. However, the moderating effect of top management support on the relationship between autonomous variables and organizational performance showed that the IAI had a large and significant relationship with organizational performance.

Dawuda et al (2015) evaluated the organizational independence of internal auditors in the Ghanaian local government sector. The survey used a descriptive approach to conduct a multi-stage sample survey for internal auditors and a targeted sample for external auditors to collect data from 90 respondents through a questionnaire. The main findings of the survey were the following: insufficient budget allocations, the assumption that the internal audit divisions is located at a lower level, guidelines on

the extent of the internal audit's work in the absence of the internal audit character. Harassment and threats of breaches of confidentiality are crucial to the independence of the internal Auditor. The study concludes that the structural impartiality of the local government's internal auditors is at risk.

Quansah (2015) reviewed the internal audit and corporate governance practices of Ghana Post Company Limited, focusing on the identification of internal audit procedures, reviewed the structure of corporate governance, reviewed the role of internal audit practices in good corporate governance and reviewed the challenges related to internal audit and corporate governance practices of Ghana Post Company Limited in the Ashanti region. Using the purposive sampling technique, a sample size of five (5) respondents comprising, the Regional Head, the Regional Internal Control Manager, Regional Finance Manager, Head Postmaster and Kumasi District Manager of Ghana Post Company Limited, Ashanti Region was chosen; using interview guide as the main tool for the collection of data. The findings suggested that the corporate governance framework of Ghana Post served as the source of the roles and authorities of the Board that reinforces accountability mechanism and achievement of company objectives; through the Board conducting an official and severe annual assessment of its own performance and that of its committees. Also, the impartiality of Internal Auditors in Ghana Post were highly compromised since most of the time they were considered as employees of management, and hence the views of Internal Auditors' reporting to the board as merely a formality to appease corporate governance requisites.

Ayrah (2016) explored the independence of internal auditors in the Education office of Keta Municipality, to check if the Keta Municipal Education office have enough and competent internal audit staff and finally to determine how operational level of

internal audit and internal regulation measures in the Keta Municipal Education Office. 56 questionnaires were obtained and tested applying the SPSS software and outcomes demonstrated in tables, pie chart and bar graph. The outcomes from the study discovered that the internal auditors were executing their activities on compliance with laws and regulations, competence and adequacy, quality of audit duties and that organizational independence was major for an effective internal audit department. It was resolved that the scope of the internal audit activities was broad. Such that attention was being given to other areas that did not have direct influence on the functions.

Bello et al. (2017) has linked the quality of internal audit (IAQ) and organizational performance to the regulating variable of support for senior management at federal universities in Nigeria. Independent variables were internal audit capability (IAC) and internal audit independence (IIA), with organizational performance as a dependent variable. The results of the study, after testing the direct relationship between the independent variable and the dependent variable, showed a significant positive relationship between the research variables, with the exception of the IAI, and the organisation's results. However, the outcome of the moderate influence of top management on the relationship between independent variables and the performance of the organisation seemed to support the conclusion that the IAI has a positive and significant relationship with the organisation's performance.

2.4.4 Internal Audit Effectiveness and Management Support for Internal Audit

Alkebsi et al. (2017) explored the normative impact of top management support on the relationship between IT deployment and the effectiveness of internal audit. The data 104 used in the study was collected through a questionnaire from internal

auditors of private Yemeni companies. The study showed a significant constructive correlation between the use of IT and the effectiveness of internal audit. Additional conclusions were drawn regarding the relationship between senior management support and the effectiveness of internal audit. However, the study concluded that top management support did not have a moderate impact on the relationship between the use of IT and the effectiveness of internal audit.

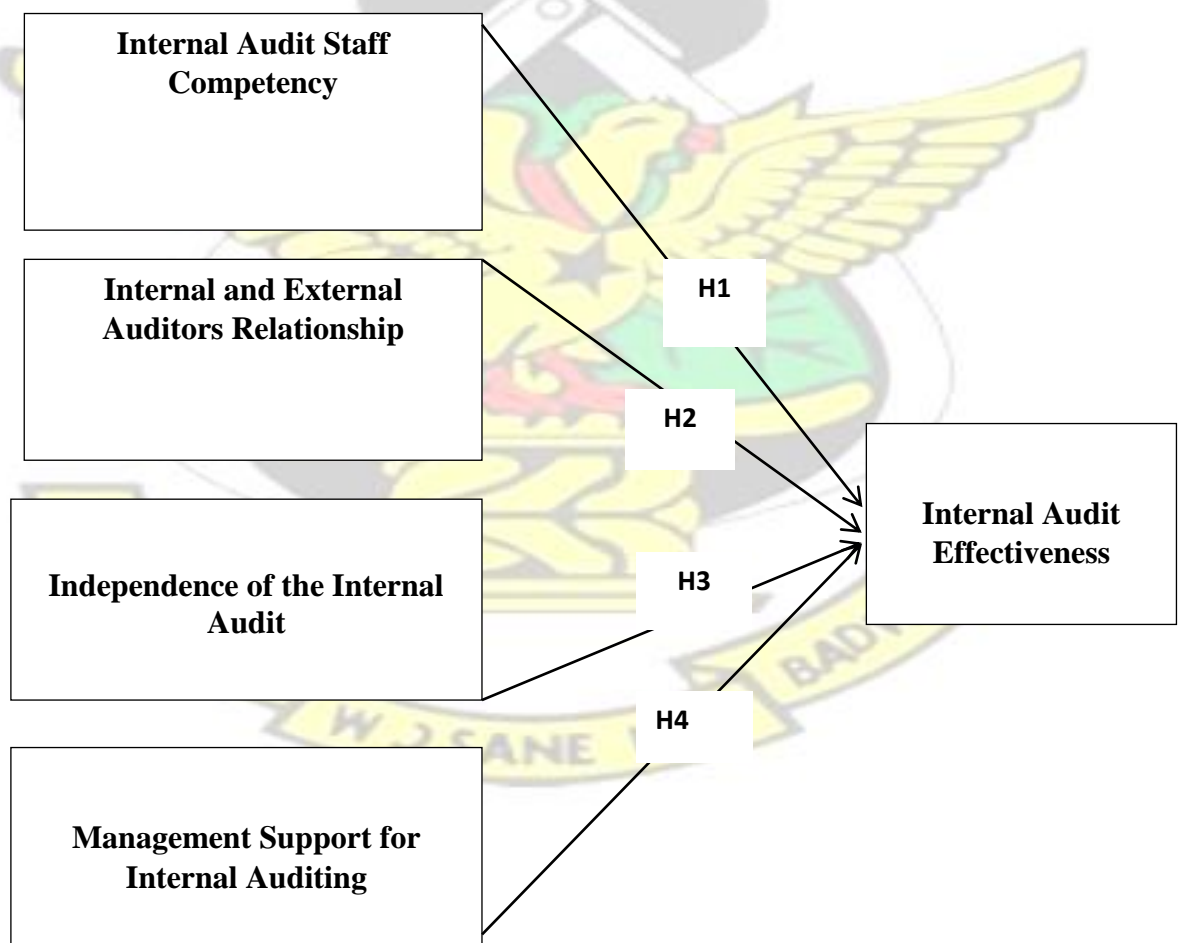
Baharud-din et al. (2014) attempted to examine the relationship between factors that influence the effectiveness of IA in improving the transparency and integrity of public oversight. This study was the result of a cross-sectional study to assess the effectiveness of internal audit. Several statistical approaches were used to examine the survey data, including descriptive statistics, correlation analysis and regression. The results of the survey showed significant positive associations between the elements analyzed in the survey, such as auditor competence, auditor independence and objectivity, and management support for the effectiveness of internal audit. Therefore, the effectiveness of internal audit will depend to a large extent on the elements of the factors analyzed in the survey. The results showed that a lack of adequate audit competence and experience in internal audit unit can also lead to delays in audit work.

