

Determinants of Internal Audit Effectiveness in the Nigerian Paramilitary Agencies

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ABSTRACT

The objective of this study is to examine the determinants of internal audit effectiveness in the Nigerian paramilitary agencies. The methodology of the study is qualitative using a questionnaire as a primary data source. The population and sample size comprises of three hundred and forty (340) audit staff from six (6) paramilitary agencies in Nigeria. The period of this study covers 10 years (2013-2022). Normality Test, Correlation, Regression Analysis were conducted on the collected data. The regression results revealed that internal audit quality with “ β ” and “sig” values of 0.125, and 0.044 respectively. Hence, internal audit quality has statistical significant impact on internal audit effectiveness of Nigerian Paramilitary services, it also shows that Independency of audit staff with “ β ” and “sig” values of 0.037, and 0.578 respectively. This indicates that the variable has a positive effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. Hence independency of audit staff has no impact on internal audit effectiveness of Nigerian Paramilitary services, the results also revealed that Professional proficiency and competence of audit staff with “ β ” and “sig” values of 0.086, and 0.151 respectively. This indicates that the variable has a positive effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. Hence professional proficiency and competence of audit staff has no impact on internal audit effectiveness of Nigerian Paramilitary services, also Organizational setting with “ β ” and “sig” values of -0.051, and 0.415 respectively. This indicates that the variable has a negative effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. Hence, organizational setting has no impact on internal audit effectiveness in Nigerian Paramilitary services. The regression results revealed that internal audit quality with “ β ” and “sig” values of 0.189, and 0.003 respectively. This indicates that the variable has a positive effect and it is statistically significant at 5% because the p-value is less than 0.05. Hence, scope of internal audit work has impact on internal audit effectiveness of Nigerian Paramilitaries services and the results revealed that management support with “ β ” and “sig” values of 0.398, and 0.000 respectively. Hence, management support has statistical significance impact on internal audit effectiveness of Nigerian Paramilitary services. Therefore, we recommend that Internal audit staff should be fully independent in order to have unbiased internal audit report. Paramilitary agencies should implement policies and procedures against which organizational settings are to be gauged. The policies and procedures should be well-understood by the management staff so as to allow the setting of the organization to be effective. Finally, management of Nigerian Paramilitary agency should give support to the internal audit on widening the scope of the audit work in order to have a more reliable and effective internal audit report.

Keywords: Internal audit effectiveness, paramilitary, Nigeria

INTRODUCTION

Every nation with a democratically run government must hold itself accountable for how it spends public funds and delivers services in a cost-effective, efficient, and effective manner. The primary method for

managing and making use of all the limited resources available in the corporate organization is internal audit function application. Greater competitiveness is required by ever-large and more sophisticated systems, therefore internal auditing has to be highly professional (Gansberghe, 2003). The capacity and responsibilities of internal audit customers also vary as a result of the advancements of internal audit profession. Internal auditors were previously thought of as assistants to accountants, but more recently, internal audit has come to be viewed as a distinct profession that is essential to the administration of enterprises. Additionally, the independence of internal auditors has long been a subject of discourse because they are company workers. Additionally, inadequately planned structures and reporting lines make the state of affairs of that office worse (Rolandas Rupsys, 2005). Internal audit has in the past been seen as the only tool to help the accounting department with financial compliance and to protect the assets of the organization (Arena, 2013). Due to the recognition of its position, functions, “responsibilities, and contributions to the primary internal and external stakeholders”, it has currently emerged as one of the key components for businesses (Erasmus and Coetzee, 2018). Internal audit purview has expanded dramatically in recent years to encompass increasingly crucial organizational processes including “risk management and internal control” (Alzeban and Gwilliam, 2014).

The usefulness of the internal audit department and its role in enhancing the governance procedures has thus become a top issue among the management of the companies. Dittenhofer (2010) contends that “an organization’s overall effectiveness and the effectiveness of its internal auditing can be used to assess the effectiveness of internal auditing. One of the key problems with the current internal audit function and its goals is this idea”. Globally, there is a general understanding of the importance of giving public sector internal audit more attention. The obvious explanation is that since the government is by far the greatest single corporate organization, its spending habits from various agencies, parastatals and commissions greatly promote economic activity. Due to the massive participation of the government in economic activity, “efforts are being made globally to raise the bar for the accounting and auditing departments of government” (Angus and Mohammed, 2011). The internal audit role is one of the governance tools that the government creates to assist in efficient administration of public funds in order to accomplish their aims (Cohen & Sayag, 2010). Internal auditing’s responsibilities have grown, changed, and shifted more toward management-focused than accounting-focused issues. Additionally, reporting lines and its structure have changed in many countries (Feizizadeh, 2012 and Hellman, 2011).

