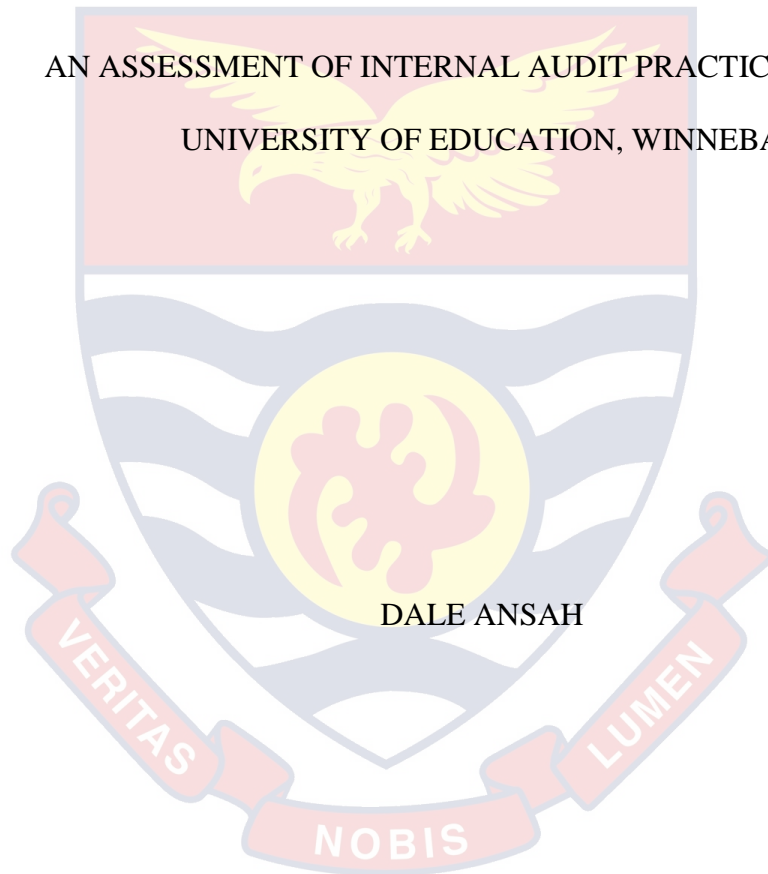


UNIVERSITY OF CAPE COAST

AN ASSESSMENT OF INTERNAL AUDIT PRACTICES IN THE
UNIVERSITY OF EDUCATION, WINNEBA

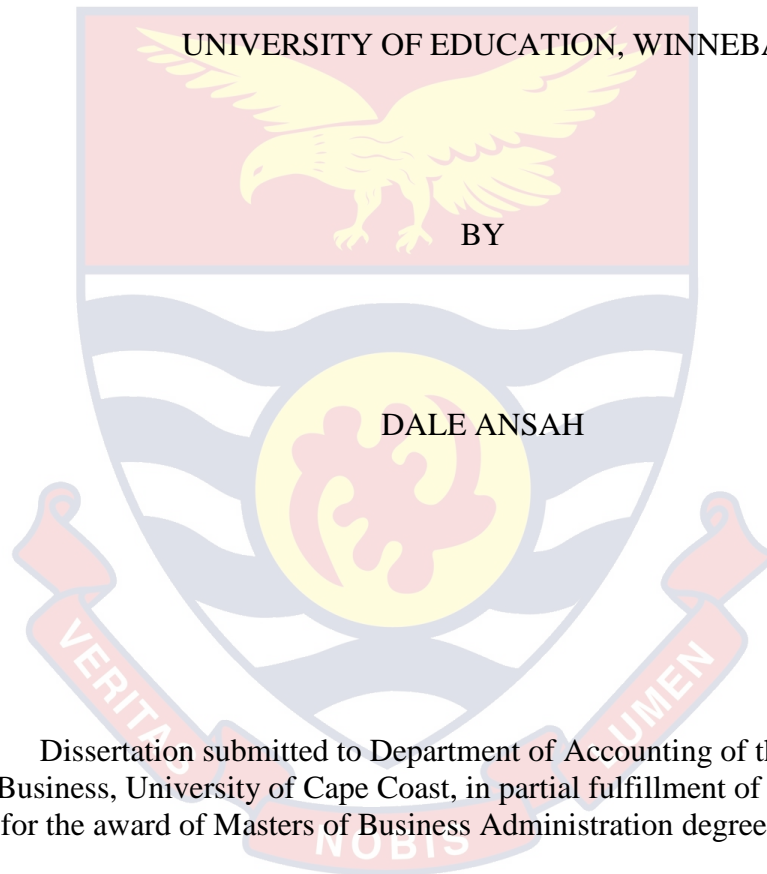


DALE ANSAH

2021

UNIVERSITY OF CAPE COAST

AN ASSESSMENT OF INTERNAL AUDIT PRACTICES IN THE
UNIVERSITY OF EDUCATION, WINNEBA



Dissertation submitted to Department of Accounting of the School of Business, University of Cape Coast, in partial fulfillment of the requirement for the award of Masters of Business Administration degree in Accounting.

SEPTEMBER 2021

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature..... Date:.....

Name: Dale Ansah

Supervisors' Declaration

I hereby declare that the preparation and presentation of this dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature..... Date:.....

Name: Mrs. Comfort A. A. ANIPA

ABSTRACT

The goal of the study was to examine internal audit practices at the University of Education, Winneba. Both internal auditors within the internal audit division of the University of Education, Winneba, were mentioned in the target population for the report. A census of the total population was adopted for the study given the desire to provide all internal auditors with an opportunity to participate in the study, combined with the fact that the sample frame of internal auditors at the University of Education, Winneba, is not very broad (30). To guide the analysis, three research questions were formulated. To collect data from the respondents, a closed-ended questionnaire was used. For the analysis of the results, frequencies, percentages, means, and standard deviations were used. The study identified that the task of internal auditing in risk management in addition to fostering continuous growth is to assess the effectiveness and efficiency of risk management. The study confirmed that the bedrock of internal auditing is organizational independence. It was proposed that the internal audit targets should be decided at the highest level of an organisation typically consisting of the central board or audit committee and so should be thoroughly identified by all management levels.

ACKNOWLEDGEMENTS

Writing a scholarly piece of work is never entirely the work of the author alone and it would be impossible without support from various individuals and institutions. First, I wish to express my greatest regard to my Supervisor, Mrs. Comfort Ama Akorfa ANIPA, whose comments, suggestions, and intellectual support contributed immensely to the completion of this study. Her dynamism, vision, probity, and motivation have deeply inspired me.

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While I thank institutions and individuals who have contributed to the completion of my studies and this thesis, I wish to point out that I am solely responsible for any shortcomings that may be in this piece of work.

DEDICATION

To my wife, mother, and children.



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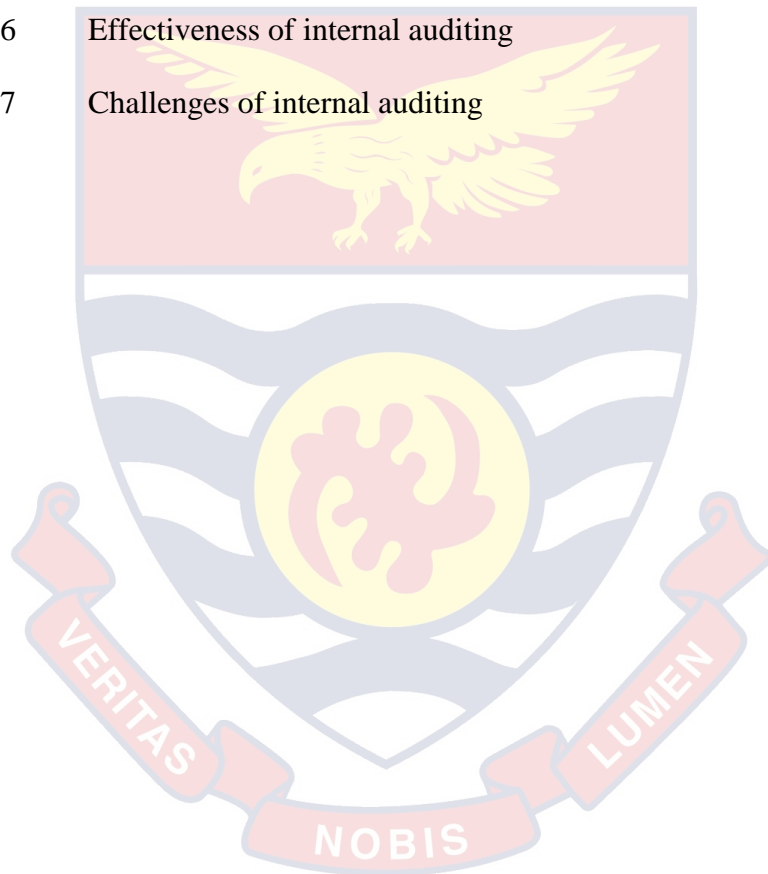
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CHAPTER ONE

INTRODUCTION

The primary task of every organization is the achievement of outstanding results for which it was established. Consequently, these same organizations must comply with the applicable norms, rules, regulations, policies, and standards that form a structure within which such performance must be evaluated (Pickett, 2010). It is therefore without compromise that emerging organizations looking up to develop business in the service sectors operate to high standards (Pickett). It is crucial to understand that in recent years, companies have undergone immense fluctuations in market climate, increased regulatory standards, and technological innovation. One of the metrics for the effectiveness of employment in almost all economic enterprises is the internal audit function. These numerous revolutions have given internal auditing the front seat to serve as a robust check mechanism to assist organization's members in fulfilling their corporate responsibilities (Saleh, Abdullah & Bin Khairi, 2018).

Background to the Study

Internal auditing is an autonomous, objective assurance and advisory practice intended to add value and enhance the operations of an organisation, (The Institute of Internal Auditors, 2010). By bringing a structured, disciplined approach to assessing and enhancing the performance of risk management, control, and governance procedures, helps a company achieve its goals. Internal audit is a strategic corporate governance tool in contemporaneous organizational contexts (Anderson, Christ, Johnstone, & Rittenberg, 2010) and

has seen a great deal of the growth of its roles over the years as companies become complex (Chambers & Odar, 2015). An effective internal audit aims to enhance risk management and retain efficient management control (Ahmad, 2015). One of the best mechanisms of internal control to monitor and promote a good governance structure in an enterprise is the well-performing internal audit function. This makes internal auditing of both the public and private sectors an important part of the context of corporate governance (Cohen & Hanno, 2002).

As a result, as an essential component of government financial management and as a tool for improving the efficiency of the government sector, it has gained greater access in many countries. The audit function has taken a holistic view of the economic and social impact of government programs, also referred to as "money value" or performance audit (Ziniyel, Otto & Andzie, 2018). The internal audit focuses on two main core values: first, management, audit committee and management assurance services, guidelines on the evaluation of organizational management efficacy, risk management, and management control processes. Secondly, risk management advisory systems and controls (The IIA, 2010).

Therefore, following notable corporate fraud and increased civil service corruption, internal audit has become the focus of top-level management. This assertion is evident in national governments' attempts to pass legislation and set up supervisory bodies to ensure the entrenchment and execution of public sector internal audit functions (IAFs). According to Baltaci and Yilmaz (2006), internal audit should be part of the effort to overhaul the fiscal system, owing to the critical role audit plays in improving transparency and effectiveness. Internal

audit is a valuable mechanism for all governments and related parties to consider the degree to which financial and efficient programs have been provided by the public agency in question.

For example, in May 2011, the Chairman of the Public Account Committee of Ghana, sitting at the Ghana Parliament House, where the audited accounts of public second-cycle institutions were considered, noticed that internal controls and internal controls are often put in place to avoid a person who may misappropriate public funds and go undetected (Amoani, 2012). This strongly suggests that in the public sector, there is naivety in handling financial capital. In this regard, mechanisms such as the Act 2003 of the Internal Audit Agency (Act 658) were set up to reinforce and track closely to peruse and avoid inaccuracies to ensure quality and proper use of resources to achieve performance targets. Effective public sector audit practices are very important because they protect the rights of people and improve accountability by dramatically bolstering the ability of citizens to keep their public representatives accountable. In particular, the roles of auditors are very critical in fostering the integrity, equity, and proper behavior of public sector officials while reducing the possibility of public corruption (Nwaobia, Ogundajo, & Niyonzima, 2016).

There are three dimensions of internal audit in the corporate world, namely system audit, performance audit, and compliance audit (Nwaobia et al., 2016). The system audit includes an evaluation of management and internal controls in terms of deciding if they are working effectively and efficiently to react to the institution's current climate. Internal auditors must recognize the shortcomings in assessing the scheme and have remedial steps to be taken on time such that they do not hinder the achievement of the objectives set (Nwaobia

et al., 2016). The performance audit deals with the review of the defined standards for carrying out the activities of the entity relative to the degree of achievement of the objectives.

Performance auditing conceptualizes itself from other types of auditing because it fixates on the performance of an entity, the initiatives or programs of organizations, and the performance management mechanisms and procedures they use. Performance audit includes an audit of economy, efficiency, and effectiveness as well as assessing the aftermath of the government's environmental management program (Ukura, 2016). Internal auditors demonstrate in the compliance audit whether the organizational operations are carried out per the norms, values, policies, and procedures defined in the context of public expenditure (Soh & Martinov-Bennie, 2011). The internal audit activity gives management and the audit committee optimism that risks to the company are properly understood and controlled.

Every corporation ought to have some sort of internal control system or process in place, big or small. The Institute of Internal Auditors claims that a fully endowed and highly trained internal audit personnel is better supported by an organization that offers value-added services essential to effective and productive organizational management (The IIA, 2018).