Dawuda and others (2017) evaluated management support services and their impact on the performance of the internal audit department in the Ghanaian public sector. The internal auditors were dissatisfied with management support. There is a strong positive correlation between management support services and internal audit results. The main support services that influenced the results of the internal audit were the involvement of management in working with the internal auditors to develop an internal audit charter and ensure adequate logistics. This shows that the government

institutions in Ghana have not made adequate use of internal audit departments as a basis for effective management.

2.5 CONCEPTUAL FRAMEWORK

The main assumption in current analysis is that the effectiveness of firm internal audit of is inspired by a few impartial factors. In the current study it is summarized that the following elements mainly influenced the effectiveness of the internal auditors in higher Ghanaian learning institutions; internal and external auditors' association; management support for internal auditing; unconventionality of the internal audit and internal audit staff competency.



Source: Author's Construct 2020
Figure 2.1 Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

This section shows and discusses the methods applied to explore the determinants of internal audit effectiveness in higher learning institutions in Ghana. The headings include research design, population, the sample and sampling techniques, sources of data, data collection and analysis, validity and reliability and ethical factors. The chapter is climaxed with the profile of the study.

3.1 RESEARCH DESIGN

Research design defines the actual procedure through which a study is able to meet its objectives. Fundamentally, there are three types of research centered on purpose of study. Namely; exploratory research, descriptive research or explanatory research (Creswell, 2009). A combination of these research purposes is acceptable therefore this study employed both descriptive and explanatory design to evaluate the determinants of internal audit effectiveness in some selected higher learning institutions in Ghana. Explanatory designs enable researcher to gain understanding and descriptive design measure relationships and association between the variables of interest (Mouton, 1996). A survey is an approach used in gathering data for a study. The survey approach was used in the research to assess the determinants of internal audit effectiveness in some selected higher learning institutions in Ghana. The survey strategy is used due to the fact it is compatible with the quantitative research approach.

3.2 POPULATION OF THE STUDY

Population describes the entire individuals, elements, events that are available to be selected as the study's sample size. The variables or people that represent a population share similar characteristics (Saunders et al., 2009). The current study assessed the determinants of internal audit effectiveness in higher learning institutions in Ghana. The target population of the study involves coordinating directors, assistant directors, internal auditors, planning officers, senior finance and accounts officers in the selected higher learning institutions in Ghana.

3.3 SAMPLE SIZE AND SAMPLING TECHNIQUE

Sampling has become very important to the researcher because of time and financial requirements for handling large populations in social sciences. The study used a sample size of 95 respondents using purposive sampling technique. This sample size is considered adequate since Babbie (2005) argued that sample of 95 or more is appropriate for statistical analysis. The purposive sampling method or technique was used to help choose respondents who have the experience, expertise and in-depth knowledge on the issues being investigated. The purposive sampling technique is used because it was suitable to explore the determinants of internal audit effectiveness in higher learning institutions in Ghana.

3.4 DATA COLLECTION METHOD

Data collection involves a logical technique through which data is obtained from a given set of people for decision making purposes. Data collection could be primary source or secondary source. Primary data was used for the study. The data was gathered by means of structured questionnaires. Also, the study can use secondary

data in achieving the research objectives. This data includes information that has already been used for a previous study and is adopted for a current study of related objectives. This study in particular focused on primary data.

3.4.1 Data Collection Instrument

Questionnaires were used as the research's instrument. Questionnaires were used to achieve similar results aimed at the study. The structured questionnaires were used to solicit information from the respondents (Saunders et al., 2007). The questionnaires are used to help explore the determinants of internal audit effectiveness in higher learning institutions in Ghana. Questions are structured to meet the targets of the study (Sakaran, 2006; Yin, 2005). The study considered some measures such as planning to enhance productivity, evaluate the steadiness of outcomes with established objectives and goals, operationalizing the recommendation proposed through the internal audit, evaluating internal control systems to identify risks to help manage these risks in the questionnaire. The questionnaires were adopted and standardized from reliable sources.

3.5 DATA ANALYSIS

The raw data was analyzed after undertaken activities such as editing, transforming and coding. The analysis took a process by first conducting structural arrangements, management support, auditee qualities and addressing some sub-factors of the audit quality. The study again evaluated internal audit capability in relation to customer service. The data was analyzed using the SPSS analytical tool. Thus, all ethical issues were considered.

3.6 ETHICAL CONSIDERATION

The researcher complied with the following ethical troubles; all information taken is referenced to comply with the rules of plagiarism regulations. The researcher also seeks for the consent of respondents before administering questionnaires to them. This helped the researcher keep away violation of the right of respondents. Again, the names of the respondents were not required as a way of ensuring anonymity.

3.7 VALIDITY AND RELIABILITY OF THE DATA COLLECTION INSTRUMENT

Validity and reliability are needed to ensure that the analyses performed are correct and are based on accuracy. With respect to validity and reliability, several tests like content legitimacy and face legitimacy. After achieving content legitimacy and face validity with the assist of the research supervisor, reliability is then assured by pre-testing the questionnaires. The pre-testing was done using a small sample of the total populace to acquire information to aid the study. This leads of reliability shows that, the data collection instrument may be used in a similar environment with all factors held constant and the results will be the same of slightly deviate with substantial justification.