According to the previous review, effectiveness is still relatively unexploited topic in internal audit study and requires greater attention from researchers. Internal audit is an important part of public sector financial system. Considerable input has been made over the years to reduce and eradicate financial fraud and inaccuracies in the Nigerian public sector, particularly the paramilitary sector. Mismanagement of fund, misuse of office and corruption are now the order of the day in the public sector in all countries due to lax internal control systems (Van Gansberghe, 2015). According to Zeleke (2017), internal audit activities effectively and efficiently use resources to achieve organizational goals and prevent corruption, embezzlement, misappropriation, mismanagement of funds, and other financial helps prevent illegal activity. The ability of the auditor to achieve the goals set within the organization determines the effectiveness of internal audit (Dittenhofer, 2010).

More so, Hodge (2012) found that: “Many internal auditors had lost interest in their work, which had a negative impact on the productivity and performance levels of the organization.” These situations occurred in poorer countries such as Nigeria, where companies may not take internal audit policies and processes seriously. Internal auditors have access to all information in all areas of the company and play a vital role in all activities of the corporate governance system. Therefore, establishing a robust internal audit function (IAF) that contributes to the growth and development of corporate governance is beneficial to all stakeholders (Smet and Mention, 2011). Internal auditors can inform managers of their responsibilities, act as advisors to risk oversight, identify deficiencies in internal control systems, and facilitate the

implementation of risk management so that the processes and procedures of the entity being inspected are in place. (Cohen and Sayag, 2010; Arena and Azzone, 2009; Dittenhofer, 2001).

The internal audit staffs are ineffectively organized, they have a low level of technical staff expertise, and have not been given a strategic plan for how to conduct their work in order to generate an effective internal audit output for their business (Cohen & Sayag, 2010; Arena and Azzone, 2009; Mihret and Yismaw, 2007). Additionally, the audit evidences are annexed to their annual reports; however, due to their limited readability, limited distribution to senior management officers, and low levels of follow-up for the application of effective internal audit, the overall responses of the management to the internal audit results and recommendations in Nigerian paramilitaries are part of the inadequate of public sector. Also, the actual number of audits carried out during a specific period is critically less than the number of audits mentioned in the yearly audit plan, which undermines the efficiency of internal audit in the firm (Mihret and Yismaw, 2007). Despite the numerous interventions over the years and the presence of Internal Audit Units in the public sector of the Nigerian paramilitary, it seems that the financial irregularities and errors still exist. In order to implement the task and the activities being conducted in an efficient manner, it is necessary for every establishment, regardless of its size, to ensure effective and efficient exploitation of the resources assigned to it. Therefore, the objective of this study is to investigate the determinants of internal audits effectiveness in the Nigerian Paramilitary Agencies.

LITERATURE REVIEW

This study reviewed the literature on areas of interest that are relevant and based are on the Study objective.

Concept of Internal Auditing

Internal audit assesses how the organization is functioning in order to strengthen and enhance the governance mechanisms of the organization, including strategic risk management and the organization's internal control system. It is an independent management function that includes ongoing and critical assessments of (Soh and Bennie, 2011). An effective audit process is essential in the public sector as it protects the interests of the citizens and greatly enhances the ability to hold public officials to account, strengthening governments. The responsibility of the auditors is important in the area of promoting authenticity, fairness and proper conduct among public sector employees while reducing the potential for public corruption. Audit work includes, but is not limited to, audit and advisory services, from financial certification to performance and operational efficiency. Expanding the scope of public sector auditing practice guidelines will impact the overall operations of public sector entities. Auditing practices vary from country to country, but public sector audits generally include institutional independence, formal mandate, unrestricted access, adequate funding, competent leadership, objective staff, competent staff, stakeholder support and professional auditing standards are required (IIA, 2012). According to MacRae & Gils (2014), internal audit practices or activities include the internal audit's competence, roles and responsibilities, independence and objectivity to effectively carry out its work and reporting. According to Unegbu and Obi (2012), internal audit is part of an internal control system set up by an organizational management to ensure fulfillment with recognized operating procedures and to support organization. They believe that internal auditing evaluates, and audits the efficiency and effectiveness of other controls established by management to ensure efficient management, minimized control costs, optimal use of competence, and effective management. It claims to guarantee the maximum profit, this suggests that internal audit is a key component of an elaborate system created by an organization's management to ensure proper business operations and avoid misuse of assets.

Internal Audit Quality

Internal audit (IA) is an indispensable key in assisting organizations to reach their objectives. It is an

independent, objective assurance and consulting activity designed to add value and improve the effectiveness of an organization's processes such as internal control, risk management, and governance (Gramling et al., 2004). Therefore, the quality of internal auditing is directly linked to the improvement of an organization's financial performance, playing a crucial role in protecting organizations from risks, combating corruption, safeguarding assets, checking compliance with organizational policy and instructions, and enhancing the reliability of financial reports (Subhi & Stanisic, 2016; Postula et al., 2020).