Statement of the Problem

For many of the world's most progressive organizations, internal auditing has long been a critical feature. An internal audit was previously developed as a way to assist companies with strong cash security and corporate policy enforcement. In modern businesses, internal auditing today has secured a comfortable lead, with one of its main priorities on adhering to policies and

controls (KPMG, 2012). In the service of sound governance, there is a greater need for successful internal audits of public and private institutions than is currently being provided for. Nevertheless, the public institutions' internal audit units have been one of the government's efforts to improve the current monitoring structure and financial management system.

Internal auditors will carry out independent assurance, advising, recommending reforms, and making suggestions to government departments to meet this purpose (The IIA, 2018). Despite greater decentralization, rising national higher education expenditures have placed pressure on central government authorities to administer public budgets, manage university policies, and track their achievements (Bleiklie & Kogan, 2007). This means that good public sector audit practices are very relevant because they protect the rights of people and improve accountability by dramatically strengthening the capacity of citizens to keep their public officials accountable (Nwaobia et al., 2016). In current literature, internal audit effectiveness has been widely discussed over the periods, largely due to the increasing importance of the role of internal auditors in achieving organizational objectives.

However, there remains a relentless call for more studies in other jurisdictions on this significant term in existing literature (Lenz & Hahn, 2015; Ahmad, 2015; Arena & Azzone, 2009; Cohen & Sayag, 2010; Mihret, James & Mula, 2010), as what is currently understood is only the tip of an iceberg (Lenz, 2013). While the private sector has received relatively greater attention on the topic (Arena et al., 2009; Cohen et al., 2010; George, Theofanis & Konstantinos, 2015; Hung & Han, 2012; Lenz & Saren, 2012; Sarens, Abdolmohammadi & Lenz, 2012), the public sector, particularly in developing countries, remains an

area of least attention (Alzeban & Gwilliam, 2014; Badara & Saidin, 2013; Soh et al., 2011; Ahmad, Othman, Othman & Jusoff, 2009). Consequently, there is a strident call for additional studies in internal audit effectiveness with a focus on developing countries since there is no consensus in internal audit literature about the factors influencing Internal Audit effectiveness (Endaya & Hanefah, 2013).

In a recent news item from Joynews (2019), The CEO of the Public Procurement Authority (PPA), who is charged with ensuring that government contracts go through the due diligence process before being awarded, was caught up in a fraud case. It is an indication of failure in the internal control processes and other public institutions may be facing some issues. This study will therefore examine the internal audit practices at UEW to ascertain the challenges associated with those practices to assess their effectiveness.

Purpose of the Study

The purpose of this study was to the internal audit practices in the University of Education, Winneba.

Research Objectives

The study specifically sought to:

1. Determine the effectiveness of internal auditors in the achievement of internal audit practices at the University of Education, Winneba.
2. Determine the factors that indicate internal audit effectiveness at the University of Education, Winneba.
3. Examine the challenges associated with internal audit practices at the University of Education, Winneba.

Research Questions

The study sought to answer the following research questions.

1. How effective are internal auditors in the achievement of internal audit practices at the University of Education, Winneba?
2. What are the factors that indicate internal audit effectiveness at the University of Education, Winneba?
3. What are the challenges associated with internal audit practices at the University of Education, Winneba?

Significance of the Study

This study will enable Ghana's public university management to recognize the role of internal auditors in these institutions and to comprehend and help solve the challenges they face in performing their positions.

Internal auditing is a dynamic process that requires recognizing the risks that could prevent a company from achieving its objectives, trying to ensure that the leaders of the organization are aware of these risks, and preemptively proposing changes to help reduce the risks to an acceptable level. The results of this study will help ensure that internal auditors conduct their critical duties efficiently and regularly.

In the world of academia, the study contributes expressively to the internal auditing discussion through enlightening the existing literature about the outcome of internal audits to public institutions.

The findings of the study will benefit the government in its economic policies by investing in technical and financial resources to boost internal auditing.

The research will assist management to recognize the role undertaken in their organizations by the internal auditing function and to fully comprehend and help solve the difficulties they face in performing their duties.

Delimitations of the Study

The study was conducted at the University of Education, Winneba. The study was also delimited to the staff at the audit department at the University of Education, Winneba.

Limitations of the Study

Study limitations should not be overlooked because participation in this study is not obligatory. Some respondents were not forthcoming with answers to most of the questions while others provided scanty information. The time factor was also another constraint that faced this study. Because this study was for academic use and therefore was time bound, it did not allow the researcher to explore much into the impacts of the internal control systems in fraud prevention.

Organisation of the Study

The rest of the study is organized into four chapters. Chapter two is structured in four thematic areas, thus the concept definition, theoretical review, review of empirical studies, as well as conceptual framework. The research methods of the study were presented in chapter three and include the research design, population, sample and sampling technique, research instrument, data collection procedure, and data analysis. Chapter four involved the presentation of the result and discussion of the findings. Lastly, chapter five highlighted the summary, conclusions, and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter put forth a review of literature relevant to issues being investigated. The chapter deals with the theoretical and empirical review. It discusses various theoretical and conceptual perspectives that have been espoused to elucidate the role of internal audit practices and factors that indicate internal audit effectiveness as well as challenges that are associated with internal audit practices.

This present study is premised on various theoretical and conceptual considerations. Agency Theory, Expectancy Value Theory, and Institution Theory have also been discussed in this chapter. These theories and approaches were utilized to provide theoretical explanations and justifications for the assessment of internal audit practices. The discussion of related literature helps to develop a conceptual framework to guide this current study. The chapter also contains a review of empirical studies and conceptual review on roles of internal audit practices and internal effectiveness as well as challenges associated with internal audit practices.

Theoretical Review

The subsection addresses the basic theories that underpin this study. The assumptions underlying this study are derived within the framework of Agency Theory (AT), Expectancy Value Theory (EVT), and Institution Theory (IT).

Agency Theory (AT)

Agency theory was introduced by Alchian and Demsetz (1972). It was later updated by Jensen and Meckling (1976). The theory of the agency explains the relationship between the principals, such as the head of the operation, and agents such as the local management staff. It is seen by the shareholders of the company and its top management as a contract. Managers work as representatives of the company to conduct certain services on the Atlantic side who assign to executives those decision-making authority. Managers may misuse these bodies to serve their interests. The presence of audit committees and external and internal auditors will also assist the company in improving its efficiency and will also ensure that management implements its plans in compliance with procedures (Adams, 1994). According to Peursem and Pumphrey (2005), internal auditors are agents and trackers for many internal audit consumers, including the board, audit committee, and senior management,

Agency concerns can arise when management or its audit committee is dysfunctional and thus, senior management is likely to have a strong effect on the internal audit. This complicated site presents an implicit internal audit dilemma: how can it fulfill its management monitoring function if it is counterproductive? Internal auditors are mostly employed by senior management, but they are often board and audit committee representatives who value the ability of internal auditors to assess the work of senior management. Internal auditors can, however, have different reasons for working against the interests of the board of directors and its audit committee, including fair incentives from managers, personal relationships with them, and the ability of

senior management to shape the future status of internal auditors and their salaries.

In such a work setting, as agents, internal auditors may have an opportunity to be biased in the flow of information, leading to new questions from the board and the audit committee regarding their trust in the objectivity of the internal auditors, and it becomes necessary for the board and its audit committee to avoid such threats of objectivity. As officers, internal auditors must carry out audit procedures at the professional level, necessitating preparation and professional certification, experience, and other expertise required to perform their duties perfectly. Having certain standards in place for internal auditors and the existence of training programs for internal auditors will increase the level of confidence of the board and the audit committee in the competence of internal auditors. At the same time, internal auditors can discredit charges of ignoring their duties by proving their responsibilities following the principles of the profession (Castro, 2013).

The work of the internal audit department is carried out under the supervision of the chief audit officer, who is the major figure responsible for setting up the internal audit plan, reporting the results of the internal audit, and coordinating on the recommendations of the internal audit. Internal auditors may obtain adequate and credible information during this review to support their evaluation of the internal control system. The presence of such facts would increase the level of confidence of the members of the organisation in the work carried out by the internal audit. Hence the efficiency of the internal audit department is a key prerequisite for members of the company to accept internal

auditors as agents. As representatives for the members of the company, internal auditors need their assistance (Zain & Subramaniam, 2007).

The presence of an effective audit committee in the company increases the discretion of the internal audit and also decreases the involvement of senior management with either the internal audit jurisdiction or its results. For instance, creating an audit committee as the absolute authority for the hiring and dismissal of the chief audit officer would address the problem related to the ability of senior management to control the future jobs and compensation of internal auditors. Another good indication of the support of organizational stakeholders happens when senior management requires all departments to comply with the findings of the internal audit. Based on the review, it can be seen that the theory of the agency is a useful theory that can clarify the variables that encompass institutional internal audit activities, and it is important to be interested in the creation of this conceptual framework for study (Zain et al., 2007).

Expectancy Value Theory (EVT)

The Theory of Expectancy Value has been used to explain the reasons behind the actions of individuals. As the imminent sequel to a specific behaviour, emphasis has been put on purpose. This theory implies that if the components that influence intention can be determined, then one can more reliably predict whether a person will participate in a specific behaviour. Similarly, it assumes that by modifying the expectations of possible effects of an individual, one can modify the intention of the individual. The theory's foundation is that people select actions based on the results they expect and the principles they allude to the expected results (Borders, Earleywine, & Huey, 2004). The degree of one's tendency to perform a particular activity depends on

first, the degree to which the person believes that an outcome will result, and second, the importance of the individual places on the outcome (Mazis, Ahtola, & Kippel, 1975).

The more appealing a specific result is to the person, the more likely the individual is to participate in the behavior. Likewise, as the amount of positive results increases, there will be an increase in the desire to participate in actions. Expectancy itself is characterized as the measure of the probability that positive or negative results will be related to or extracted from a specific act (Mazis et al., 1975). Thus, the perceptions of the individual's result influence one's behavioral attitudes. In addition to the anticipated result, the importance put on the outcome by the individual determines the actions of the individual. The possible negative effect of a specific action may serve as a deterrent to the recommended action by a civil servant. A cost-benefit analysis of advantages and expenses is then carried out in which the civil servant measures the expected efficacy of the intervention against the impression that it may be costly, harmful (negative side effects), and unpleasant (painful, upsetting).

Only if the perks of acting outstrip the costs, civil servants act. The ability of civil servants to act is affected by other variables that serve as benchmarks for the initiation of an action. Any environmental phenomena, such as media attention, may be these variables. Although the Theory of Expectancy Value has been used to forecast the actions that will influence actions, the theory has a limitation. The emphasis on minimal cognitive mechanisms is one of the theory's key drawbacks. Borders et al. (2004) discovered that people select from many alternatives and must also analyze a range of standards before deciding to participate in behaviors. Some are more appealing than others among the

possible alternatives to decisions that can be made. For instance, it seems that people are likely to intend habits that have been positively enhanced by good results and by other people on social networks (Bandura, 1977).

Institutional Theory

An organization is structured and functions to satisfy societal expectations since its activities are clear to the public, according to institutional theory by Sudarwan and Fogarty (1996). Organizational internal processes, which are often complicated to define, may also take a second position in the area of external legitimacy. It is proposed that the organization's exterior appearance can be loosely combined with its operating procedures and the form of technology it adopts. This was developed by Sudarwan et al. (1996), stating that the impact of institutional theory is in the knowledge that an organization's actual achievements and what its structure implies should be done are always different.

The organization deals with internal mechanisms that are typically not apparent to those outside it, while other systems preserved for outsiders do not contribute significantly to production. Sudarwan et al. (1996) note that if the right structures are implemented by organizations, criticism by observers can be avoided. Loose technical coupling allows enterprises, thus allowing consistency in organizational processes, to demonstrate performance in external problems. Institutions should also be prepared to meet the high cost of implementing different technology in the internal audit department and ensure that employees are qualified to work effectively in the department.

It can be seen based on the above-mentioned discussion, that institutional theory is a relevant theory for the effectiveness of internal audit in

both developed and developing countries; and it is a useful theory that can justify the need for institutions to take pragmatic steps to project the image of institutions. Differently put, institutions are now demanded to bridge the transparency gap between their operations and cooperate responsibilities. If this is well done and planned the broad objectives and goals of the said establishment will surely be achieved.

Empirical Review

The section sought to review the empirical literature on the assessment of internal audit practices.

A study by Soh and Martinov-Bennie (2015) on the nature and extent of internal audit functions (IAFs) involvement in environmental, social, and governance assurance (ESG) and consulting in Australia. The study used a survey research design to collect data from 100 Chief Audit Executives and internal audit service provider partners. The study found that governance issues are a key area of focus for respondents' assurance and consulting efforts, followed by social and environmental issues, respectively.

Also, Feizizadeh (2012) posited that internal audit effectiveness is characterized by the adequacy and the mastery to get results that are reliable with targets objective, similarly, Ahmad, Othman, and Jusoff (2009) believe that a program can be viewed as successful if its result obliges its targets.

The study by Ussahawanitchakit and Intakhan (2011), sampled 219 CPAs in Thailand and found that audit professionalism has a significant positive effect on audit independence. Also, both audit professionalism and audit independence have an important positive impact on audit effectiveness. Surprisingly, audit experience and ethical orientation do not moderate the audit

professionalism-audit effectiveness relationships and the audit independence-audit effectiveness relationships.

Moreover, change is presented as an unavoidable voyage in the organizational climate, so management has to play a major role in managing their organizations and be more productive in implementing their rules. Failure to do so breeds cases of financial embezzlement, frauds, and losses that can be detrimental to the fortunes of organizations (Shanki & Alharjri, 2017).