3.8 PROFILE OF HIGHER LEARNING INSTITUTIONS IN GHANA

The development of higher education in Ghana commenced with the recommendations of two higher education committees (the Asquith and Elliot Committees), which were set up by the British Government in 1943 to examine formal higher education along the lines of higher education in the UK (Yusif et al., 2013). The Commission's recommendations led to the establishment of Gold Coast University College in 1948, the first university in Ghana to graduate from the

University of London (Effah&Senadza, 2008). In 1961, the Ghanaian public university system was granted full autonomy under the Parliament Act and the right to award degrees with an internationally recognized mandate (Teferra& Knight, 2008). Since 2006, The National Accreditation Committee has also accredited several private higher education institutions for various courses and programmes. The rapid growth of private higher education institutions in Ghana reflects the huge demand for higher education and training in the country. At present, higher education in Ghana focuses on liberal arts education and does not provide sufficient practical training and skills to train and develop the workforce necessary for growth and development in a competitive 21st century global economy (Arthur-Mensah &Alagaraja, 2013).

According to Boateng (2012), a focus on science and technology programmes for the training of young adults in higher education in Ghana could be useful in creating a dynamic local labour market. Ghana's higher education is structured around university systems, colleges, technical schools and various professional and specialized higher education institutions to train skilled workers for the Ghanaian labour market (Arthur-Mensah &Alagaraja, 2013). The Government of Ghana has assumed full responsibility for the administrative supervision of higher education in Ghana through the Ministry of Education, Science and Sport (Atuahene et al., 2013). Other government bodies such as the National Accreditation Commission, the National Council for Higher Education and the National Commission for Vocational and Technical Education and Training also supervise higher education in Ghana (Teferra and Knight, 2008). Furthermore, the number of enrolments in private higher education has recently increased, partly in retort to the growing gap between supply and demand in higher education in Ghana (Yusif et al., 2013). There are currently

more private higher education institutions in Ghana than public higher education institutions, although public institutions account for about 80 % of Ghanaian students (Yusif et al., 2013). Although enrolment in higher education in Ghana has increased, public and private institutions have been unable to cope with the rising number of young adults eligible for higher education and training, mainly due to insufficient academic structures, small class sizes and high fees.



CHAPTER FOUR

DATA ANALYSIS AND DISCUSSIONS

4.0 INTRODUCTION

This chapter four presents the analysis and discussions of the study in relation to determinants of internal audit effectiveness in selected higher learning institutions in Ghana. Specifically, the analysis has been structured as follows: The first section presents the demographic information, descriptive statistics results, validity and reliability, inferential statistical results (correlation and regression).

4.1 DEMOGRAPHIC INFORMATION

Table 4.1: Demographic Characteristics

Demographics	Frequency	Percentage
Gender		
Male	68	71.6
Female	27	28.4
Total	95	100
Age		
<30 years	3	3.2
31-40 years	12	12.6
41-50 years	52	54.7
>50 years	28	29.5
Total	95	100
Educational level		
Diploma/HND	16	16.8
Bachelor degree	45	47.4
Masters' degree	34	35.8
Total	95	100
Job Designation		
Director	15	15.8
Assistant Director	11	11.6
Planning Officer	16	16.8
Internal Auditor	23	24.2
Accountant	21	22.1
Finance Officer	9	9.5
Total	95	100
Years of working with the institution		
0-3 years	7	7.4
4-7 years	45	47.4
7-10 years	33	34.7
10 years and above	10	10.5
Total	95	100

Source: Field Survey, 2020

Table 4.1 illustrates the demographic features of the sampled respondents. The survey revealed that about two-third (71.6%), thus 68 of the respondents were males whereas the remaining 27 representing (28.4%) were females. Majority of the respondents thus 52, (54.7%) were between the ages of 41-50 years, 28 (29.5%) were in excess of 50 years and the respondents who were aged between 31-40 years were 12, representing 12.6%; however, 3 of the respondents (3.2%) were below 30 years. Again, in relations to educational level, more than half of the respondents that is 45 (47.4%) were bachelor degree holders, 34 respondents representing 35.8% were having the master's degree and the least, 16 respondents which represents 16.8% were diploma/HND graduates. With regards to job designation, the study found that internal auditors were the majority number 23, thus (24.2%) of the respondents, 21 respondents which represent 22.1% were accountant, and planning officers were 16 thus 16.8% of the total respondents, 15 of the respondents were directors thus 15.8% whilst 11 of respondents meaning 11.6% of the total respondents were assistant directors; however, the remaining 9 thus (9.5%) respondents were finance officers. The survey as well revealed that 45 of the respondents thus (47.4%) have worked with the institution between 4-7 years, 33 of the respondents which represents (34.7%) have worked between 7-10 years in the institution, 10 respondents which represents 10.5% are in either their 10th year or more when they beginning working with the institution whereas the least thus 7 respondents representing 7.4% has worked between 0-3 years.

4.2 ANALYSIS AND DISCUSSION OF FINDINGS

4.2.1 INTERNAL AUDIT STAFF COMPETENCY

Table 4.2: Internal Audit Competency

Statements	Mean	Std. D
Internal auditors are proactive	3.27	1.63
The professional knowledge of internal auditors is high	3.35	1.61
Internal auditors are classified as professionals	4.03	1.23
There is communication among internal and auditors and auditees	4.16	1.24
Internal auditors attend educational seminars for continuous training	3.98	1.41
Internal auditors have adequate education	3.90	1.41

Source: Field Survey, 2020

Table 4.2 shows the descriptive results of internal audit competency. The study indicated that with reference to the internal auditors as proactive, majority of the respondent (M=3.27 & SD=1.63) were indecisive and also the large number of respondents (M=3.35 & SD=1.61) somewhat agreed that expert know how of the internal audit is excessive. Again, almost all of the respondents (M=4.03 & SD=1.23) have agreed that internal auditors are classified as professionals, a greater portion of the respondents (M=4.16 & SD=1.24) too have agreed on that there is contact among internal auditors and auditees whilst majority of them (M=3.98 & SD=1.41) were indecisive on whether internal auditors go to educational classes for ongoing training. Furthermore, the study revealed that concerning internal auditors having adequate education, majority of the respondents were somewhat agreed on that statement. These results imply that almost all of the respondents have agreed that internal auditors are considered as professionals, a greater portion of the respondents too have agreed on that there is contact among internal auditors and auditees whilst majority of them were indecisive on whether internal auditors got to educational classes for ongoing training. Furthermore, the study revealed that

concerning internal auditors having adequate education, majority of the respondents were somewhat agreed on that statement.