Audit Independence

Audit independence is the freedom of an auditor, in conducting an audit, to make professional judgments without being unduly influenced by others. It is a fundamental principle of the auditing profession and is essential for maintaining the credibility and reliability of audits. There are a number of laws and regulations that govern audit independence, such as the Sarbanes-Oxley Act of 2002 in the United States and the International Auditing Standards Board's Code of Ethics. In addition to laws and regulations, there are a number of professional organizations that have issued guidance on audit independence, such as the American Institute of Certified Public Accountants (AICPA) and the Institute of Internal Auditors (IIA). Auditors have a responsibility to maintain their independence and to protect the interests of the public. By following the laws, regulations, and guidance that have been issued, auditors can help to ensure that their audits are conducted objectively and impartially (Ebubechukwu, 2023).

Audit Professionalism

Internal audit professionalism are widely recognized as critical in securing good corporate governance. According to Kaawaase et al. (2022) internal audit has a responsibility to achieve company goals. Albawwat et al. (2021) mentioned that audit professionalism is a responsibility to act more than just a responsibility to the company. According to Rahmansyah et al. (2022) there are several qualifications in measuring audit professionals, namely having experience according to their field of expertise, having competence in their field, and being responsible. A person can be said to be professional if he has attended certain education which causes him to have special skills or qualifications. Abdulai et al. (2021) defined the notion of professionalism by referring to work standards, namely moral principles and professional ethics. These two principles direct an accountant to behave in accordance with the order of life of a professional.

Organizational Setting

An organizational setting is the context in which an organization operates, including its structure, culture, and environment. It defines the rules, procedures, and norms that govern how members of the organization interact and how work is done. The organizational setting has a significant impact on the behavior of individuals within the organization. The structure of the organization can determine how much autonomy individual employees have, while the culture of the organization can influence how employees interact with each other and with customers. The environment of the organization can also affect employee morale and productivity.

Scope of an Internal Audit Work

The scope of IA work significantly influences the information and communication aspect of the internal control system (Fadzil et al., 2005). The internal control system is an important component of enterprises, and effective internal control systems can assist in ensuring that the aims and objectives of an organization are met (Leng and Zhang, 2014). Such a system provides assurance that the organization will comply with regulations, laws, policies, plans and internal rules; and the board of directors and senior management are responsible for establishing and maintaining a strong internal control system (Badawi et al., 2003).

Management support

The phrase “top management” refers to the executives at the very top of an organization who work together to make important decisions and improve the bottom line of a business (Sandberg and Abrahamsson, 2010). This group includes executives with titles such as chief executive officer (CEO), director, partner, president, and manager. The goal of TMS is to provide all company employees with the tools and direction they require to realize their full potential in terms of their unique identities, levels of agency, levels of self-confidence, and levels of professional performance (Ryan and Tipu, 2013). The managers at the very top of the corporation are the ones who are responsible for the success or failure of the business (Hadli, 2017).

Internal Audit Effectiveness

The concept of internal audit effectiveness has received a lot of attention in recent years and has received significant attention in many academic studies. Internal audit effectiveness is often the focus of debate in academic and professional research because of its importance. Dittenhofer (2001) defines effectiveness as “the achievement of internal audit objectives”. Effectiveness is also described by the Institute of Internal Auditing (IIA) as “achievement (including quality)” (IIA, 2010). Recent research has also adopted several definitions of internal audit effectiveness that measure the success of the concept by how well it achieves set goals (Badara and Saidin, 2013; Khalid, Haron, and Masron 2017). Additionally, George, Theofanis, and Konstantinos (2015) “emphasize that one of the most important prerequisites for a company’s success is an efficient internal audit function”. Previous research has identified and discussed several factors that may be relevant to internal audit effectiveness and its measurement. For instance, Sterck and Bouckaert (2006) found that “certain key elements must be put in place for an internal audit function to be effective”. This includes a good strategy for developing audit skills, a central unit to facilitate this function, and management support. Additionally, George, Theofanis, and Konstantinos (2015) emphasize that “one of the most important prerequisites for a company’s success is an efficient internal audit function.” This includes a good audit skills development strategy, a central unit to facilitate this function and administrative support. Mihret and Issaw (2007) explored the impact of several aspects on public higher education in Ethiopia. Depending on the model, these variables are; (i). Internal audit quality, (ii). Management support, (iii). Organizational framework, and characteristics of the audited entity.