A study conducted by The Institute of Internal Auditors (2010) reported that the effectiveness of the internal audit measures the degree to which defined targets are attained. According to Mihret et al. (2010), the viability of internal auditing to a great extent relies upon its official acknowledgment to empower the capacity added to the hierarchical objectives and targets by offering administrations to the board and the board. A powerful audit capacity is important to guarantee not just that the association gets an incentive for its cash yet, in addition, it satisfies its order. In the observation of The Institute of Internal Auditors (2010), audits led by such capacity require a target, examination between the data comparative with what was performed, and the proper principles overseeing a class of exchanges.

Cohen, Krishnamoorthy, and Wright (2002) found in a study that internal auditors must be distinguished by the highest degree of professional objectivity in communicating abilities, including the compilation and assessment of knowledge relevant to the activities or processes investigated. They found out that understanding the variables that decide internal audit effectiveness is significant because feasible internal audit can improve four significant forms in the association, thus; getting the hang of (showing

individuals how to carry out their responsibility better), inspiration (auditing prompts improved execution as insufficiencies should be clarified), prevention (realizing that an audit is inescapable may debilitate misuse), and procedure enhancements (improving the probability that the correct things are done and that they are done well).

Effective internal auditing will help find ways to increase the profitability of the company, help minimize overhead, protect the company from future losses and operating risk (Alaswad & Stanišić, 2016; Obeng, 2016). For internal audit to command the accolade of effectiveness, Coetzee and Lubbe (2014) and Liu (2017), believe that it should meet these three criteria, thus, sufficient and skilled internal audit staff, support from management, and organizational independence.

George et al. (2015), said that one of the key criteria for business performance is the competence of the internal audit department. This consideration relates to the internal audit department's integrity and professional treatment, as represented by the internal auditor. According to The Institute of Internal Auditors (2018), internal auditors must have the qualifications, abilities, and other competencies required to fulfill their duties, known as competence.

Similarly, Rusell (2013) argued that the internal auditors had to apply the care and capacity needed of a fairly cautious and qualified internal auditor known as professional care. For a structure to its maximum capacity, adequate staffing is necessary. Employee failures may prompt mistakes, errors, and misuse, which can nullify the effect of numerous controls.

The size of internal audit staff and the competency of internal audit are according to The Institute of Internal Auditors (2018), the basic characteristics of internal audit quality that cannot be separated. This ensures that the non-appearance of one calculation cannot be added to the existence of internal auditors by the other. According to Corama, Ferguson, and Moroney (2006), organizations that have in place effective and effective internal audit functions are better than organizations that do not have in place such efficient and effective internal audit functions, especially in the detection and prevention of fraud. For Arena et al. (2009), high internal auditor qualifications can be an excellent way to reduce the performance gap of the company. However, they concluded that internal audit effectiveness demands that personnel be properly qualified, trained, and skilled in the field or job.

A plethora of literature indicates that they have to obtain technical qualifications from recognized professional bodies in addition to formal education from universities and business schools, following which they have to undergo professional practical hands-on training from audit practice to gain successful experience and continuous learning is key in such fields (Sed et al., 2011; Stewart & Subramaniam, 2010; Leung & Cooper, 2009).

Akinbuli (2010) employed qualitative techniques namely key informant interviews and focus group discussion to examine the impact of skilled auditors on financial performance among commercial banks in Zambia. The study showed that in any given role within the company, the adequacy, quantity, and competence of internal auditors decide the quality of their work. Some of the skills required by internal auditors include communication skills such as listening, interpersonal, written, and oral communication skills, according to

Sed et al. (2011). These assist in the production of internal auditors and assist them in collecting audit proof and providing users with fair confirmation of their reports. Research demonstrates that the degree of competence of internal audit workers predicts the efficacy of internal auditing (Alzeban et al., 2014; Dellai & Omri 2016; Lenz, Sarens & Hoos, 2017; Erasmus & Coetzee, 2018).

The effect of internal audit characteristics on the performance of internal auditors was investigated by Kertali and Bin Tahajuddin (2018). The results showed that appropriate and trained internal audit personnel had a positive impact on the efficacy of the internal audit. The study by Arena et al. (2009) showed that internal audit effectiveness could be improved by increasing the ratio of qualified internal auditors to other employees.

Similarly, research results also show that auditing experience is closely related to the various levels of expertise and skills gained by the auditor as a result of long job practice in auditing careers in a way that can increase its effectiveness (Badara et al., 2013).

Conceptual Review

The conceptual review of the assessment of internal audit practices seeks to discuss the concept of internal audit practices by introducing key underlying issues that pertain to and foster an understanding of internal audit practices. To this end, the conceptual review will cover the roles of internal audit practices, internal auditing as a risk management mechanism, internal auditing as a control mechanism, internal auditing as a governance mechanism, organizational independence, support from management (executives), challenges associated with internal audit practices. It would also discuss some key issues mainly on

problems related to the competence of internal auditors, support of top management, and organisational independence.

Concept of Internal Auditing

When organisations and the environment in which they work grow more dynamic, internal audit continues to attain a higher profile in the public, private and non-profit sectors for reviews and insights into how well risks are handled within the enterprise (The IIA, 2018). In the year 1999. With its maiden concept of internal audit, The Institute of Internal Auditors emerged as a discrete, objective assurance and consultancy practice designed to add value and enhance the operations of an entity. The role of internal audit is to help organizations achieve their goals by maintaining a structured, focused approach and improving the efficiency of risk management, control, and governance processes (KONE, 2017). Internal audit, in the opinion of Soltani (2007), is an inspection practice set up as a service within an organization. Its duties include the review, evaluation, and monitoring of the adequacy and efficiency of the accounting systems and the internal control systems available.

As cited by Russell (2007), internal auditing is often seen as a "first party audit." In an organization, it is carried out to determine its unique qualities and deficiencies against its processes or procedures and external criteria accepted by the organization (voluntary) or imposed on the organization (mandatory). Internal auditing's key function is to increase self-efficacy through the performance of assurance and consultancy activities. Operational, tactical, strategic, and improving activities ought to be the measures of internal auditing. Internal audit depends on the unique needs of organizations and the industry in which they work (Reding et al., 2013). Specifically, internal auditing is carried

out in many legal and cultural settings; for organisations that differ in nature, scale, complexity, and structure; and for individuals in or outside the organization. Although the practice of internal auditing in each set may be influenced by variations, compliance with the professional practice of internal auditing principles is important in fulfilling the roles of internal auditors and internal audit activities (The Institute of Internal Auditor, 2018).

Historically, internal audit was instituted to safeguard the occurrence of preventable fraud and asset loss. The size and complexity of organizations increased and contributed to their decentralization. Management needed to analyze financial reports used for decision-making internally. They also needed to monitor work productivity to ensure that no devious acts were carried out (Ramamoorti, 2003). The railroad, security, and retail industries were prominent organizations that recognized the potential of internal auditing beyond auditing financial statements. Internal auditing soon became a means of checking all transactions and summarizing the company and its operations. The internal audit thus offered additional insights and maintained transparency and objectivity (Ramamoorti, 2003). This resulted in a seismic shift from a traditional diocesan activity to a management procedure in the role of internal auditing. Globalization, technological growth, e-commerce, and the rising complexity of organizational systems have fueled the continuous and rapid development of internal auditing over the years. This has also ensured and promoted financial discipline and reduced the frequency of fraud-related activities, thereby allowing institutions to achieve their short, medium- and long-term goals (Dudovskiy, 2017).

Roles of internal audit practices

The purpose of an internal audit is to allow the auditor to hold an opinion as to whether, in all material respects, the financial reports are prepared in compliance with the financial recording frameworks defined. The task of internal auditing has grown, extended, and moved more than accounting matters into management-oriented issues. This means that reporting lines have also been updated and its framework has also reacted to the ongoing transition in many organizations (Feizizadeh, 2012).

Studies continue to report that the impact of internal audit practice is the basic requirement for the prudent financial management of public institutions. Issue of financial responsibility and accountability has been in existence for nearly a decade and has become imperative for people to earmark the trust of his or her management of resources in the hands of another person and even a group of individuals for onward control (The Institute of Internal Auditors, 2018). A study by Arena and Jeppesen (2016) established that in addition to the organizational activities of organisations, internal auditors need to scrutinize the risks related to strategic initiatives.

Similarly, The Institute of Internal Auditors (2018) found that internal audit allows public and private institutions to meet their corporate mandates by maintaining an orderly, regulated approach to reviewing and enhancing the effectiveness of risk management, control, and governance processes (Chepkorir, 2010).

Internal auditing as a risk management mechanism

Novel methods of analyzing the potential business risk allow internal auditors and management (top business executives and their boards) to review

the internal audit function's purpose, scope, and operations (KPMG, 2012). Drogalas and Siopi (2017) found that businesses are under considerable pressure to consider all the market threats they may or are prone to come in contact with. At the same time in recent years, organizations have undergone rapid shifts in economic sophistication, increased regulatory criteria, and technical innovation. This means that internal auditing relates to risk management in many respects, both in its assurance and advisory functions (Karagiorgos, Douglas, Eleftheriadis, & Christodoulou, 2010).

In quantitative research analysis, The Institute of Internal Auditors (2018) found out that the internal audit's core duty is to provide significant assurance to the board on the effectiveness of risk management. In the same study, it was observed that the role of risk management is to assess the effectiveness and efficiency of risk professional operations in addition to promoting continuous development.

Several studies confirm that the potential of risk management strategies adopted by management affects the achievement of institutional objectives. The results of research by Hommel, Li, and Pastwa (2016), The Institute of Internal Auditors (2018), indicate that risk management is the way to recognize positive and negative aspects of risks for most organizations. They argued that this approach could be adhered to holistically, but could also be tailored to a company's operations, from strategic to operational. Risk management is a three-step process, in the view of Wadesango and Makerevi (2018), which begins with risk detection and is followed by risk analysis which involves gaining an understanding of each risk, the probability of these risks occurring, and the magnitude of the risk. The third phase involving risk assessment

involves prioritizing each risk. Hernandez and Watt (2014), posited that every organisation is unique and has its structure, procedures, and even different vocabulary, so the attitude towards risks will be different and internal auditors will need to adjust accordingly to implement the risk-based approach effectively. The study indicated that each stage aims to uphold the obligations of management and the risk management board.

Several other studies on the roles of internal audit practices indicate that organizations stand the chance of maximizing gains when these organizations manage risks prudently. The Institute of Internal Auditors (2018) also found that to recognize the risks the financial sector faces, the audit agency should first consider the strategic and organizational risks facing these organizations, including evolving management priorities. Social-cultural, political, legal, legislative, administrative, technical, economic, and environmental factors are the second situation. Where an audit agency has access to and is established and trustworthy with an internal risk assessment for each entity, these organizations may still be competitive in the midst of an acute financial crisis.

According to Soh et al. (2015), the audit agency may perform its risk identification exercise based on the available data, past audit, and consultation with key internal and external stakeholders if the risks within organizations are not clearly defined and reported. The results of the study further showed that they should be evaluated after threats are identified. The study concluded that threats are evaluated, should the risk arise, in terms of the probability (possibility) of the risk occurring and the magnitude of effect on objectives.

Lots of studies continue to report on internal auditing as a risk management mechanism. Most of these studies show internal auditing has a

significant impact on risk management. A qualitative research analysis using a sample of Australian listed companies by Pizzini and Douglas (2015) and Briciu and Tabara (2017), indicates that perhaps the presence of an Internal Audit Feature is positively correlated with the size of the company and risk management committee.

Lee and Yand Park (2016) conducted a study to ascertain the relevance of internal auditing as a risk management criterion. The study stated that the function of an internal auditor in risk management includes reviewing and tracking the risk posed by the company, proposing controls to minimize the risks, and determining the trade-offs required to achieve the organization's strategy and organizational goals. In the same incision, Wadesango and Mhaka (2017) found that failure to enforce internal audit recs leads to an increase in the risk of fraud that will result in the organization being enforced.

Internal auditing as a control mechanism

A substantial body of literature indicates that the control mechanism is an integral part of the internal audit system which allows financial institutions to make projections that may cause financial losses through fraudulent activities. According to the Commission of Sponsoring Organisations (COSO, 2013), to ensure fair assurance that the purpose of the organization is accomplished concerning activities, financial reporting, and compliance with regulations, the monitoring system is the procedure followed by the directors and the management of the entity. Furthermore, the findings indicated that they are policies and processes that help to ensure that the appropriate risk management steps are taken.

According to Badara et al. (2013), the effectiveness of the internal audit function may be swayed by an effective internal control mechanism, thereby reducing risks. The study found that internal control system monitoring components help to improve the effectiveness of the internal audit function. A survey conducted by Fourie and Ackerman (2013) has revealed that the most important tool to curb corruption in financial institutions is a control mechanism. This is strongly supported by research performed by Badara et al. (2013), which established that when there is successful internal control in place, internal audit is equally achieved.

The outcome of the empirical study conducted by Toma (2009) demonstrates that if organisations properly design and correctly enforce the presence of an internal control system within an entity is a serious assumption of account reliability and correspondence between fact and accounting data. The research concluded that the value of what they authorize, as well as their duty and transparency in the approval process, should be recognized by internal auditors. To check the ownership and authenticity of transactions, they should either review supporting facts or should have first-hand knowledge of the transactions being accepted.

Numerous studies have presented different results championing the same notion that the internal audit role is positively influenced by control systems. In their exploratory studies, D'Onza, Selim, Melville, and Allegrini (2015), found that the internal control mechanism of companies is strongly and positively correlated with internal audit value. They concluded that organizations that follow a structured approach to developing and reviewing the internal controls of organizations are those that will stand the true test of time.

The degree to which internal controls affect internal audit effectiveness was explored by Monday and Aladeraji (2016). The study reported that management control mechanisms have a positive impact on internal audit effectiveness, but this depends on the effectiveness of management in controlling these controls. So, did the study of Ogundana, Ojeku and Nwazem (2015). He explored the relationship between control mechanisms and internal auditing in public corporations. He found that there was a significant, positive correlation between control mechanisms and internal audits.