4.2.2 INTERNAL AND EXTERNAL AUDITORS' RELATIONSHIP

Table 4.3: Internal and External Auditors' Relationship

Statements	Mean	Std. D
External auditors are supportive and sociable	3.98	1.35
External auditors have a virtuous attitude towards internal auditors	3.60	1.44
External auditors are ready to offer internal auditors an chance to elucidate their concerns	3.87	1.39
External and internal auditors consult on the scheduling of work in which they have a mutual interest	2.58	1.67
External auditors discuss their strategies with internal audit	3.56	1.60
External auditors rely on internal audit work and reports	3.34	1.53
External and internal auditors meet on a consistent basis	3.58	1.61
External and internal auditors share their working papers	3.99	1.39
Senior management helps to promote effective co-operation between internal and external audit	3.21	1.64

Source: Field Survey, 2020

Table 4.3 shows the outcome of the study regarding to the relationship between internal and external auditors. In relation to whether external auditors are supportive and sociable, the survey revealed that most respondents were neutral, indicating a mean of 3.98 and a standard deviation of 1.35. Majority of the respondents (M=3.60 & SD=1.44) too were neutral on the suggestion that external auditors have virtuous character towards internal auditors and were also neutral on either external auditors are ready to offer internal auditors a platform to give out their problems with a recorded (mean=3.87, SD=1.39).

Also, the study found almost all of the respondents (M=2.58 & SD=1.67) disagreeing on that external and internal auditors act on the scheduling of duty in which they have a reciprocal interest whilst the majority group of the respondents further were not sure about external auditors discussing their strategies with internal audit (M=3.56 & SD=1.60). As well, majority of the sampled respondents were indecisive in relations to external and internal auditors meeting on a consistent basis

(M=3.58 & SD=1.61) as well as being neutral (M=3.34 & SD=1.53) on whether external auditors depend on internal audit work and reports.

With regards to external and internal auditors sharing their operating papers, the survey showed that the greater number of the respondents somewhat agreed (M=3.99 & SD=1.39), whereas regarding to senior management helps to promoting effective co-operation between internal and external audit, the greater number of respondents were indecisive. These outcomes imply that, majority of the respondents too were neutral on the suggestion that external auditors have a good attitude towards internal auditors and were also neutral on either external auditor are ready to offer internal auditors a chance to elucidate their concerns. Also, the study found almost all of the respondents disagreeing on that external and internal auditors consult on the scheduling of work where they have a reciprocal interest whilst majority of the respondents were not sure about external auditors discussing their strategies with internal audit. As well, majority of the sampled respondents were indecisive in relations to external and internal auditors meeting on a consistent basis as well as being neutral on whether external auditors rely on internal audit work and reports.

4.2.3 INDEPENDENCE OF INTERNAL AUDIT

Table 4.4: Independence of Internal Audit

Statements	Mean	Std. D
Internal audit staffs are sufficiently independent to perform their professional obligations and duties.	3.90	1.38
The head of internal audit reports to a level within the organization that allows the internal audit to fulfill its responsibilities	3.14	1.61
The internal audit department has direct contact with senior management other than the finance director	4.20	1.17
Conflict of interest is actually present in the work of internal auditors	3.97	1.37
Internal auditors rarely face interference by management while they conduct their work	3.44	1.44
Internal audit staff have free access to all departments and employees in the organization	4.03	1.28
The board of directors (the President for Government Organizations) approves the appointment and replacement of the head of internal auditing	3.81	1.41

Source: Field Survey, 2020

Table 4.4 presents the results on the independence of internal audit. The survey found that majority (M=3.90 & SD=1.38) of the respondents were neutral on that internal audit staffs are satisfactorily independent in performing their responsibilities and sense of duty. Also, the study uncovered that majority of the respondents were not sure regarding the internal audit head reports to a degree inside the firm that enable internal audit its roles (M=3.14 & SD=1.61), whist the larger number of the respondents however agreed that the association among internal audit unit with the senior management is direct than that of the finance director, showing a mean of 4.20 with a standard deviation of 1.17.

Moreover, the study established that majority (M=3.97 & SD=1.37) of the respondents somewhat agreed that interference is not often present in the work of internal auditors, and concerning internal auditors rarely facing interference from management while conducting their work, the survey showed that a larger portion of the respondents were neutral (M=3.44 & SD=1.44). Nonetheless, majority of the respondents agreed (M=4.03 & SD=1.28) that internal audit staff have unrestricted

entry to all unit and worker within the firm while the group with higher of respondents were not sure about the board of directors (the President for Government Organizations) approving the appointment and replacement of the head of internal auditing, indicating a mean of 3.81 and a standard deviation of 1.41.

These results imply that that majority of the respondents were neutral on that internal audit staffs are sufficiently independent in performing their profession obligations and duties. Also, the study uncovered that majority of the respondents were not sure regarding the head of internal audit reports to a level within the organization that allows the internal audit to fulfill its responsibilities, whist the greater number of the respondents however agreed that internal audit department has direct contact with senior management other than the finance director. Moreover, the study revealed that majority of the respondents somewhat agreed that conflict of interest is infrequently present in the work of internal auditors, and concerning internal auditors rarely facing interference from management while conducting their work, the survey showed that a larger portion of the respondents were neutral.

4.2.4 MANAGEMENT SUPPORT FOR INTERNAL AUDITING

Table 4.5: Management Support for Internal Auditing

Statements	Mean	Std. D
Senior management supports internal audit to perform its duties and responsibilities	3.16	1.60
Senior management are involved in the internal audit plan	2.48	1.47
Internal audit provides senior management with sufficient, reliable and relevant reports about the work they perform and recommendations made	3.12	1.57
The response to internal audit reports by the senior management is reasonable	4.10	1.39
Internal audit department is big enough to successfully carry out its duties and responsibilities	3.93	0.75
Internal audit department has sufficient budget to successfully carry out its duties and responsibilities	4.31	1.05

Source: Field Survey, 2020

Table 4.5 shows the results of a study on the management support for internal audit. The survey showed that the majority of respondents agreed, in one way or another, that management supports the internal audit function in fulfilling its duties and responsibilities (M=3.16 and SD=1.60). Furthermore, the survey showed that a significant proportion of respondents disagreed with management's involvement in the internal audit plan (M=2.48 & SD=1.47), while the majority of respondents (M=3.12 & SD=1.57) were hesitant about the internal audit function providing management with relevant, reliable and meaningful reports on its work and recommendations. Again, the survey shows that the majority of respondents (M=4.10 & SD=1.39) agree that management's response to the internal audit reports is adequate, while the majority also agree that the IAS is important enough for the success of its tasks and responsibilities (M=3.93 & SD=0.75). The survey also showed that a majority of respondents, with a mean of 4.31 and a standard deviation of 1.05, considered that the IA has a sufficient budget to successfully carry out its functions and responsibilities. The majority of respondents also agreed that the IA has a sufficient budget to successfully carry out its functions and responsibilities. These results imply that the majority of respondents agree, to varying degrees, that management supports the IA in fulfilling its functions and responsibilities. In addition, the survey showed that most respondents disagreed with the IA in terms of management involvement in the work of the IAC, while most respondents were hesitant about the IA's reports of relevant, reliable and pertinent work and recommendations. Again, the survey showed that the majority of respondents felt that management's response to internal audit reports was valid, while the majority also agreed that the internal audit function was important enough to fulfill its responsibilities and tasks.