Finally, it can be argued that the prior research revealed that there are some factors that can affect and measure the effectiveness of internal audits. These factors can be provided by the management of organizations, such as hiring competent internal audit staff, providing adequate support for the internal audit activities, providing sufficient resources, and acting on internal audit recommendations; or they can be provided by the internal audit unit itself, such as many people have expressed an interest in learning how to make internal auditing effective. Because of this, authors’ opinions on this concept have varied.

While Mizrahi and Ness-Weisman (2007) define audit effectiveness as “the number and scope of deficiencies corrected after the audited process”. Shoommuangpak and Ussahawanitchakit (2009) see audit effectiveness as “achieving audit’s objective by gathering sufficient and appropriate audit evidence in order to express reasonable opinion regarding the financial statements compliance with generally accepted accounting principles”. Internal Audit’s ability to produce insightful audit findings and recommendations helps increase management attention to its recommendations. Efficient internal audit capabilities improve organizational productivity.

IA effectiveness is the extent to which specified objectives, including quality, are achieved (Institute of Internal Auditors). Therefore, if a program achieves the goals for which it is designed, the program can be considered effective and IA should be able to achieve the goals and objectives set by management to improve organizational performance. For a long time, auditor independence was considered a primary

motivation for the audit function. Independence is defined in her ISPPIA (Glossary). Cohen (2010), Mihret et al., and Abu-Azza (2012) all found a positive association between internal audit independence and internal audit effectiveness. The ISPPIA encourages internal auditors to update their previous internal audit knowledge in order to effectively perform their assigned duties.

Theoretical Framework

This study is based on Agency theory, The essence of the agency theory is to present the relationship between two individuals or groups of people related to organizations,. Each with different goals. The basic concept used in the agency theory is “agency relation”, the creator of which is believed to be. A. Ross (1973). This relationship is defined as an agreement (contract) according to which one or more people (referred to as the principal) engages another person (agent, contractor) to perform certain activities (services) on his behalf, delegating to him the power to make decisions (Jensen, Meckling, 1976). Initially, this theory was related to the relationship between the owners of the organization, shareholders and managers hired to act on their behalf. Then the considerations were adapted to the relations between the lower-level management and their subordinates.

In the public finance sector, depending on the scale of considerations, the role of the principal may be played by the entire society, the government, local government unit, and the role of an agent, e.g. companies of the State Treasury, organizational units performing public tasks, local government legal persons. In another approach, the role of a principal may be assigned to the bodies supervising the operation of a given entity, and the role of an agent to persons (bodies) managing this entity (e.g. commune council (principal) – head of the commune (agent); head of the commune (principal) – head of a commune organizational unit (agent). Principal agent relations also occur when one party (auditor) is obliged to act on behalf and in the interest of the other (the manager of the organization). The agency theory highlights several problems that arise in the relationship between the agent and the principal.

The first one is revealed when the goals and preferences of both parties conflict. The second problem occurs when the principal has limited ability to check the agent’s conduct or when this would be too expensive. Agency theory is a widely used framework for understanding the relationship between principals (owners) and agents (managers) in a corporate setting. It posits that there is an inherent conflict of interest between the two parties, as managers may pursue their own interests at the expense of shareholders’ wealth. This conflict of interest arises from the separation of ownership and control, which is a common feature of modern corporations. By performing these functions, internal audit can help to reduce the information asymmetry between managers and shareholders, and hold managers accountable for their actions. This can help to align the interests of managers with those of shareholders, and ultimately improve corporate performance.

EMPIRICAL REVIEW

Bouthach and Taouab (2023), empirical evidence of the main factors influencing the effectiveness of internal audit (IA) in public administration in Morocco, namely independence, competence, management support and the use of the AI function as a career opportunity. Based on a quantitative study, the research was conducted through a questionnaire survey of a sample of auditors, 43 in number, from selected public administrations with the aim of examining their perceptions of the identified factors. The results of the study show that the independence of the IA, the strengthening of their skills and the support of senior management contribute to improving the effectiveness of the IA.

Hammayo, Shittu, Bello (2022), investigated the determinants of internal audit effectiveness in Nigeria’s federal public service with reference to 28 self-accounting public sector organizations operating in the North East geo-political zone, one of six such zones recognized for political expediency. Primary data was

obtained from 139 valid responses out of 148 questionnaires administered on internal auditors of such organizations. Partial least square SEM technique of multiple regressions was employed for data analysis. The finding of this study revealed that the quality of internal audit work; competence; and management support were most dominant with positive significant contribution on internal audit's ability to meet its objectives while independence and information and communication technology (ICT) conversely showed negative insignificant influence.