Surprisingly, some studies have reported contrary findings. In his research on the effectiveness of internal audit on organizational performance, Ali (2018), said that internal controls are vulnerable to innate shortcomings that have a direct negative influence on the effectiveness of the internal audit. For Yang and Koo (2014), they thought that it makes the work of internal audit nuanced with the implementation of information technology in internal control systems, thereby creating a snag on internal audit performance. Internal control is not successful in ensuring the achievement of organizational objectives, according to Bongani (2013), thus adversely affecting internal audit performance.

Internal auditing as a governance mechanism

In the governance system of a company, the internal auditing process is critical because it assesses, monitors, and ensures that organizational operations are appropriate and following senior and human resources guidelines (Marquis & Lounsbury, 2007). Marquis et al., state that the company is assisted by effective internal auditing to comply with regulatory requirements and industry policies. The Institute of Internal Auditors (2006) claims that the governance of

the public sector relates to the methods by which priorities are produced and accomplished. It also involves exercises that guarantee government noteworthiness, set up even-handed administrative arrangements, and guarantee government authorities' acceptable actions while reducing the chance of open desecration.

A qualitative and quantitative survey undertaken by the Australian National Audit Office (2003) in Australia emphasizes that governance of the public sector has an extremely broad inclusion, including how an association is treated, its corporate and distinct frameworks, its way of life, its arrangements and techniques, and how its various partners are managed. The study advanced that the idea includes the way where open area associations vindicate their obligation of stewardship by being open, accountable, and reasonable in basic leadership, in giving approach guidance, and in overseeing and conveying programs.

The more extensive nature of public sector administration requires a viable internal auditing capacity, according to Sed, Sarkis, and Lefley (2011), to fulfill the demanding duties imposed by partners. Internal audit can improve cabinet forms by concentrating on how esteems are set up to vow compelling and proficient control and the board of open part substances. In the opinion of Asare (2009), the multifaceted nature of the open division working condition necessitates that the internal audit auxiliary plan, approach, practice, and degree are improved to guarantee open, accountable, and item basic leadership with all open part associations.

As indicated by the Institute of Internal Auditors (2016), internal audit jobs in administration are extensively recognized to be twofold. Right off the

bat, internal auditing gives free, target appraisal on the fittingness of the associations' cabinet structure and the working viability of explicit administration exercises. Besides, they go about as impetuses for change, exhorting or upholding upgrades to improve the association's administration structure and practices.

The Institute of Internal Auditors (2010) on the job of internal auditors in cabinet processes expresses that the internal auditing movement ought to survey and make suitable proposals for improving the administration procedure to achieve the accompanying goals: advancing fitting morals and qualities inside the association; guaranteeing successful hierarchical execution the board and accountability and adequately planning the exercises of and imparting data among the expansive, outside and internal auditors and the executives.

The dynamic interaction between these governance mechanisms is defined by a study conducted by Cohen et al. (2010) as the corporate governance mosaic.' On the other hand, Anthony (2004) notes that 'Internal audit is an autonomous evaluation function set up within an entity to examine and assess its operations as a service to the organization.' "The scope of the internal audit is determined by management, according to Anthony (2004)." However, this may hinder the objectivity of the internal auditor and hampers his freedom, it is very difficult to report critically on someone who decides the scope of your job.

Organizational independence

Internal auditing is an autonomous, objective assurance and advisory practice, according to The Institute of Internal Auditors (2010), intended to add value and enhance the operations of an entity. By bringing a systematic, disciplined approach to evaluating and maximizing the effectiveness of risk

management, control, and governance systems, helps a company achieve its objectives.

The Institute of Internal Auditors (2010) asserted that the mastery to carry out and act with autarky is a persistent challenge for the internal auditors and the internal audit function, this challenge gained a renewed attention in the development of the role of internal auditing in corporate governance. Organizational independence is the state, condition, quality, or process of being independent through the organisational placement and divulging lines of the internal audit department.

In a related study, Ziniyel et al. (2018), conducted quantitative research examining the effect of organizational independence on the profit margins of financial institutions. The study revealed that organizational independence is the bedrock of internal auditing. This implies that both personnel and operational activities should be independent of internal auditing. If this does not comply with the plausibility of the views, conclusions, and pragmatic recommendations of the auditors would be suspicious. This makes internal auditors' independence very important and necessary for the ultimate purpose of internal audit to be accomplished effectively.

According to Appah (2011), another component of organizational independence is that internal audit processes in organizations must be objective and unbiased, implying that their operations should be carried out free of doubt and undue intervention. The study's finding pointed out that the independence of auditors, either internal or external, is related to the freedom of another individual, entity, or state at large from dependency on or influence or power. The definition of independence should in the opinion of Badara et al.

(2013), be established based on its associated particular field or domain of application.

According to Nurdiono and Gamayuni (2018), the auditor's independence adds integrity to the audit report that consumers of financial information rely on to make an entity's economic decisions. Internal auditors' independence reflects the consistency of what they report to decision-makers and the level of transparency of reporting on the activities of a public body. If auditors are not impartial, consumers of their reports may lose faith because the conclusions are drawn and the auditor's opinion could be biased.

Also, a quantitative analysis conducted by Nwaobia et al. (2016) to analyze the internal audit effectiveness predictors found that internal auditors should be independent in mind (a state of mind that enables an opinion to be given without being influenced by factors that impair professional judgment) and in appearance (in which third parties can fairly infer that the internal auditor's integrity, objectivity, and professional skepticism had not been compromised) In his report, Modibbo (2015) suggested that the establishment of an internal audit department as an autonomous body is necessary for its efficiency and performance.

Similarly, the Nwaobi et al. (2016) research in Rwanda and Nigeria focused on internal audit procedures and public financial management: traversing the transparency gap in financial reporting in the public sector. The internal audit role has been found to improve transparency in public financial management and reporting if the unit is completely autonomous in terms of independence and well organized with human resources as well as relevant infrastructure facilities. To ensure transparent financial management and

reporting in public offices, the national legislative structure should be strictly adhered to in terms of the preparation and presentation of financial statements, the submission, and analysis, as well as the prompt report of the Auditor-General to the Public Account Committee of the National Assembly.

Support from management (executives)

According to Pickett, management plays a crucial role in the implementation of good controls in terms of deciding the specifications of the controls; designing effective controls; enforcing them; checking the correct application; and maintaining and upgrading the control systems, since internal auditors show their reports as findings and recommendations. Tone at the top management level is a crucial element of the risk management system of an enterprise, as appropriate and appropriate top-level support is likely to provide a robust basis for successful internal auditing.

A recent study by Yahya and Mahzan (2012) identified that management depends on internal audits to help ensure that the confidence of companies, trust in their efficient internal controls, and the entire organization work effectively. As described above the relation between the internal audit personnel and the administration of the association is critical in assessing the internal auditor's independence and objectivity.

According to The Institute of Internal Auditors (2006), both in principle (administrators must see the activity of the audit division as real) and in ensuring that internal audit offices have the assets expected to perform their duties, support for internal auditors is significant in this way. Management essentially has a tangible impact on the internal audit department. This causes difficulties to float out because of the influence of the positions of managers, the power of

audit appointment, and the need to expect the integrity of managers. Risks would also occur because these executives can override internal control by working with it as a management tool (Churyk, Lee & Clinton, 2008). In unlikely cases, management decisions could be impaired if the information given serves the self-interest of management, otherwise, the information would be treated with less skepticism (Kaplan, 2008).

From previous research, top management is thought to have a significant impact on the organization's overall risk governance (Cohen et al., 2002; Giessner, Horton & Humborstad 2016). This function includes the identification, review, design, and implementation of controls and risk reduction, guidance on the development and implementation of internal policies and procedures, and ensuring that activities are compatible with goals and objectives (Gatzert & Schmit, 2016).

Similarly, Law (2011) posits that tone is positively linked to risk management in every company at the top managerial level and managerial ethical guidelines and policies. Top management must also aim to develop employee standards to achieve a stable ethical climate and minimize risk (Johari, Alam, & Said, 2018; Law, 2011). Given this, it is not surprising that the identification of administration and support for internal audit capability has been seen for quite some time as central to achieving that capacity (Swinkels, 2012).

A few studies have shown that a major determinant of its feasibility is support for internal auditing by top executives (Jill, 1998; Nixon, 2005). Subsidizing is a large proportion of such assistance: IA offices need to have assets that are required to keep up to the latest in planning and development, to

acquire and retain physical assets such as PCs, and soon. Sarens and De Beelde (2006) have examined the improvement of a relative mindset in Belgium, where the internal audit work is currently attracting more attention and encouragement from boards and administrators as a consequence of various improvements in national and worldwide corporate administration guidelines.

Challenges associated with internal audit practices

Internal auditing, as per The Institute of Internal Auditors (2010), is an essential part of the integrated structure developed by every organization's management to ensure the orderly conduct of its company and to avoid asset misuse. To ensure smooth administration, control cost minimization, capability utilization, and full benefit derivation, it tracks, scrutinize, and assesses the efficiency and effectiveness of other controls set up by management in line with the above statement.

In a study on the effectiveness and challenges of international auditing by M Šestović (2015), the results indicated that internal audit can be seen as a management tool that enables management to provide a practical image of organizations and their activities, performance, potential risks, as well as improvement opportunities. Furthermore, the report found that the implementation of internal audit has faced major challenges in many countries due to the different strengths of the accounting principles used the availability of institutional capabilities and the lack of social consensus for public sector auditing. Recognition by stakeholders of the value of internal audit is still not broader. As a consequence, internal audit standards about risk assurance and the provision of insights continue to increase in the lock-step phase. Today, the challenge for the internal audit department is to confiscate this extraordinary

opportunity to secure its value proposition and place itself as a core element in the overall ecosystem of governance.

The internal audit role has historically been dedicated to providing fundamental assurance about business process risk and controls, according to The Institute of Internal Auditors (2010). However, with the growing uncertainty and complexity of the market, internal audit is being asked to provide insights and value beyond assurance, particularly in the areas of execution of strategies, emerging risk, and increasing the use of analytics. For internal audit departments, delivering on these fresh and raised standards poses several challenges. The current study centered on the following challenges the internal audit faces as discussed in the literature; problems related to the competence of internal auditors, support from top management, and organizational independence.

Problems related to the competence of internal auditors

The Institute of Internal Auditors (2010) asserts that changes in practice in a rapidly evolving world must be closely monitored and constantly examined to uncover critically relevant insights to ensure that a body of knowledge is consistently established. A competency is an individual's ability to properly perform a job or task, being a collection of specified knowledge, skills, and actions. Also, skills are skills that are necessary for certain activities to be carried out.

According to Baharud-din, Shokiyah & Ibrahim (2014) competence is the capacity of an internal auditor to adequately conduct a job or role based on the level of education, professional experience, and the staff's efforts to continue professional growth. The internal audit operation must include trained, qualified

and experienced persons who can work in compliance with the Code of Ethics and international standards to be successful. In this respect, the new mantra throughout the internal audit role tends to be competence.

Aqmalia (2014) argues that a competent individual is an individual who can effectively, rapidly, instinctively, and very rarely or never makes mistakes to do a job. To develop their internal audit competencies, internal auditors can spend a significant amount of time each year on continuing professional education. Internal auditors can strengthen their core competencies, support their organizations, and enhance their career advancement opportunities by highlighting key competencies and arranging their competency development process around them (The IIA, 2010)

According to Baharud-din et al. (2014), competence has been shown to promote personal features that are superior to job performance and to create a cause-and-effect relationship and achieve success between those behaviors. The competency of audit personnel is an essential determinant of an efficient and effective internal audit function. The study by Desai, Roberts, and Srivastava (2006) also revealed that competence was the most important factor in a reliable internal audit function, followed by objectivity and work performance. Using 96 internal auditors in state ministries, Farouk and Hassan (2014) performed an audit expectation gap analysis affecting two southern states of Nigeria. Their study indicates that the ubiquitous deficiencies in governance are the result of an internal audit that was not sufficiently competent to perform its function.

Egbunike and Tarilaye (2017), the study focused on the issues of internal auditing competencies. The study specifically sought to ascertain whether the skills and competence abilities of internal auditors correlated with overall

output. They stated also that size and competency of internal audit personnel are essential aspects of the standard of internal audit that cannot be isolated. Similarly, with auditor ethics as a moderation component, Ramlah, Syah, and Dara (2018) explored the impact of integrity and independence of audit efficiency. If the auditor has strong integrity, the study found that audit efficiency can be achieved. Thus, the issue of competence of internal auditors is critical in determining internal audit reliability (Okodo, Momoh & Yahaya, 2019).

Problems related to support of top management

Leadership and management are components that function to accomplish organizational objectives with and through others. It is, therefore, necessary for leadership to inspire individuals, both technically and professionally, to learn and improve (CPA, 2012). Inadequate management support for internal auditors is among the key indicators of the problems faced by internal auditors. In their daily operations, internal auditors should have a special connection with the management of the company and employees. They have to be separate from management at the same time. Good management support and understanding increase their productivity and contribute significantly to the achievement of their audit targets.

A study by Baharud-din et al (2014) found that internal audit procedures suffer failure without management approval and support. Furthermore, it was revealed that management support is demonstrated in aid of the auditing process by providing the necessary services, funding, transport where necessary, training, implementing new technologies and procedures to auditors, budgeting of qualification funds, and other facilities to promote internal audit work.

If the company you are auditing does not understand the nature and intent of your audit program, according to Menza, Aga, and Jerene (2019), you risk creating an atmosphere in which the people you work with become less supportive and more tight-lipped with their responses, even to the point of becoming aggressive. Kapepo (2017) agrees that the internal audit feature would not be successful if it does not receive management support, it must use the feedback obtained from internal auditors for management to show support.