4.2.5 INTERNAL AUDIT EFFECTIVENESS

Table 4.6: Internal Audit Effectiveness

Statements	Mean	Std. D
Internal audit is executed in accord with the IIA Standards	3.61	1.61
Internal audit develops a risk-based annual plan	4.26	1.20
Internal audit communicates timely the engagement results	3.93	1.39
Internal audit makes suitable recommendations for improving the organizational processes	4.29	1.21
Internal audit establishes a follow-up process to ensure that corrective actions have been effectively implemented	4.07	1.36
Internal audit reviews the effectiveness and efficiency of tasks and programs	3.95	1.27
Internal audit reviews the reliability and integrity of financial information	4.15	1.43
Internal audit evaluates the effectiveness of controls concerning the safeguarding of assets	3.75	1.22
Internal audit evaluates the compliance with procedures, policies, plans and regulations	3.73	1.51
Internal audit improves the effectiveness of internal control process	3.33	1.47
Internal audit improves the effectiveness of risk management process	3.76	1.33
Internal audit evaluates and improves the effectiveness of governance process	4.01	1.48

Source: Field Survey, 2020

Table 4.6 presents the descriptive statistical results on the internal audit effectiveness. The study found that majority of the respondents were not certain whether internal audit is executed in accord with IIA standards (M=3.61 & SD=1.61). Moreover, the study uncovered that a greater percentage (M=4.26 & SD=1.20) of the respondents were agreeing that internal audit develops a risk-based annual plan, while in relation to internal audit communicating timely about the engagement results, most of the sampled respondents were indecisive (M=3.93 & SD=1.39). Concerning internal audits making suitable recommendations for improving the organizational practices, the survey discovered that majority of the sampled respondents agreed on that (M=4.29 & SD=1.21) and similarly, in relation to internal audit establishing an emerging system to make certain that corrective steps have been rightly executed, majority number (M=4.07 & SD=1.36) of the

respondents agreed. Also, the study discovered that majority of the respondents were neutral that, internal audit reviews the effectiveness and efficiency of tasks and programs showing (mean= 3.95, SD=1.27).

The survey additionally found that majority (M=4.15 & SD=1.43) of the sampled respondents agreed that internal audits reviews the reliability and integrity of financial information while a greater percentage of the respondents too somewhat agreed that internal audit evaluates the effectiveness of controls concerning the safeguarding of assets; given a (mean= 3.75, SD= 1.22). With regards to internal audit evaluating the agreement with procedures, policies, plans and rules, the survey uncovered that majority of the sampled respondents (M=3.73 & SD=1.51) were indecisive and concerning internal audit improving the effectiveness of internal control process most of the respondents were indecisive as well (M=3.33 & SD=1.47). Again, the study found that majority of the sampled respondents (M=3.76 & SD=1.33) somewhat agreed on internal audit as enhancing the effectiveness of risk control systems, whilst regarding to internal audit as evaluating and improving the effectiveness of governance process, the survey found that majority of the sampled respondents were agreeing on that, recording a (mean= 4.01, SD= 1.48).

4.3 RELIABILITY TEST

Table 4.7: Test of Reliability

Constructs	No. of items	Cronbach Alpha
Internal audit competency	6	0.815
Internal and external auditors' relationship	9	0.751
Independence of internal audit	7	0.814
Management support for internal auditing	6	0.744
Internal audit effectiveness	13	0.904

Source: Field Survey, 2020

As shown in the Table 4.7 the reliability the measurement instruments were assessed using Cronbach alpha scores. For each measurement item to be reliable it must score a minimum value of 0.7 or better. As indicated in the Table 4.7 all the measurement items were within the acceptable requirements suggesting that they were all reliable and appropriate for the study.

4.4 CORRELATION MATRIX

Table 4.8: Correlation Matrix

	IASC	IEAR	IIA	MSIA	IAE
Internal Audit Staff Competency (IASC)	1				
Internal External Auditors Relationship (IEAR)	.842** (0.000)	1			
Independence Internal Audit (IIA)	.812** (0.000)	.859** (0.000)	1		
Management support of internal auditing (MSIA)	.790** (0.000)	.717** (0.000)	.770** (0.000)	1	
Internal Audit Effectiveness (IAE)	.806** (0.000)	.840** (0.000)	.827** (0.000)	.799** (0.000)	1

** . Correlation is significant at the 0.01 level (2-tailed).

As illustrated in the Table 4.8, the study found that, there was a substantial relationship ($r=0.806$, $p\text{-value} < 0.05$) among internal audit staff competency and the effectiveness of internal audit. The study further found a significant relationship between internal and external auditors' relationship and effectiveness of internal audit ($r=0.840$, $p\text{-value} < 0.05$). Moreover, a substantial relationship was established among independence of internal audit and effectiveness of internal audit ($r=0.827$, $p\text{-value} < 0.05$). Lastly, a substantial rapport was found among management support of internal auditing and effectiveness ($r=0.799$, $p\text{-value} < 0.05$).