Thu Trang et al. (2022) examined four factors affecting IA effectiveness in Vietnam, namely IA independence, IA competence, management support for IA, and quality of IA work. The AI. Through in-depth semi-structured interviews and an online-administered survey, 144 respondents. The results revealed two factors (IA independence and management support) that positively influence the effectiveness of the IA, while IA competence and IA work quality did not affect the dependent variable 'IA effectiveness.

Musah, Gapketor, & Anokye (2018) examined factors that determine internal audit effectiveness among SOEs in Ghana. The study was conducted in response to various scandals among Ghanaian SOEs and the lack of empirical studies on determinants of internal audit effectiveness that can deal with these problems. The study specifically examined the respondent's perception about the impact of factors such as; competence of internal audit unit, size of internal audit unit, relation between internal and external auditors, management support for internal audit function, and independence of internal audit unit on internal audit effectiveness among SOEs in Ghana. They surveyed internal auditors, accountants and management of these sampled SOEs in Ghana. The results of the study showed that management support for internal audit function is the most significant determinants of internal audit effectiveness. The study also revealed that size of internal audit unit, competence of internal audit staff, independence of internal audit unit as well as good relationship between internal and external auditors were significant determinants of internal audit effectiveness.

Lenz, Sarens and Hoos (2017) examined the relationship between Chief Audit Executives (CAEs) and Senior Management (SM) and its relationship with internal audit (IA) effectiveness. The study revealed differences between more and less effective IA functions and offers explanations by studying organizational, personal, and interpersonal factors within the German corporate governance context. The findings showed that the pattern of interaction between CAEs and SM is a key determinant of IA effectiveness. This study highlights the danger of viewing customer satisfaction as the key measure of IA effectiveness since in practice expectations can vary significantly and as sometimes very little may be demanded. Moreover, CAEs typically adjust to expectations, upward and downward. CAEs can drive the agenda as well. When it comes to personality factors, "Finger-feeling" and swimming in the organization characterize the successful internal auditor. IA designations for CAEs were not found to be of added value. At the organizational level, the findings show that companies that are considered as "hidden champions" demand and benefit from effective IA practices.

Shamki & Alhajri (2017) examined the extent internal audit effectiveness could be influenced by selected factors namely internal audit scope, internal auditor's experience and senior management's response in the Omani public sector. Employing questionnaire including four sections with 48 questions for responds of 45 managers and 163 employees in Public Authority for Social Insurance (PASI) in the Sultanate of Oman, descriptive analysis, correlation analysis, and multiple regressions were employed to examine the relationships among the study's variables. The study found that a significant relationship between internal audit effectiveness and its scope and auditors' experience in the employees' sample while they were insignificant in the managers' sample. Finally, it is found that there is insignificant relationship between internal audit effectiveness and senior management's response. Based on the findings, an awareness has to be maximized on employees to better cooperate with internal audit staff to improve the applications of internal audit standards. Managers are well interested in organization's activities and performance

depending on the internal audit findings and observations. The board of directors has to take in its considerations the reasons of these insignificant results if the reasons are not related to the small size of the managers' sample. The study's contribution is to provide evidence regarding the influence of three mentioned factors on the internal audit effectiveness in public sector.

METHODOLOGY

A survey design was employed in this paper, the population and sample size is three hundred and forty (340) from The six (6) Para-Military Services in Nigeria. Data was gathered through primary source for the study using questionnaire. The questionnaire used for the study was carefully developed and constructed so that respondents could comprehend it at a glance. It used a five Likert Attitudinal framework to elicit responses from the target respondents, including (Strongly Agreed=5, Agreed=4, strongly Disagreed=3, Disagreed=2 and Undecided =1). The study uses simple random sampling techniques.

Model Specification

The model specification for the study was formulated using multiple regression model. The majority of the independent variables in the model have been employed often by earlier audit researchers (Mihret and Yismaw, 2007);

$$\text{Model: IAE} = \alpha + \beta_1\text{ORST} + \beta_2\text{IAQ} + \beta_3\text{AAT} + \beta_4\text{MS} + \varepsilon \dots\dots\dots 1$$

Model of (Cohen & Sayag, 2010):

$$\text{AQ} = \alpha + \beta_1\text{PPC} + \beta_2\text{QAW} + \beta_3\text{ORIND} + \beta_4\text{CAD} + \beta_5\text{MS} + \varepsilon \dots\dots\dots 2$$

$$\text{AE} = \alpha + \beta_1\text{PPC} + \beta_2\text{QAW} + \beta_3\text{ORIND} + \beta_4\text{CAD} + \beta_5\text{MS} + \varepsilon \dots\dots\dots 3$$

$$\text{AC} = \alpha + \beta_1\text{PPC} + \beta_2\text{QAW} + \beta_3\text{ORIND} + \beta_4\text{CAD} + \beta_5\text{MS} + \varepsilon \dots\dots\dots 4$$