Deribe and Regasa (2014) say that without being detected if executives can monitor the standard of internal audit, they can easily participate in opportunistic activities. The inference is that an organization may still have an internal audit feature, but management excesses may not be reduced, particularly when management may involve elements of the function. If the internal auditor is given a level playing field to operate or is allowed to function without management interference in any form, there is every tendency that the audit exercise will be effective and reliable.

Problems related to organisational independence

The Institute of Internal Auditors (2010) stresses that internal audit operations must be autonomous and that internal auditors must impartially perform the tasks. Independence is of vital importance in providing management with an efficient internal audit service since it offers an environment of independent and uninhibited evaluation and reporting of performance without the effects of the audited units. Internal auditors should be excluded from all factors which jeopardize their independence and objectivity.

Independence is described by The Institute of Internal Auditors (2010) as the freedom from constraints that threaten the capacity of the internal audit

operation to exercise internal audit responsibilities in an impartial manner (Oyewumi, Ogunmeru & Oboh, 2018). Internal auditors provide management assurance services that hire them, and this makes it difficult for them to provide impartial and unbiased reporting on the organization's operations, especially when corrupt management interferes with their work and disrespects them (Guruswamy, 2012). Furthermore, the independence of the internal audit function may be described as the freedom from conditions that jeopardize the ability of the internal audit operation to conduct internal audit responsibilities honestly.

Several studies continue to report on the lack of organizational independence on effective internal audit practices. Kida and Unegbu (2011) report that internal auditors, particularly in the Nigerian public sector where they'll be subjected to various categories of humiliation, mockery, and maltreatment, have become a toothless bulldog that can only bark but cannot bite. Kida et al. (2011) claim that IAs are exposed to several threats that hinder the efficacy of internal audits, such as the multiple recorded cases of murders, theft, native medicine, and acid attacks on the lives and assets of internal auditors.

This claim has also been supported by the studies of Sarens et al. (2006); Stewart et al. (2010). They claim that senior management expects a testing ground for potential managers to be an internal audit. This means that individuals are not likely to remain in the internal audit job for longer, possibly due to lack of respect and poor working conditions, and the ultimate result of this is that the internal auditors' independence would be at risk. It is therefore critical that when conducting and communicating the results of the internal audit

engagement, there should be no interference. Their independence may be greatly compromised in cases where internal auditors are employees of the entity. However, it is good practice to appoint an audit committee to improve the independence of internal auditors. Instead of management, the internal audit feature would then report directly to the audit committee.

Conceptual Framework

This subsection discusses the relationship between the variables as explained in the literature.

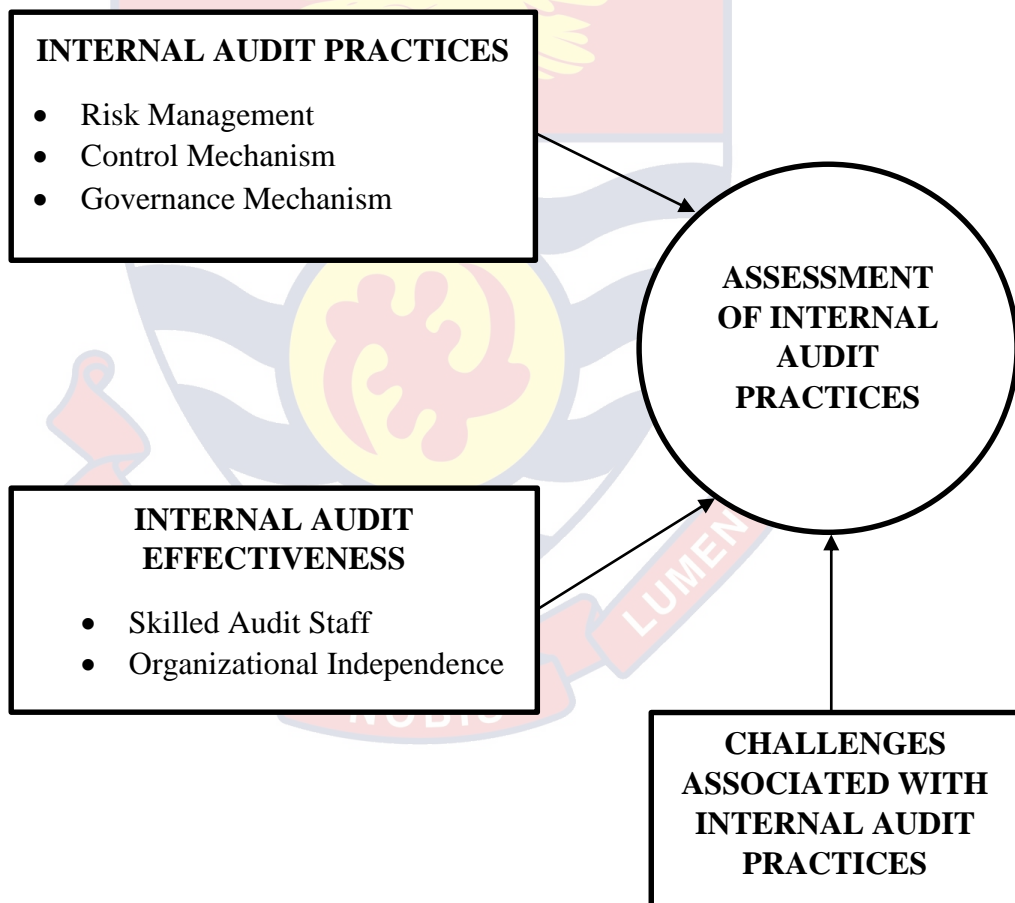


Figure 1: Conceptual framework

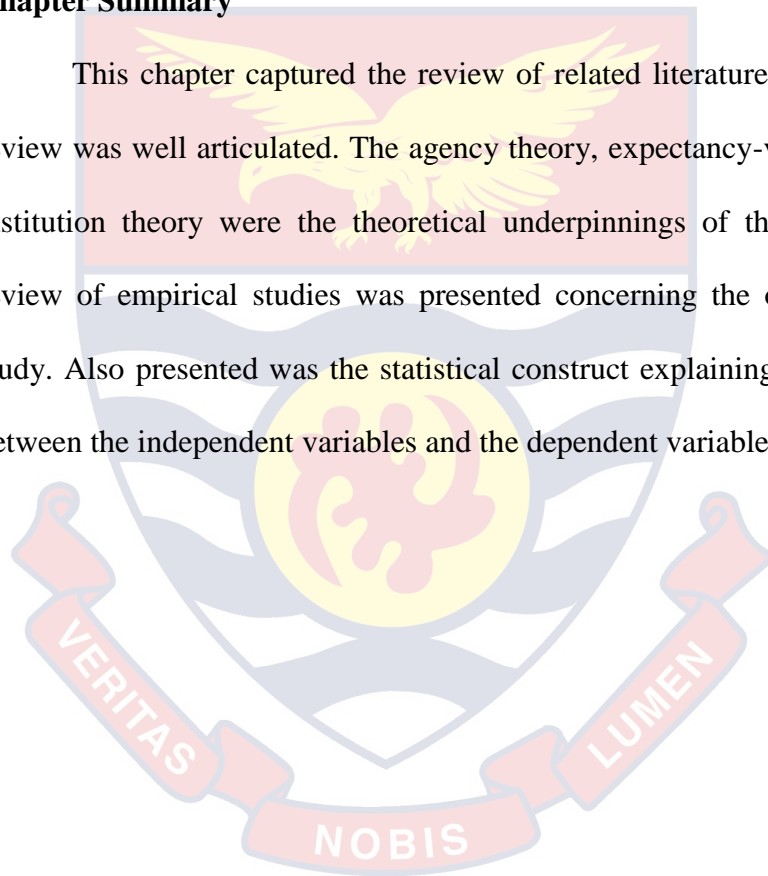
Source: Author's construct (2020)

The conceptual framework shows the relationship between the various variables used in the literature. The various variables used are internal audit

practices, roles of internal audit, challenges associated with internal audit practices as well as an assessment of internal audit practices. Simply put, the assessment of internal audits is largely dependent on internal audit practices and their effectiveness. Notwithstanding, in an attempt to assess these indicators challenges may espouse assessing internal audit a dual function, thus, effectiveness and challenges.

Chapter Summary

This chapter captured the review of related literature. The conceptual review was well articulated. The agency theory, expectancy-value theory, and institution theory were the theoretical underpinnings of this research. The review of empirical studies was presented concerning the objectives of the study. Also presented was the statistical construct explaining the relationship between the independent variables and the dependent variable.



CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter presents the methodology that was used to conduct the study. The chapter presents the research design, population, sample, and sampling procedures, as well as instruments used to collect the data. The validity and reliability of the instrument were also established. The data collection procedures and data analysis techniques used in analyzing the results of the study are also discussed as well as ethical considerations.

Research Design

A descriptive survey design with a quantitative methodology was the research design for this report. To answer a depth review of the subjects in the research, a descriptive design is a data collection process. The aim of a descriptive study, Ranjit (2011) argues, is to define the characteristics of a selected occurrence and to collect data without variables being manipulated. The primary aim of descriptive research is to provide the underlying factors or variables for the research question with an accurate and valid representation.

By addressing who, when, and how questions, descriptive studies represent the variables (Zakour & Gillespie, 2013). Descriptive survey research helps to recognize patterns in attitudes and behaviors and allows the results of the analysis to be generalized (Creswell, 2012). For this analysis, this design was suitable because it would increase the amount of quality data generated.

Nonetheless, there are many difficulties associated with descriptive survey design and one of them is that it is not in itself comprehensive enough to

provide answers to questions and cannot establish any cause-and-effect relationship (Cohen, Manion, & Morrison, 2011).

Research Approach

This study employed the quantitative research approach based on the nature of the study purpose under consideration and the nature of the primary data to be collected and analyzed. Creswell (2014) asserted that the quantitative approach deals with explaining phenomena by collecting numerical data that are analyzed using mathematically based methods. This approach typically begins with data collection based on a hypothesis or theory and it is followed with the application of descriptive or inferential statistics (Tashakkori & Teddlie, 2003). Quantitative methods are frequently described as deductive, in the sense that inferences from tests of statistical hypotheses lead to general inferences about characteristics of a population. This approach was used because it makes easy for numerical study of facts to be gathered through surveys, and questionnaires (Babbie, 2010). Quantitative research involves collecting and analyzing numerical data and applying statistical tests (Sarantakos, 2012). Frequently, quantitative methods are characterized as assuming that there is a single “truth” that exists, independent of human perception (Lincoln & Guba, 1985). It was also found that the findings from quantitative research can be predictive, explanatory, and confirming (Williams, 2011).

Study Area

In the central region of southern Ghana, Winneba is a town and the capital of the Efutu Municipal District. Winneba has a population of about 55,331. Winneba, historically known as Simpa, is a historic fishing port in

southern Ghana, 140 kilometers east of the Cape Coast, on the southern coast. Winneba is situated within this Material Education University. The map below depicts the University of Education, Winneba.

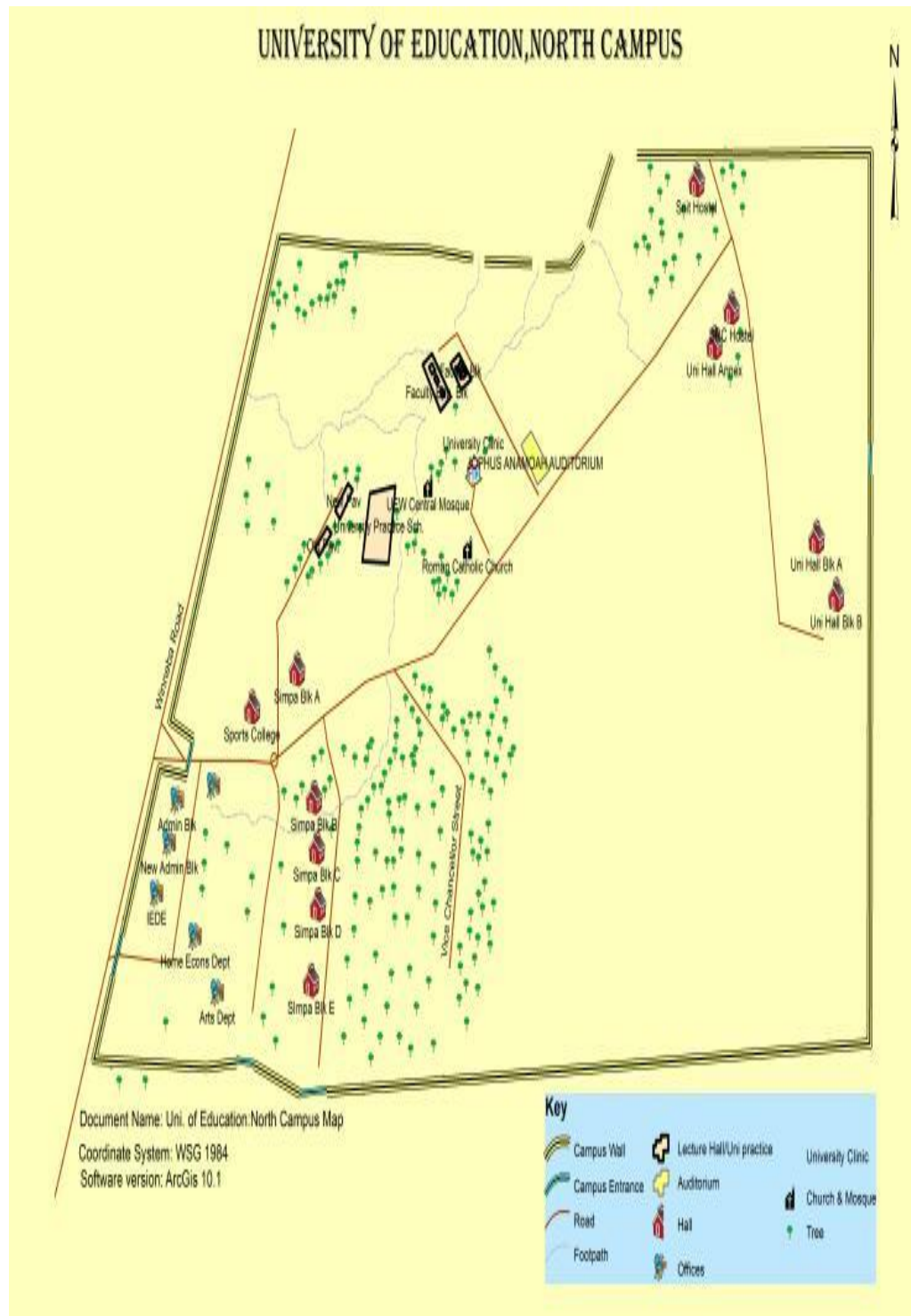


Figure 2: The University of Education, Winneba

Source: University website (2020)

Population

The population is defined as all members of a defined class of items, such as individuals or objects (Ary, Jacobs, & Razavieh, 2006). The population for the study was all management and staff of the internal audit departments of the University of Education, Winneba, made up of about 14 internal audit units or sections. The target population for the study included all internal auditors in the internal audit section of the University of Education, Winneba. The accessible population was staff and management from the 14 internal audit departments in the University of Education with a population of about 30 internal auditors. The reason for the selection of the staff of the internal audit department was the fact that they have background knowledge in the field of study and have worked in the institution for many years.