4.5 REGRESSION RESULTS

The results of the regression model indicate that 79.6% changes in internal audit effectiveness were elucidated by the current research applied independent variables. The remaining percentage could be related to other factors which were not considered in the present study as indicated in the Table 4.9. Besides, ANOVA outcomes reveals that the model was fit and therefore the independent variables can be applied to predict the effectiveness of internal audit.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.892 ^a	.796	.786	5.73679

a. Predictors: (Constant), Management support of internal auditing, Internal and External Auditors Relationship, Internal Audit Staff Competency, Independence of Internal Audit

Table 4.10: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11523.783	4	2880.946	87.538	.000 ^b
	Residual	2961.965	90	32.911		
	Total	14485.747	94			

a. Dependent Variable: Internal Audit Effectiveness

b. Predictors: (Constant), Management support of internal auditing, Internal and External Auditors Relationship, Internal Audit Staff Competency, Independence Internal Audit

Table 4.11: Determinant of Internal Audit Effectiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.967	2.627		1.129	.262
	Internal Audit Staff Competency	.164	.206	.082	2.797	.027
	Internal and External Auditors Relationship	.606	.167	.386	3.622	.000
	Independence of Internal Audit	.349	.193	.188	2.807	.004
	Management support of internal auditing	.727	.194	.313	3.752	.000

a. Dependent Variable: Internal Audit Effectiveness

4.5.1 Internal Audit Effectiveness and Internal Audit Staff Competency

The study found internal audit staff competency as a significant determinant of internal audit effectiveness ($\beta=0.164$, T-value=2.797, p-value < 0.05), therefore the hypothesis one is supported. Kabuye et al. (2017) probed the impact executive as a result of the internal audit organizational reputes, the internal audit competence and the internal audit practices on fraud control in monetary services organizations. This survey was cross-sectional and correlational, and used firm-degree data that were amassed through questionnaire survey from a sample of 54 monetary services companies in Kampala – Uganda. Findings advised that the internal audit organizational status and the internal audit competence were significant drivers of fraud management. Opposing to ex-studies, internal audit activities were not significant predictor of fraud management.

4.5.2 Internal Audit and External Auditors Relationship

Again, internal and external auditors' relationship is a significant determinant of internal audit effectiveness ($\beta=0.606$, T-value=3.622, p-value < 0.05) therefore the hypothesis two is supported. Satka (2017) discussed how the internal and external audit is done and its roles in private sector (industrial businesses). The qualitative approach is followed to achieve the study purpose. The main device used for data accumulation was semi-structured interviews with 15 employees in change businesses. Data analysis showed that the internal audit is practiced more than the external audit within the company. Consistent with specialists, the audit frequently results into conflicts in the company due to the absence of a clear definition of audit instructions and absence of training at the significance or effectiveness of the audit. The nature of the enterprise's audit, as internal and outside included financial

control, fraud, financial resources, and the evaluation of risk control of the enterprise's activity; the nature of the company's audit, as internal and external consist of financial control, fraud, monetary assets, and the assessment of riskmanagement of the firm's activity.

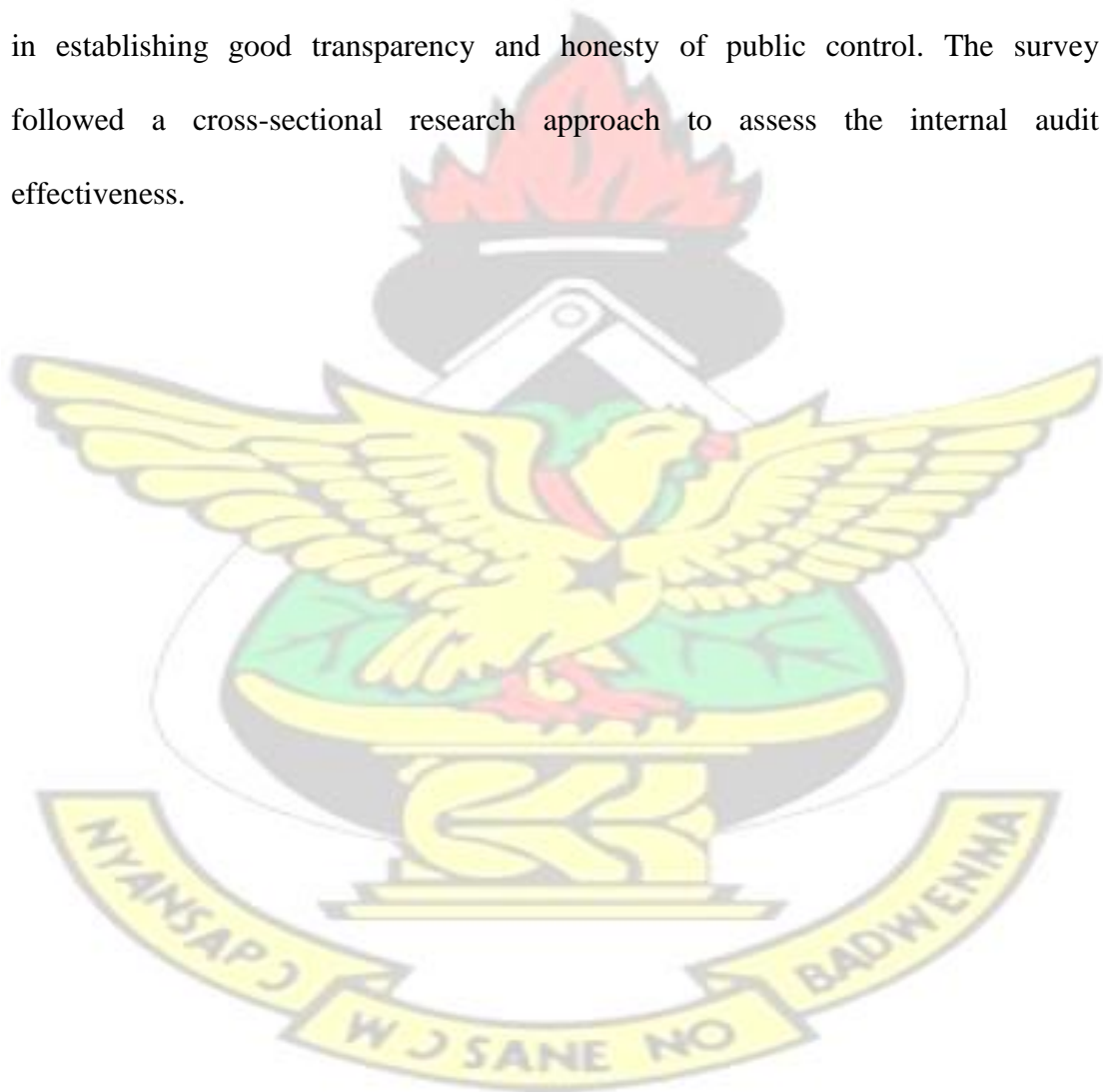
4.5.3 Internal Audit Effectiveness and Independence of Internal Audit

Moreover, internal audit independence is an important internal audit effectiveness determinant ($\beta=0.349$, T-value=2.807, p-value < 0.05), therefore the hypothesis three is supported. Bello et al. (2017) ascertained rapportamong internal audit exceptional (IAE) and organizational performance with controlling variables of topmanagement support in the Nigerian federal universities. The independent variables wereincluding internal audit competence (IAC) and internal audit independence (IAI) with organizational performance because the structured variable. However, the result of moderating effect of top management support in the association among the independent variables and organizational performance, goes round to revealed that IAI, have tremendous and considerable association with organizational performance.