The functional form of the model specified for this study and modified is given as:

$$\text{IAE} = \alpha + \beta_1\text{MS} + \beta_2\text{IND} + \beta_3\text{PPC} + \beta_4\text{IAQ} + \beta_5\text{OS} + \beta_6\text{SIW} + \varepsilon \dots\dots\dots 5$$

Where:

IAE: Internal Audit Effectiveness

MS: Management Support

IAQ: Internal Audit Quality

IND: Independency of Internal Staff

PPC: Professional Proficiency and Competence

OS: Organizational Setting

SIW: Scope of Internal Audit Work

€: error term of the model

β (1-6) parameters or coefficients of explanatory variables to be estimated

α : Intercept of the regression line

Data collected was diagnosed for normality test using Shapiro Wilk Test. Also, the data were analyzed using descriptive statistics, correlation matrix. Regression analysis was carried out to determine the relationship between determinants and internal audit effectiveness and its level of significant using multiple regression analysis.

RESULT AND DISCUSSION OF THE STUDY

Correlation Matrix

Table 1: Correlations Results

	IAE	MS	IAQ	IND
IAE	1.000			
MS	0.419*	1.000		
IAQ	0.337*	0.509	1.000	
IND	0.391*	0.506	0.506	1.000
PPC	0.346*	0.513	0.474	0.467
OS	0.467*	0.492	0.433	0.414
SIAW	0.570*	0.419	0.349	0.427

Source: SPSS Output * Significant

There is a positive and significant relationship between the independent and dependent variables. While the correlation indices of other independent variables are lower with 0.337, 0.391 and 0.346. The level of management support, organizational setting and the internal audit activity has the highest correlations of 0.419, 0.467 and 0.570 respectively. Additionally, there is a significant positive relationship between the independent variables. This implies that management support through capacity building; welfare improvement and ICT training improve internal audit effectiveness.

Organizational setting such as office arrangement, office condition, bureaucracy and availability of individuals' procedure affect internal audit effectiveness. Internal audit quality such as experience auditors, qualitative report, adequate staffing, good ICT equipments and training improve internal audit effectiveness. Independency of audit staff, that is, no hindrances or interference on their duties of the internal audit work therefore increases the internal audit effectiveness. Professional proficiency and competence in ICT training, professionalism and regular training on latest Accounting technique improve internal audit effectiveness.

Scope of Internal audit work such as strengthening of internal controls, enhance efficiency, improve IT security, verified accuracy and integrity of financial statements, minimize risk and ensured compliance improve the internal audit effectiveness.

Table 2: Coefficients

	Unstandardized		Standardized		T	Sig.
	Coefficients		Coefficients			
	P	Std. Error	P			
(Constant)	1.814	1.375			1.320	.188

IAQ	.142	.070	.125	2.020	.044
IND	.037	.067	.033	.557	.578
PPC	.098	.068	.086	1.442	.151
OS	-.055	.068	-.051	-.817	.415
SIAW	.231	.077	.189	3.019	.003
MS	.437	.062	.398	7.009	.000

a. Dependent Variable: IAE

The general form of the equation to predict the dependent variable from the independent variables was demonstrated by the unstandardized coefficients. $IAE = 1.814 + (0.142 \times IAQ) + (0.037 \times IND) + (0.098 \times PPC) - (0.055 \times OS) + (0.231 \times SIAW) + (0.437 \times MS)$. When all other independent variables are held constant, this shows how IAE fluctuates with independent variable. As a result, each of the independent factors increases, the dependent variable must also grow. The effectiveness of internal audits, however, decreases as corporate settings grow. The standardized coefficients also showed how much each independent variable contributed to the dependent variable. When the variance explained by all other variables in the model is controlled for, the results showed that management supports ($P = 0.437$), scope of internal audit work ($p = 0.231$), and internal audit quality ($P = 0.142$) made the top variables that make the strongest unique contribution to explain the dependent variable. These were followed by organizational context ($p = -0.055$), internal staff independence ($P = 0.037$), and professional proficiency and competency ($P = 0.098$).

Furthermore, Table 2 showed the statistical significance contribution of each of the independent variables to the equation. Management supports, scope of internal audit work, and internal audit quality made unique, and statistically significant contributions to the prediction of internal audit effectiveness. Contributions of other independent variables – professional proficiency and competency, organizational setting, and independency of internal staff – are not statistically significant.

Internal audit effectiveness was typically predicted by multiple regression using management support, internal audit quality, internal staff independence, professional proficiency and competency, organizational setting, and scope of internal audit work. These variables are statistically significant to internal audit effectiveness at $F(6, 276) = 30.035$, $p < 0.05$, $R^2 = .395$. Three of the independent variables added statistically significantly to the prediction, $p < .05$ while three did not.