Sampling Procedures

A sample is a selection of units from the total population to be studied that represents a portion of all the elements in a population (Cohen et al., 2011). The sampling design is the plan for selecting a sample from the population (Cohen et al., 2011). The objective of any sampling plan is to secure a sample that would represent the characteristics of the population. Taking these facts into account and also considering the need to allow all internal auditors to participate in the study, a census of the total population was adopted for the study following the fact that the sample frame of internal auditors at the University of Education in Winneba is not very broad (30). The researcher is convinced of the representational existence of the population and that the goals of the study will be accomplished by implementing a census.

Data Collection Instrument

The instrument for data collection that guided the study was a structured questionnaire. The questionnaire was developed based on the research questions derived from related literature. Likert scale questions were therefore used containing a list of fixed statements to which the employees were asked to respond. The questionnaire was simply short and clear to prevent ambiguity and technical jargon.

The questionnaire was divided into four sections. Section 'A' was used to collect the background information of respondents. Section 'B' was used to source information on internal auditing practices. Section 'C' gathered information on the effectiveness of internal auditing practices. Section 'D' was used to elicit information on challenges associated with internal audit practices.

Validity

The instrument for data collection was vetted by the researcher's supervisors and experts in the field of research methodology. This determined the face and content validity of the instruments. However, all corrections and modifications made by the experts and supervisors were affected and research statements or items were reconstructed based on the satisfactory comments of the supervisors. This enabled the researcher to develop instruments that will yield valid information.

Reliability

To test the internal consistency and assess the reliability of the questionnaire, Cronbach's alpha was used. This figure indicates the average association between all the elements that make up the instrument's scale.

Pilot Testing

Before the actual data collection, pilot testing was carried out at the University of Cape Coast. A total of 30 internal auditors were given questionnaires to complete. The purpose of the pilot study is to determine the reliability of the instrument, its difficulty level, and also to determine whether the questions are free from ambiguity and whether it has the power to discriminate over results. The instrument was administered by the researcher and scored accordingly. This made it possible for final corrections of the questionnaire for possible commencement of fieldwork.

Data Collection Procedure

Before going to the field, the researchers obtained permission from the Department of Accounting, University of Cape Coast, authorizing the researcher to conduct the research. To establish a report, the researcher then met the sampled institution to obtain permission from officials of the University of Education, Winneba. Once authorization was granted, the investigator met the respondents and clarified the purpose of the study, and reassured them of confidentiality. Each participant was provided with a questionnaire and a brief background to the study. All 147 questionnaires were issued to the respondents. All the respondents fully provided the information needed accurately, thereby leading to the recording of a 100% response rate.

Data Processing and Analysis

Data collected was edited by carefully inspecting it to identify the mistakes and questions wrongly answered and responded to items. Data were analyzed using the Statistical Package for Service Solutions programme. The

analysis was done systematically as per the objectives of the study and presented using frequencies and percentages. To interpret the information obtained, indicators of central patterns such as mean scores and standard deviations were also used.

Ethical Consideration

An undertaking shall be signed to establishing a bond agreement between the researcher and respondents. The students will be given a detailed letter of Assent and a letter of information that provides a thorough explanation of the study. This means that the researcher must consider the respondents' rights, wishes, beliefs, and desires (Creswell, 2012). The respondents shall be assured of confidentiality and anonymity.

Chapter Summary

This chapter presented the research philosophy, the study used the quantitative research approach and the descriptive cross-sectional design. The study used the simple random sampling strategy and data was collected through a structured questionnaire. Validity and reliability were ensured while descriptive statistics were the main analytical technique. The study was conducted ethically as well.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

The results of the study of the data obtained from the respondents are presented in this chapter and the findings of the research questions are discussed. This chapter is grouped into two sections, thus the demographic and descriptive statistics. It contains information on the respondents' background, as well as the various variables used in this current research. Tables showing frequencies, percentages, means and standard deviations have also been used to facilitate the interpretation and discussion of the results.

Demographic Statistics

The gender of the respondents was the first demographic variable on the questionnaire intended to ascertain the total number of respondents for the study. The distribution of respondents by gender is presented in Table 1.

Table 1: Distribution of Respondents by Sex

Gender	Frequency	Percent (%)
Male	20	66.67
Female	10	33.33
Total	30	100

Source: Field Survey (2020)

Table 1 shows that out of the total of 30 respondents, the male respondents were 20 representing 66.67% whilst the female respondents were 33.33% representing 10. This implies that from the respondents selected, the majority of the internal auditors are males.

Another demographic variable of interest was the respondents' age.

Table 2 presents the distribution of respondents by age.

Table 2: Distribution of Respondents by Age

Age	Frequency	Percent (%)
20-30 years	4	13.3
31-40 years	15	50.0
41-50 years	9	30.0
51 years and above	2	6.7
Total	30	100

Source: Field Survey (2020)

Table 2 indicates that the majority of the respondents were below 41 years. Out of the total respondents of 30, 4(13.3%) and 15(50.0%) were between the ages of 20 and 40 years. This means that majority of employees were between the ages of 20 – 50 years.

Another important demographic variable of interest was the respondents' educational qualifications. This variable was measured on a 4-point Likert scale. Table 3 presents the distribution of respondents by educational qualification.

Table 3: Distribution of Respondents by Educational Qualification

Educational Qualification	Frequency	Percent (%)
Diploma/HND or equivalent	2	6.6
Degree (BA, BSc) or equivalent	18	60.0
Post Graduate (MCOM, MBA) or equivalent	10	33.3
Total	30	100

Source: Field Survey (2020)

Table 3 indicates that most of the respondents had gotten some level of formal education. Out of the total of 30 respondents, 18(60.0%) had attained a degree qualification or its equivalent. Apart from that 10 representing 33.3% had obtained postgraduate degree qualification or its equivalent. This gives a clue that almost all internal auditors in the University of Education, Winneba, had formal qualifications which is a sine qua non for their day-to-day activities.

The number of years in service was another demographic variable worth investigating. On a 4-point Likert scale, this demographic variable was measured. Table 4 presents the distribution of respondents by the number of years in operation.

Table 4: Distribution of Respondents by Number of Years in Service

Number of Years	Frequency	Percent (%)
Less than 5 years	2	6.7
6-10 years	18	60.0
11-15 years	4	13.3
15 years and above	6	20.0
Total	30	100

Source: Field Survey (2020)

Table 4 indicates that the majority of the respondents had been in service for more than a year. Out of the total of 30 respondents, 18(60.0%) and 6(20.0%) had been in operation between 1 – 3 years and over 7 years. This means that majority of the workers in the internal audit department of the University of Education, Winneba has the needed expertise in internal auditing.

Descriptive Statistics

In this subsection, attempts have been made to seek answers to the various research questions guiding the study. The findings were discussed and linked to the relevant literature reviewed.

Research Question One

What are the roles of internal audit practices at the University of Education, Winneba?

The role of internal audit practices was also of interest to this study. This research question was to ascertain whether internal audit practices were significant in internal auditing at the University of Education, Winneba. Twelve different items were used to elicit the respondents' views on this subject matter. On a 4-point Likert scale, this was also estimated. Table 5 gives the distribution of the respondents regarding the extent to which internal audit practices relate to the day-to-day activities in the University of Education, Winneba.

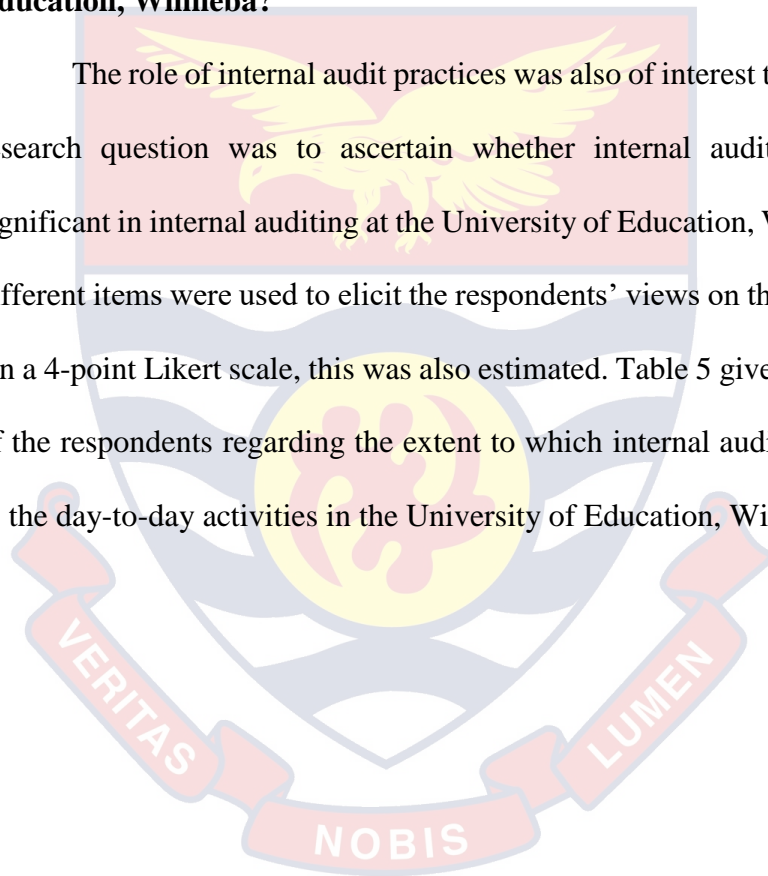


Table 5: Internal audit practices

Statement	Freq.	Mean	Std. Dev.
Internal auditing as a risk management mechanism			
Internal auditing identifies all business risks the University of Education, Winneba or likely to face	30	3.56	.800
Internal auditing identifies the assurance and consulting roles of organisations	30	3.20	.679
Internal auditing evaluates the efficiency of risk management in the University of Education, Winneba	30	3.31	.913
Internal auditing helps in the prioritization of risks and potential bottlenecks in the University of Education, Winneba	30	3.27	.839
The internal audit function is positively impacted by the ability to identify, manage and reduce risks in the University of Education, Winneba	30	3.24	.806
Internal auditing as a control mechanism			
The internal control mechanism can influence the effectiveness of internal auditing in the University of Education, Winneba	30	3.07	.720
Internal audit is functional when management recognizes the long-run effect of control mechanisms in the University of Education, Winneba	30	5.04	.920
Internal auditing helps in instituting control mechanisms to check fraud in the University of Education, Winneba	30	3.62	.724
Internal auditing informs the decision of management to ensure that the organisation achieving its goals	30	3.76	.954
Internal auditing as a governance mechanism			
Efficient internal auditing helps the firm to adhere to the regulatory standards and industry policies, such is the case in the University of Education, Winneba	30	3.56	.888
Internal auditing gives target appraisal on the fittingness of the organisations administrative structure in the University of Education, Winneba	30	3.40	.989
Internal auditing makes suitable proposals for improving the administrative procedures in the University of Education, Winneba	30	3.02	.569
Total	100		

Source: Field Survey (2020)

Table 5 shows that the majority of the respondents indicate that internal auditing performs the role of risk management, control mechanism, and governance mechanism. This is supported by the various standard deviation figures which show little variations in respondents' observations. The respondents strongly agree that internal auditing identifies all business risks the University of Education, Winneba or likely to face. They also strongly agree that internal auditing is functional when management recognizes the long-run effect of control mechanisms in the University of Education, Winneba. Consequently, the respondents also agree that efficient internal auditing helps the firm to adhere to the regulatory standards and industry policies, such is the case in the University of Education, Winneba. This implies that internal auditing plays a tripartite role in the University of Education, Winneba, i.e. risk management mechanism, control mechanism, and governance mechanism.