4.5.4 Internal Audit Effectiveness and Management Support for Internal Audit

The management support of internal auditing is significant internal audit effectiveness determinant ($\beta=0.727$, T-value=3.752, p-value < 0.05) therefore the hypothesis four is supported. Alkebsi et al. (2017) assessed the controlling influence of top management support on the association between information technology utilization and effectiveness of internal audit. Data of 104 used in the study was gathered from internal auditors in Yemeni private companies through questionnaire.

The study found a positive considerable association among IT utilization and effectiveness of internal audit. Further result was acquired on the association among top management support and internal audit effectiveness. However, the study indicated that top management support had no moderating influence on the relationship between information technology utilization and effectiveness of internal audit. Baharud-din et al. (2014) aimed to examine the association between elements that make a contribution to the IA effectiveness works in establishing good transparency and honesty of public control. The survey followed a cross-sectional research approach to assess the internal audit effectiveness.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

The summary of findings, conclusions and research recommendation are shown in this study. Besides, sections for upcoming studies have also been suggested in this section.

5.1 SUMMARY OF FINDINGS

5.1.1 Internal Audit Competency

The study found that, internal audit staff competency was substantial determinant of internal audit effectiveness ($\beta=0.164$, T-value=2.797, p-value < 0.05). The study showed that, with reference to the internal auditors as proactive, majority of the respondents were indecisive and also large number of respondents somewhat agreed that, expert know how of internal auditors is excessive. Again, almost all the respondents have agreed that internal auditors are well-thought-out as professionals, a greater portion of respondents also agreed that there is contact among and among internal auditors and auditees whilst majority of them were indecisive on whether internal auditors pay heed to educational conferences for uninterrupted training. Furthermore, the study revealed that concerning internal auditors having adequate education, most respondents were somewhat in agreement to that statement.

5.1.2 Internal and External Auditors' Relationship

The study found that association of internal and external audit was a vital determinant of internal audit effectiveness ($\beta=0.606$, T-value=3.622, p-value < 0.05). Again, in relation to whether external auditors are friendly and supportive, the

survey revealed that majority of the respondents was neutral. Majority of the respondents too were neutral on the suggestion that external auditors have a better character towards internal auditors and were also neutral on either external auditor are ready to offer internal auditors a chance to elucidate their concerns. Also, the study found almost all of the respondents disagreeing on that external and internal auditors consult on the scheduling of work in which they have a reciprocal interest whilst the majority group of the respondents further were not sure about external auditors discussing their plans with internal audit. As well, majority of the sampled respondents were indecisive in relations to external and internal auditors meeting on a consistent basis as well as being neutral on whether external auditors depend on internal audit work and reports. With regards to external and internal auditors sharing their working papers, the survey showed that the greater number of the respondents somewhat agreed, whereas regarding to senior management helps to promoting effective co-operation between internal and external audit, the greater number of respondents were indecisive. With reference to the findings, majority of the respondents somewhat agreed that there is a smooth relationship among internal auditors and external auditors.

5.1.3 Independence of Internal Audit

Moreover, internal audit independence was an important internal audit effectiveness determinant ($\beta=0.349$, T-value=2.807, p-value < 0.05). The survey indicated that most of the respondents was neutral on that internal audit staffs are sufficiently autonomous in performing their profession obligations and duties. Also, the study uncovered that majority of the respondents were not sure regarding the internal audit heads reports to an exact degree inside the organization that permits the internal

audit to fulfill its duties, whilst the greater number of the respondents however agreed that internal audit department has direct interaction with senior management rather than the finance director. Moreover, the research discovered that majority of the respondents somewhat agreed that interference is actually present in the work of internal auditors, and concerning internal auditors rarely facing intrusion from management even though conducting their work, the survey showed that a larger portion of the respondents were neutral. Nonetheless, majority of the respondents agreed that internal audit staff have unrestricted entry to all units and workers inside the firm whilst the group with higher of respondents were not sure about the board of directors (the President for Government Organizations) approving the selection and substitute of internal audit heads. On this note, the outcomes disclosed that the larger percentage of the respondents somewhat agreed on the independence of internal auditors within their organizations.

5.1.4 Management Support for Internal Auditing

The management support of internal auditing was a significant internal audit effectiveness determinant ($\beta=0.727$, T-value=3.752, p-value < 0.05). The study uncovered that majority of the respondents somewhat agreed that senior management supports internal audit in executing their duties. Further, the survey showed that with reference to senior management being convoluted in the internal audit plan, a larger portion of the respondents disagreed to that, whereas concerning internal audit providing senior management with adequate, reliable and appropriate reports about the work they execute and recommendations made, majority of the respondents however were indecisive. Again, the research showed that, majority of the respondents agreed that the reaction to internal audit reports by the senior

management is rational whilst majority also somewhat agreed on that internal audit department is big enough to effectively carry out their duties and responsibilities. And as well, the study uncovered that majority group of the respondents agreed that internal audit unit has enough budget to magnificently perform their roles and tasks.

5.2 CONCLUSIONS

The central ambition of this study was to explore determinants of internal audit effectiveness using survey data and quantitative research approach.

Regarding internal audit staff competency, the study found that, internal audit staff competency was substantial determinant of internal audit effectiveness. The study showed that with reference to the internal auditors as proactive majority of the respondent were indecisive and also large number of respondents somewhat agreed that, expert know how of internal auditors is excessive.

Concerning, internal audit and external audit relationship, the study found that association of internal and external audit was a significant determinant of internal audit effectiveness. Again, in relation to whether external auditors are friendly and supportive, the survey revealed that majority of the respondents was neutral.

Moreover, internal audit independence was an important internal audit effectiveness determinant. The survey indicated that most of the respondents was neutral on that internal audit staffs are sufficiently autonomous in performing their profession obligations and duties.

Furthermore, the study found that management support of internal auditing was a significant internal audit effectiveness determinant. The study uncovered that majority of the respondents somewhat agreed that senior management supports internal audit in executing their duties.

Finally, the study concludes that 79.6% changes in effectiveness of internal audit were elucidated by the independent variables deployed in the present study the remaining percentage could be related to other factors which were not considered in the present study.