Table 3: Model Summary

R	R ²	Adjusted R ²	Std. Error of the Estimate	Durbin- Watson
.629 a	.395	.382	2.77811	2.00

1. Predictors: (Constant), MS, IAQ, IND, PPC, OS, SIAW
2. Dependent Variable: IAE

The multiple correlations co-efficient R that measures the accuracy of the prediction of the dependent variable, was 0.629 according to the model summary shown on Table 3. This demonstrated a high degree of prediction. Additionally, the internal audit quality, organizational environment, and scope of the internal audit activity were independent variables that explained 0.395 of the variation in the dependent variable,

internal audit effectiveness, according to the coefficient of determination, R^2 , value of 0.395. However, the adjusted R^2 value is 0.382, meaning that the model explains about 38.2% of the variation in internal audit effectiveness, even after accounting for the number of predictors in the model. Additionally, the Durbin-Watson score is 2.00, indicating that no autocorrelation was found in the sample.

Table 4: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1390.841	7	231.807	30.035	.000 b
Residual	2130.134s	276	7.718		
Total	3520.975	283			

1. Dependent Variable: IAE
2. Predictors: (Constant), SIAW, MS, OS, PPC, IND, IAQ

The F-ratio in the ANOVA result presented on table 4 concerned with the overall regression model's good-fit. The F-statistics as presented in the table is 30.035 which is significant at 1% because the p-value is less than 1% level of significance i.e $0.000 < 0.01$. This shows that the model is well fitted as seen from the ANOVA table.

H_{01} : Internal audit quality has no significance effect on internal audit effectiveness in Nigerian Paramilitary services.

From the result of analysis in Table 2 above, the Pearson correlation index between internal audit quality and internal audit effectiveness showed 0.337 at significance level of 0.05 (1-tail). Similarly, the regression results revealed that internal audit quality with “ β ” and “sig” values of 0.125, and 0.044 respectively. Hence, internal audit quality has statistical significant impact on internal audit effectiveness of Nigerian Paramilitary services. However, internal audit quality in paramilitaries stems from the fact that it establishes the truth, integrity and reliability of operational and financial information for decision-making at all levels of governance and therefore improves the internal audit effectiveness.

H_{02} : Independence of audit staff has no significance effect on internal audit effectiveness in Nigerian Paramilitary services.

From the result of analysis in Table 2 above, the Pearson correlation index between Independency of audit staff and internal audit effectiveness showed 0.391 at significance level of 0.05 (1-tail). Similarly, the regression results revealed that Independency of audit staff with “ β ” and “sig” values of 0.037, and 0.578 respectively. This indicates that the variable has a positive effect and it is statistically insignificant at 5% because the p-value is greater than 0.01. Hence we accept the null hypothesis and accept that independency of audit staff has on impact on internal audit effectiveness of Nigerian Paramilitary services.

H_{03} : The professional proficiency and competence has no significance effect on internal audit effectiveness in Nigerian Paramilitary services.

From the result of analysis in Table 2 above, the Pearson correlation index between Professional proficiency and competence of audit staff and internal audit effectiveness showed 0.346 at significance level of 0.05 (1-tail). Similarly, the regression results revealed that Professional proficiency and competence of audit staff with “ β ” and “sig” values of 0.086, and 0.151 respectively. This indicates that the variable has a positive effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. Hence we reject the alternate hypothesis and accept that professional proficiency and competence of audit staff has no impact on

internal audit effectiveness of Nigerian Paramilitary services.

H₀₄: Organizational setting has no significance effect on internal audit effectiveness in Nigerian Paramilitary services.

From the result of analysis in Table 2 above, the Pearson correlation index between Organizational setting and internal audit effectiveness showed 0.467 at significance level of 0.05 (1-tail). Similarly, the regression results revealed that Organizational setting with “ β ” and “sig” values of -0.051, and 0.415 respectively. This indicates that the variable has a negative effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. Hence we accept the null hypothesis. However, organizational setting such as office arrangement, office condition, bureaucracy and availability of office procedure has no impact on internal audit effectiveness in Nigerian Paramilitary services.

H₀₅: The scope of an internal audit’s work has no significance effect on internal audit effectiveness in Nigerian Paramilitary services.

From the result of analysis in Table 2 above, the Pearson correlation index between Scope of internal audit work and internal audit effectiveness showed 0.570 at significance level of 0.05 (1-tail). Similarly, the regression results revealed that internal audit quality with “ β ” and “sig” values of 0.189, and 0.003 respectively. This indicates that the variable has a positive effect and it is statistically significant at 5% because the p-value is less than 0.05. Hence we reject the null hypothesis and accept that scope of internal audit work has impact on internal audit effectiveness of Nigerian Paramilitaries services.