This finding conforms with studies done by many researchers (Pizzini et al., 2015; Soh et al., 2015; Hommel et al., 2016; Briciu et al., 2017). In their separate studies, it was concluded that internal auditing has a significant impact on risk management. They found that in addition to encouraging continuous growth, the task of internal auditing in risk management is to assess the effectiveness and efficiency of risk management. The outcome of this study is also in line with the study by Lee et al. (2016). Lee et al., conducted a study to ascertain the relevance of internal auditing as a risk management criterion. The study pointed out that the role of the internal auditor in risk management includes evaluating and tracking the risk posed by the company, recommending controls to minimize the risks, and determining the trade-offs required to achieve the organization's strategy and organizational goals. In the same vein,

Wadesango et al. (2017), found that non-implementation of internal audit recommendations leads to an increase in fraud risk which will result in the organisation being insolvent.

The finding of the present study also corroborates the views shared by D'Onza et al. (2015). In their study, they found that organizations internal control system is significantly and positively associated with the value of internal audit. They concluded that organizations that are fast in adopting a systematic approach to improving and evaluating organisation's internal controls are those that can stand the real test of time. Similarly, the degree to which internal controls impede internal audit performance was investigated by Asaolu, Adedokun, and Monday (2016). The study concluded that management control mechanisms have a positive impact on internal audit performance, but this depends on management effectiveness in controlling these controls.

Surprisingly, the finding of this current study seems not to agree with the findings of Bongani (2013) and Cangemi (2016). Internal control is not successful in ensuring the achievement of organizational objectives, according to Bongani (2013), thus adversely affecting internal audit performance.

In his research on the effectiveness of internal audits on organizational performance, Ali (2018) reported that internal controls are vulnerable to inherent shortcomings that have a direct negative impact on the effectiveness of the internal audit. We can therefore conclude that to a very large extent, risk management mechanism, control mechanism, and governance mechanism are essential components of internal audit practices at the University of Education, Winneba.

Research Question Two

What are the factors that indicate internal audit effectiveness at the University of Education, Winneba?

Internal audit has a special role in the internal security services offered by public and regulatory agencies, prompted by the latest organizational scandals and the global financial crisis (Soh et al., 2015). Failure to do so breeds cases of financial embezzlement, frauds, and losses that can be detrimental to the fortunes of organizations (Shanki et al., 2017). This research question aims to examine the factors that indicate internal audit effectiveness in organisations. As a result, eighteen items were carefully designed for the respondents to come out with their views on the effectiveness of internal auditing. This variable was rated on a 4-point Likert scale. Table 6 gives a detailed summary of respondents' analysis of the effectiveness of internal auditing.

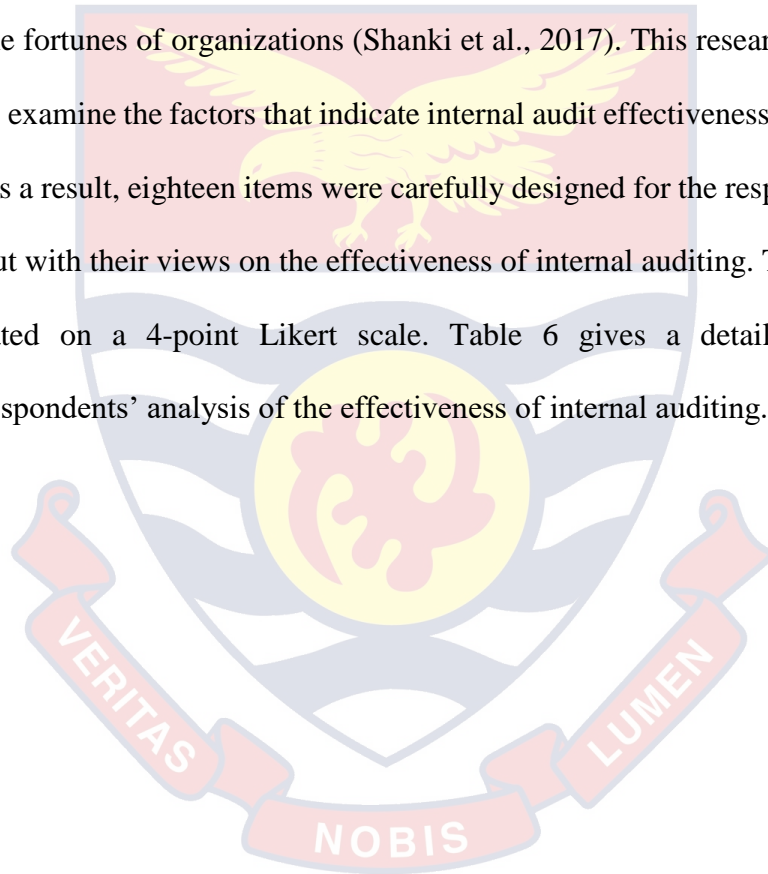


Table 6: Effectiveness of internal auditing

Statement	Freq.	Mean	Std. Dev.
Sufficient and Skilled Audit Staff			
Sufficient staffing is a basic requirement for internal auditing in the University of Education, Winneba	30	3.66	.850
The competence of internal auditors cannot be isolated from operations in the University of Education, Winneba	30	3.40	.879
Organisations that have effective and efficient internal auditors are better than organisations that do not	30	3.51	.813
Effectiveness of internal audit requires that the staff be professionally educated	30	3.57	.639
The competence of internal auditors determines the quality of their work in the University of Education, Winneba	30	3.14	.506
Skills needed by internal auditors include listening, written, and oral communication skills	30	3.55	.667
The competence level of internal auditors predicts the effectiveness of internal auditing in the University of Education, Winneba	30	2.94	1.560
Organisational Independence			
Organisational independence helps the organisation to accomplish its objectives in the University of Education, Winneba	30	3.77	.520
Organisational independence is the bedrock of internal auditing in the University of Education, Winneba	30	3.04	.920
Internal auditing ought to be independent of both personnel and operational activities in the University of Education, Winneba	30	3.01	.987
Internal audit practice should be free of doubts and interference in the			

University of Education, Winneba	30	3.16	.784
Independence of the internal auditor adds credibility to the audit work in the University of Education, Winneba	30	3.20	.544
If internal auditors are not independent the users of their report will lose confidence in the University of Education, Winneba	30	3.43	.556
Supports from Management			
Practically management has a tangible influence on the internal audit department in the University of Education, Winneba	30	3.26	.900
Managements have established a follow-up the process to ensure that corrective actions are implemented in the University of Education, Winneba	30	3.40	.657
Appropriate recommendations are given approval by management in the University of Education, Winneba	30	3.52	.569
Internal auditor communicates timely to management of the University of Education, Winneba	30	2.86	1.098
Internal auditors evaluate and improve the effectiveness of governance process with minimal supervision from managements in the University of Education, Winneba	30	2.54	.776
Total	100		

Source: Field Survey (2020)

The means of the various items as presented in Table 6 imply that factors that determine internal audit effectiveness were integrated into the operations of internal auditors at the University of Education, Winneba. The magnitude of the standard deviations further confirms this. The majority of the respondents agree

that the competence level of internal auditors predicts the effectiveness of internal auditing in the University of Education, Winneba. The respondents also agree that organisational independence is the bedrock of internal auditing in the University of Education, Winneba. Moreover, the majority of the respondents strongly agree that internal auditors evaluate and improve the effectiveness of the governance process with minimal supervision from management in the University of Education, Winneba.

This finding agrees with studies done by many researchers (Badara et al., 2013; Obeng, 2016; Gatzert et al., 2016; Liu, 2017; Shanki et al., 2017; Johari et al., 2018). It was concluded in their separate studies that organizations that have in place effective and efficient internal audit functions are stronger than organizations that do not have in place such effective and efficient internal audit functions.

The finding of the present study also corroborates the views shared by Akinbuli, 2010 and Sed et al, 2011. They opined in their separate studies that the adequacy, quantity, and integrity of internal auditors decide the quality of their work within the company in any given role. Communication skills, such as listening, interpersonal, written, and oral communication skills, are some of the skills required by internal auditors. These assist in the production of internal auditors and assist them in collecting audit proof and providing users with fair confirmation of their reports.

The results of this current study support the results of Kertali et al. (2018). They studied the effects of the features of the internal audit on the effectiveness of internal auditors. The results showed that appropriate and trained internal audit personnel had a positive impact on internal audit

effectiveness. The findings of the study again agree with the findings of (Ziniyel et al., 2018). They were of the view that the cornerstone of internal auditing is organizational independence. This implies that both the person as well as organizational operations should be independent of internal auditing. If this does not comply with the veracity of the views, findings, and pragmatic recommendations of the auditors would be suspicious. This makes internal auditors' independence very important and necessary for the ultimate purpose of internal audit to be accomplished effectively.

Furthermore, the results of this study agree with those of Nurdiono et al. (2018), who claimed that if auditors are not impartial, the consumers of their reports would lose faith as the auditor's conclusions and opinions may be biased. Similarly, the Nwaobi et al. (2016) research in Rwanda and Nigeria focused on internal audit procedures and public financial management: bridging the accountability gap in financial reporting in the public sector. The internal audit role has been found to improve transparency in public financial management and reporting if the unit is completely autonomous in terms of independence and well equipped with human resources as well as relevant infrastructure facilities. Efficient internal auditing (IA) will help find ways to increase the efficacy of the company, help minimize overhead, protect the company from future losses and operating risk in a nutshell (Alaswad et al., 2016).

Research Question Three

What are the challenges associated with internal audit practices at the University of Education, Winneba?

Due to the various strengths of the accounting principles being used the availability of institutional capabilities and the lack of social consensus to carry out audits in the public sector, internal audit implementation has faced significant challenges in many countries (Marinkovic & Sestovic, 2015). Today, the challenge for the internal audit department is to take advantage of this extraordinary opportunity to secure its value proposition and place itself in the overall governance environment as a critical element. The researcher intended to assess the challenges associated with internal audit practices at the University of Education, Winneba. In all, nineteen items were carefully designed for the respondents to come out with their views on the challenges associated with internal audit practices. This variable was calculated using a 4-point Likert scale. The results are shown in Table 7.

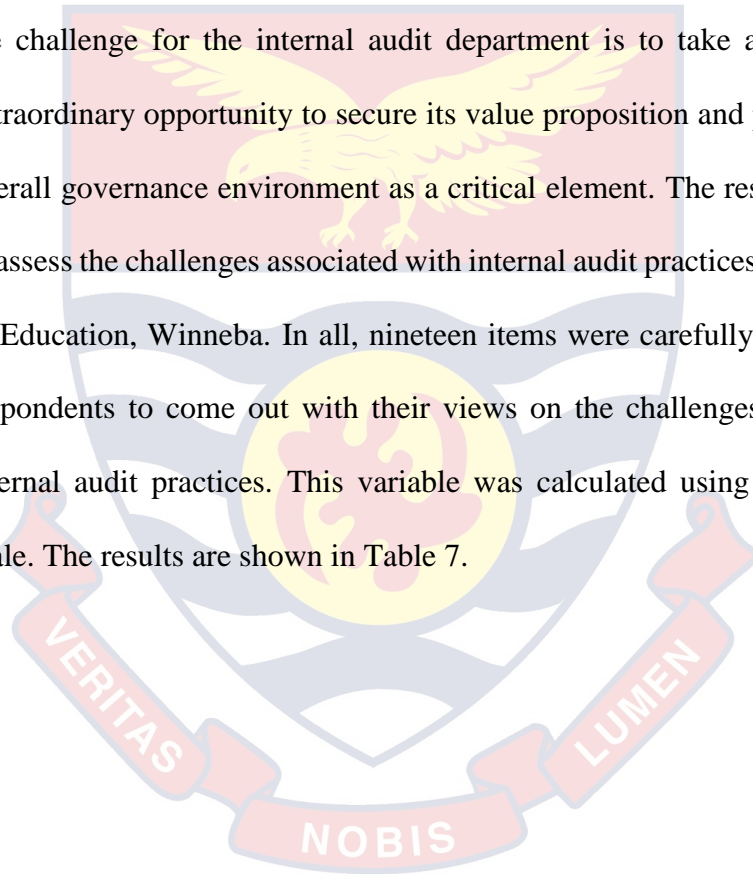


Table 7: Challenges of internal auditing

Statement	Freq.	Mean	Std. Dt.
Problems Related to Competence of Internal			
.Auditors			
Widespread failures of organisations are due to incompetent internal auditors	30	3.10	.650
A poor performing organisation can be attributed to unskilled internal auditors	30	3.80	.579
Most internal auditors lack ethical values governing internal auditing in the University of Education, Winneba	30	3.31	.613
Inadequate continuing professional development of internal auditors is a major challenge to most auditors in the University of Education, Winneba	30	3.07	.739
Most internal auditors lack appropriate information on modern trends of internal auditing in the University of Education, Winneba	30	3.14	.506
Most internal auditors do not have any professional qualification to perform task diligently in the University of Education, Winneba	30	3.00	.557
Problems Related to Support of Top Management			
Internal auditors are most times not granted access to vital accounting records necessary for an objective performance of their duties in the University of Education, Winneba	30	3.77	.920
Top management does not support internal auditors to facilitate internal auditing works in the University of Education, Winneba	30	3.54	.520
Top management does not understand the scope and purpose of audit programmes in the University of Education, Winneba	30	2.91	.757
The nature of the appointment and recruitment process is a factor responsible for the lack of independence of internal auditors in			

the University of Education, Winneba	30	3.16	.584
The domineering presence of the executive has hampered the independence of internal auditors in the University of Education, Winneba	30	3.00	.744
The nature of the distribution of tasks and responsibilities have posed a serious problem to auditors in the University of Education, Winneba	30	3.64	.556
Inadequate material resources for routine activities	30	2.67	1.556

Problems Related to Organisational Independence

Interference of management affect the operation of internal auditors in the University of Education, Winneba	30	3.96	.500
Inadequate freedom and independence threaten the ability of auditors in the University of Education, Winneba	30	3.40	.657
Temptation to cover frauds	30	3.22	.669
The offering of bribes to internal auditors in the the course of their duty is evidenced in the University of Education, Winneba	30	3.36	.898
Inadequate freedom and independence threaten the ability of internal auditors in the University of Education, Winneba	30	3.54	.855
There is no internal audit committee to enhance internal auditor’s independence in the University of Education, Winneba	30	3.49	.755
Total	100		

Source: Field Survey (2020)

The means of the various items as presented in Table 7 imply that challenges of internal audit practices cannot be discounted in their routine operations in the University of Education, Winneba. The magnitude of the standard deviations further confirms this. The majority of the respondents

strongly agree that most internal auditors lack ethical values governing internal auditing in the University of Education, Winneba. They are of the view that most internal auditors lack appropriate information on modern trends of internal auditing. Again, most respondents accept that access to critical accounting documents required for the objective execution of their tasks at the University of Education, Winneba, is most frequently not given to internal auditors. That is to say, the domineering presence of the executive has hampered the independence of internal auditors in the University of Education, Winneba. Moreover, the respondents also agree that inadequate freedom and independence threaten the ability of auditors in the University of Education, Winneba.