5.3 RECOMMENDATIONS

To start with, from the findings, professionalism, proactiveness, sufficient knowledge, effective communication as well as sufficient training and education are elements determining the competency of internal audit. Therefore, the study suggests that internal auditors should be professionals, proactive, have sufficient and professional knowledge, attend educational seminars and ensure effective interactions with their management to enable them enrich the competencies of internal audits operations in public sector.

Moreover, the study recommends that auditors, both internal and external, should be supportive, encourage teamwork, portray good attitude, and have confidence as well as exchange information to facilitate in evolving the relationship among the internal auditors and external auditors in both private and government institutions. Furthermore, external auditors should consult time of work with internal auditors as well as giving the internal auditors the chance to express their views to ensure a

healthy relationship between them which in effect promote the performance of auditing activities and the organization as a whole.

Similar to the above, the study recommends that public and private sectors are advised to guarantee the independence of internal auditors by ensuring effective communication with auditors, assuring their free accessibility to every department and employees within the entity, satisfying the needs of the auditors. Also, the internal auditors must be assured with full independent in terms of conducting their duties, thus ensuring interference free from management to help promote the independence of internal audits and hence ensure a reliable and consistent internal auditing works.

Finally, the study recommends that top management in private and public institutions should provide adequate finance, reasonable answers, support in planning and conducting internal auditing activities and providing adequate staff for internal audits to ensure effective performance within the organization. More, internal auditors are also encouraged to offer a genuine and accurate report and recommendations as well as to involve management in the planning of auditing activities to help stimulate the support from top management.

5.3.1 Suggested Areas for Future Research

The central purpose of the present research was to explore determinants of internal audit effectiveness using survey data and quantitative research approach. It is suggested that forthcoming studies should use qualitative approach and interview

guide. Moreover, this study could be carried out in the private sector by future researcher.

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APPENDIX
SURVEY QUESTIONNAIRE

This questionnaire is aimed to assess the determinants of internal audit effectiveness in some selected higher learning in Ghana. The data will be used for academic purpose only and it will be treated with confidentiality it deserves. The respondents are highly encouraged and persuaded to respond to the statements in this questionnaire in the most truthful and objected way possible. Your participation in facilitating this study will be highly appreciated. Kindly tick in the space provided with the correct answer or supply the required information where, required, please specify and elaborate.

Part A: Background Information

1. Gender

- a. Male
- b. Female

2. Age

- a. <30 years
- b. 31-40 years
- c. 41-50 years
- d. >50 years

3. Level of Education

- a. SSSCE/A level
- b. Diploma/HND
- c. Bachelor degree
- d. Masters' degree
- e. PhD
- f. Others

4. Job designation

- a. Director
- b. Assistant Director
- c. Planning Officer
- d. Internal Auditor
- e. Accountant
- f. Finance Officer
- g. Others specify.....

5. How many years have you worked with the institution?

- a. 0-3 years
- b. 4-7 years
- c. 7-10 years
- d. 10 years and above

Part B: Internal audit staff competency

Indicate your level of agreement with the following statements that relate to Internal Audit Staff Competency. Use the 5-point Likert scale where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, 5=strongly agree,

Items	1	2	3	4	5
1. Internal auditors are proactive					
2. The professional knowledge of internal auditors is high					
3. Internal auditors are considered as professionals					
4. There is communication between internal auditors and auditees					
5. Internal auditors attend educational seminars for continuous training					
6. Internal auditors have adequate education					

Part C: Internal and external auditors' relationship

Indicate your level of agreement with the following statements that relate to Internal and External Auditors' relationship. Use the 5-point Likert scale where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, 5=strongly agree,

Items	1	2	3	4	5
1. External auditors are friendly and supportive					
2. External auditors have a good attitude towards internal auditors					
3. External auditors are willing to give internal auditors an opportunity to explain their concerns					
4. External and internal auditors consult on the timing of work in which they have a mutual interest					
5. External auditors discuss their plans with internal audit					
6. External auditors rely on internal audit work and reports					
7. External and internal auditors meet on a regular basis					
8. External and internal auditors share their working papers					
9. Senior management helps to promote effective co-operation between internal and external audit					

Part D: Independence of Internal Audit

Indicate your level of agreement with the following statements that relate to Independence of Internal Audit. Use the 5-point Likert scale where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, 5=strongly agree,

Items	1	2	3	4	5
1. Internal audit staffs are sufficiently independent to perform their professional obligations and duties.					
2. The head of internal audit reports to a level within the organization that allows the internal audit to fulfil its responsibilities					
3. The internal audit department has direct contact with senior management other than the finance director					
4. Conflict of interest is rarely present in the work of internal auditors					
5. Internal auditors rarely face interference by management while they conduct their work					
6. Internal audit staff have free access to all departments and employees in the organization					
7. The board of directors (the President for Government Organizations) approves the appointment and replacement of the head of internal auditing					

Part E: Management support for internal auditing

Indicate your level of agreement with the following statements that relate to Management Support for Internal Auditing? Use the 5-point Likert scale where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, 5=strongly agree,

Items	1	2	3	4	5
1. Senior management supports internal audit to perform its duties and responsibilities					
2. Senior management are involved in the internal audit plan					
3. Internal audit provides senior management with sufficient, reliable and relevant reports about the work they perform and recommendations made					
4. The response to internal audit reports by the senior management is reasonable					
5. Internal audit department is large enough to successfully carry out its duties and responsibilities					
6. Internal audit department has sufficient budget to successfully carry out its duties and responsibilities					

Section F: Internal Auditing Effectiveness

What is your level of agreement with the following statements that relate to Internal Effectiveness? Use the 5-point Likert scale where 1= strongly disagree, 2= disagree, 3=neutral, 4=agree, 5= strongly agree.

Statements	1	2	3	4	5
1. Internal audit is performed in accordance with the IIA Standards					
2. Internal audit develops a risk-based annual plan					
3. Internal audit communicates timely the engagement results					
4. Internal audit makes appropriate recommendations for improving the organizational processes					
5. Internal audit establishes a follow-up process to ensure that corrective actions have been effectively implemented					
6. Internal audit reviews the effectiveness and efficiency of operations and programs					
7. Internal audit reviews the reliability and integrity of financial information					
8. Internal audit evaluates the effectiveness of controls regarding the safeguarding of assets					
9. Internal audit evaluates the compliance with procedures, policies, plans and regulations					
10. Internal audit improves the effectiveness of internal control process					
11. Internal audit improves the effectiveness of risk management process					
12. Internal audit evaluates and improves the effectiveness of governance process					

THANK YOU FOR YOUR PARTICIPTION