These results are consistent with results from a variety of studies. They in one way or the other opined that internal auditors are saddled with challenges ranging from those related to organizational independence, support of top management, and problems related to the competence of internal auditors (Akpomi & Amesi, 2009; Unegbu & Obi, 2012; Hailemariam, 2014; M Šestović, 2015; Baharud et al., 2014; Mpakaniye & Paul, 2017)

Similarly, the study by Desai et al. (2006) also revealed that competence was the most important factor in a reliable internal audit function, followed by objectivity and work performance. So, did Farouk et al. (2014). Using 96 internal auditors in state ministries, they performed an audit expectation difference analysis affecting two southern states of Nigeria. Their study indicates that the prevalent deficiencies in governance are the result of an internal audit that was not sufficiently competent to serve this purpose.

The results of this research are also in line with the views held by Egbunike et al. (2017). The study specifically sought to ascertain whether the skills and competence abilities of internal auditors correlated with overall output. They stated that the magnitude and competency of internal audit personnel are essential aspects of the standard of internal audit that cannot be isolated. Similarly, Ramlah et al. (2018) examined the effect of competence and independence of audit quality with auditor ethics as a moderation variable. The study found that audit quality can be achieved if the auditor has good competence. Thus, the issue of competence of internal auditors is critical in determining internal audit reliability (Okodo et al., 2019).

This present finding is consistent with the views held by Kapepo (2017). This study affirms that the internal audit feature would not be successful if it does not receive management support, so that management needs to use advice obtained from internal auditors to demonstrate support. In the same vein, Kida et al. (2011) report that internal auditors have become a toothless bulldog that can only bark but cannot bite, especially in the public sector of Nigeria, where they have been subjected to various categories of humiliation, mockery, and violence.

Kapepo (2017) is of a certain opinion that the internal audit feature would not be successful if it does not receive management support, it must use the feedback obtained from internal auditors for management to show support. This implies that if the internal auditor is given a level playing field to operate or is allowed to function without management interference in any form, there is every tendency that the audit exercise will be effective and reliable (Deribe et al., 2014).

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Introduction

The study sought to examine internal audit practices in the University of Education, Winneba. In this chapter, the summary of key findings, conclusions are drawn from the findings, and recommendations made, are presented.

Summary of Findings

The internal audit role is one of the criteria for job productivity in almost all business enterprises. These numerous revolutions have given internal auditing the front seat to serve as a robust check mechanism to assist organization's members in fulfilling their corporate responsibilities. One of the strongest means of internal control to monitor and promote a good governance system in an organization is the well-performing internal audit function. This makes internal auditing of both the public and the private sectors an important part of the corporate governance process. The internal audit focuses on two main principles: first, management, audit committee and management assurance services, guidelines on the evaluation of organizational management efficiency, risk management, and management control processes. Secondly, risk management advisory systems and controls

Therefore, following prominent corporate scandals and increased public sector corruption, internal audit has become the focus of top management. The internal audit was previously developed as a way to assist organizations with corporate asset security and corporate policy enforcement. Today, internal auditing has secured a comfortable lead in modern businesses, one of which

focuses mainly on monitoring compliance with policies and controls. Despite greater decentralization, rising national higher education expenditures have placed pressure on central government authorities to regulate public budgets, direct university policies, and track their achievements. This means that good public sector auditing practices are very relevant because they protect the rights of people and improve accountability by substantially strengthening the capacity of citizens to keep their public representatives accountable.

It was against this background that this study was undertaken. The study was designed to find out the roles of internal audit practices, factors that indicate internal audit effectiveness, and challenges associated with internal audit practices at the University of Education, Winneba. The study was grounded on the Agency Theory (AT), Expectancy Value Theory (EVT), and Institutional Theory (IT). The descriptive research design was employed to examine the variables.

The target population for the study included all auditors in the internal audit section of the University of Education, Winneba. The accessible population was staff and management from the 14 internal audit departments in the University of Education with a population of about 30 internal auditors. Considering the desire to provide all internal auditors a chance to participate in the study coupled with the fact that the sample frame of internal auditors in the University of Education, Winneba is not very large (30), a census of the total population was adopted for the study. To gather data from the participants, a closed-ended questionnaire that served as a structured interview guide was used. Frequencies, percentages, means, and standard deviations were used for the analysis of the data.

Key Findings

In this section, answers to the various research questions and conclusions drawn from the research questions are presented.

1. The study identified that the role of internal auditing in risk management in addition to fostering steady growth is to assess the effectiveness and efficiency of risk management.
2. The study pointed out that the role of the internal auditor in risk management includes reviewing and tracking the risk posed by the company, recommending controls to minimize the risks, and determining the trade-offs required to achieve the organization's strategy and organizational goals.
3. The study showed that skills needed by internal auditors include communication skills such as listening, interpersonal, written, and oral communication skills.
4. The study revealed that sufficient and skilled internal audit staff was positively affecting internal audit effectiveness.

The study confirmed that the bedrock of internal auditing is organizational independence. This implies that both the person as well as organizational operations should be independent of internal auditing.

Conclusions

From the study it was observed that:

1. Organizations that are quick to take a comprehensive approach to develop and review the internal controls of the company are those that will stand the true test of time.

2. The independence of internal auditors is very important and necessary for the overall purpose of the internal audit to be accomplished.
3. Effective internal auditing can help find ways to increase the efficacy of the company, help minimize overhead, protect the company from future losses and operating risk.
4. The scale and competency of internal audit workers are the critical aspects of the standard of internal audit that cannot be isolated.

Recommendations

The mentioned suggestions are made per the finding and conclusions drawn from the study.

1. The management of the University of Education should be extended to all activities, not only financial accounting and reporting controls but also all operations and management controls.
2. Winneba, the University of Education's internal audit department, should have access to people, processes, records, and property as it deems necessary for its duties to be properly fulfilled.
3. The aims of the internal audit should be decided at the highest level, generally by the board or audit committee of the institution, and should be clearly understood by all management levels.

Suggestion for Further Research

Although the study has achieved its purpose, several related aspects warrant additional research. They include the following: the contribution of internal auditing towards organizational growth and the role of internal auditing in financial institutions in Ghana.

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APPENDICES

APPENDIX A

UNIVERSITY OF CAPE COAST

SCHOOL OF BUSINESS

RESPONDENTS' QUESTIONNAIRE

Dear Respondent,

I am conducting research that aims at finding information on the effectiveness of internal auditing. You are hereby invited to participate in this important study. The information provided by you will be treated with the strictest confidentiality and used purely for academic purposes. Please, your participation in this study is voluntary. Thank you.

SECTION A: BACKGROUND INFORMATION OF RESPONDENTS

Please tick [] as appropriate

1. Gender
 - a. Male []
 - b. Female []
2. Age
 - a. 20 – 30 years []
 - b. 31 – 40 years []
 - c. 41 – 50 years []
 - d. 51 years and above []
3. What is your highest educational qualification?
 - a. WASSCE or its equivalent []
 - b. Diploma / HND or equivalent []
 - c. Degree (BA, BSc., B.Ed.) or equivalent []
 - d. Post Graduate Degree (MBA, MCOM) or equivalent []

4. Number of years in operation?

- a. Less than 5 years []
- b. 6 – 10 years []
- c. 11 – 15 years []
- d. 15 years and above []

ROLE OF INTERNAL AUDIT PRACTICES

5. Indicate by ticking (√) the extent to which you agree or disagree with the following statements. Strongly Agree (SA) Agree (A), Disagree (D), Strongly Disagree (SD).

S/N	Statements	SA	A	D	SD
A. Internal auditing as a risk management mechanism					
5a	Internal auditing identifies all business risks the University of Education, Winneba may likely face				
5b	Internal auditing identifies the assurance and consulting roles of organisations				
5c	Internal auditing evaluates the efficiency of risk management in the University of Education, Winneba				
5d	Internal auditing helps in the prioritization of risks and potential bottlenecks in the University of Education, Winneba				

5e	The internal audit function is positively impacted by the ability to identify, manage and reduce risks in the University of Education, Winneba				
B. Internal auditing as a control mechanism					
5f	The internal control mechanism can influence the effectiveness of internal auditing in the University of Education, Winneba				
5g	Internal audit is functional when management recognizes the long-run effect of control mechanisms in the University of Education, Winneba				
5h	Internal auditing helps in instituting control mechanisms to check fraud in the University of Education, Winneba				
5i	Internal auditing informs the decision of management to ensure that the organisation achieving its goals				
C. Internal auditing as a governance mechanism					
5j	Efficient internal auditing helps the firm to adhere to the regulatory standards and industry policies, such is the case in the University of Education, Winneba				

5k	Internal auditing gives target appraisal on the fittingness of the organisations administrative structure in the University of Education, Winneba				
5l	Internal auditing makes suitable proposals for improving the administrative procedures in the University of Education, Winneba				

EFFECTIVENESS OF INTERNAL AUDITING

6. Indicate by ticking (√) the extent to which you agree or disagree with the following statements. Strongly Agree (SA) Agree (A), Disagree (D), Strongly Disagree (SD).

S/N	Statements	SA	A	D	SD
A. Sufficient and skilled audit staff					
6a	Sufficient staffing is a basic requirement for internal auditing in the University of Education, Winneba				
6b	The competence of internal auditors cannot be isolated from operations in the University of Education, Winneba				
6c	Organisations that have effective and efficient internal auditors are better than organisations that do not				
6d	Effectiveness of internal audit requires that the staff be professionally educated				

6e	The competence of internal auditors determines the quality of their work in the University of Education, Winneba				
6f	Skills needed by internal auditors include listening, written and oral communication skills				
6g	The competence level of internal auditors predicts the effectiveness of internal auditing in the University of Education, Winneba				
B. Organisational independence					
6i	Organisational independence helps the organisation to accomplish its objectives in the University of Education, Winneba				
6j	Organisational independence is the bedrock of internal auditing in the University of Education, Winneba				
6k	Internal auditing ought to be independent of both personnel and operational activities in the University of Education, Winneba				
6l	Internal audit practice should be free of doubts and interference in the University of Education, Winneba				
6m	Independence of the internal auditor adds credibility to the audit work in the University of Education, Winneba				

6n	If internal auditors are not independent the users of their report will lose confidence in the University of Education, Winneba				
C. Supports from management					
6o	Practically management has a tangible influence on the internal audit department in the University of Education, Winneba				
6p	Managements have established a follow-up process to ensure that corrective actions are implemented in the University of Education, Winneba				
6q	Appropriate recommendations are given approval by management in the University of Education, Winneba				
6r	Internal auditor communicates timely to management in the University of Education, Winneba				
6s	Internal auditors evaluate and improve the effectiveness of the governance process with minimal supervision from management in the University of Education, Winneba				

CHALLENGES OF INTERNAL AUDITING

7. Indicate by ticking (√) the extent to which you agree or disagree with the following statements. Strongly Agree (SA) Agree (A), Disagree (D), Strongly Disagree (SD).

S/N	Statements	SA	A	D	SD
A. Problems related to the competence of internal auditors					
7a	Widespread failures of organisations are due to incompetent internal auditors				
7b	A poor performing organisation can be attributed to unskilled internal auditors				
7c	Most internal auditors lack ethical values governing internal auditing in the University of Education, Winneba				
7d	Inadequate continuing professional development of internal auditors is a major challenge to most auditors in the University of Education, Winneba				
7e	Most internal auditors lack appropriate information on modern trends of internal auditing in the University of Education, Winneba				
7f	Most internal auditors do not have any professional qualification to perform task diligently in the University of Education, Winneba				
B. Problems related to support of top management					

7g	Internal auditors are most times not granted access to vital accounting records necessary for an objective performance of their duties in the University of Education, Winneba				
7h	Top management does not support internal auditors to facilitate internal auditing works in the University of Education, Winneba				
7i	Top management does not understand the scope and purpose of audit programmes in the University of Education, Winneba				
7j	The nature of the appointment and recruitment process is a factor responsible for the lack of independence of internal auditors in the University of Education, Winneba				
7k	The domineering presence of the executive has hampered the independence of internal auditors in the University of Education, Winneba				
7l	The nature of the distribution of tasks and responsibilities has posed a serious problem to auditors in the University of Education, Winneba				
7m	Inadequate material resources for routine activities				
C. Problems related to organisational Independence					
7n	Interference of management affect the operation of internal auditors in the University of Education, Winneba				

7o	Inadequate freedom and independence threaten the ability of auditors in the University of Education, Winneba				
7p	The temptation to cover frauds				
7q	The offering bribes to internal auditors in the course of their duty is evidenced in the University of Education, Winneba				
7r	Inadequate freedom and independence threaten the ability of internal auditors in the University of Education, Winneba				
7s	There is no internal audit committee to enhance internal auditor's independence in the University of Education, Winneba				