H₀₆: Management support has no significance effect on internal audit effectiveness in Nigerian Paramilitary services.

From the result of analysis in Table 2 above, the Pearson correlation index between management support and internal audit effectiveness showed 0.419 at significance level of 0.05 (1-tail). Similarly, the regression results revealed that management support with “ β ” and “sig” values of 0.398, and 0.000 respectively. Hence, management support has statistical significance impact on internal audit effectiveness of Nigerian Paramilitary services.

DISCUSSION OF FINDINGS

The regression results revealed that internal audit quality with “ β ” and “sig” values of 0.125, and 0.044 respectively. Hence, internal audit quality has statistical significant impact on internal audit effectiveness of Nigerian Paramilitary services, it also shows that Independency of audit staff with “ β ” and “sig” values of 0.037, and 0.578 respectively. This indicates that the variable has a positive effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. Hence independency of audit staff has no impact on internal audit effectiveness of Nigerian Paramilitary services, the results also revealed that Professional proficiency and competence of audit staff with “ β ” and “sig” values of 0.086, and 0.151 respectively. This indicates that the variable has a positive effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. Hence professional proficiency and competence of audit staff has no impact on internal audit effectiveness of Nigerian Paramilitary services.

Organizational setting with “ β ” and “sig” values of -0.051, and 0.415 respectively. This indicates that the variable has a negative effect and it is statistically insignificant at 5% because the p-value is greater than 0.05. Hence, organizational setting has no impact on internal audit effectiveness in Nigerian Paramilitary services. The regression results revealed that internal audit quality with “ β ” and “sig” values of 0.189, and 0.003 respectively. This indicates that the variable has a positive effect and it is statistically significant at 5% because the p-value is less than 0.05. Hence, scope of internal audit work has impact on internal audit

effectiveness of Nigerian Paramilitaries services and the results revealed that management support with “ β ” and “sig” values of 0.398, and 0.000 respectively. Hence, management support has statistical significance impact on internal audit effectiveness of Nigerian Paramilitary services.

Internal audit quality such as experience auditors, qualitative report, adequate staffing, good ICT equipments and training improve internal audit effectiveness in the Nigerian Paramilitary agencies. It is in line with the evidence of Cohen & Sayag, (2010) who gave clear evidence that independently, objectively and competently carried out internal audit leads to internal audit quality, ultimately ensuring that the Internal Audit objectives are met and that the Internal Audit work was carried out efficiently for improved compliance and continuous improvement. This research confirms that competent auditors are able to deliver quality audits, which is consistent with the findings of Fadzil et al. (2005), Alzeban and Gwill Internal Auditm (2014) and Hunziker (2015) that the improved competencies of auditors coupled with experience (Nudiono & Gamayuni, 2018) can lead to quality audit work.

The findings are also aligned with the code of ethics of Internal Audit, emphasizing the need for competence, whereas internal audit standards clearly state that independence, objectivity and competency are crucial factors that have a strong bearing on quality audit work (IIA, 2016). The internal audit activity should be independent, objective, and its services should strive to add value and improve an organization’s operations on course towards accomplishing its objectives. The result findings revealed that the Nigerian paramilitary internal audit staff are independent in the sector and that there is no hindrances or interference on their duties as such increase the internal audit effectiveness. The outcome demonstrates a slight but positive correlation between the audit staffs independence and the effectiveness of the internal audit program for the Nigerian paramilitaries. These findings only indicate that the Nigeria Paramilitaries’ internal audit effectiveness increases with the number of independent audit staff. This is in line with the examination of Tahajuddin and Kertali (2018) who examine the impact of internal audit independence and objectivity on effectiveness in the context of Malaysia. A quantitative approach (IIAM) was used based on a questionnaire sent to internal auditors who are members of the Malaysian Institute of Internal Auditors. A total of 119 valid responses were collected. Data were analyzed and described using Smart 3 and structural equation modeling (SEM) methods.

The results show that internal audit effectiveness is positively impacted by internal audit independence. Also, the results counter the findings of Ofori and Lu (2018) who found that internal audit is focusing more on detecting errors and fraud, and on complying with rules and regulations. Risk management and project evaluation are rarely considered in the context of internal audit. Public sector internal auditors lack the necessary independence to carry out their duties. MDA’s internal audit department is overworked and understaffed. The results from the analysis revealed that internal auditors in Nigeria paramilitary agencies have professional proficiency and competence in ICT training; professionalism and regular training on latest accounting technique which improve the internal audit effectiveness. The regression analysis shows that professional competence and proficiency have favorable effects on the Nigeria Paramilitary Service’s internal audit effectiveness and are significant at all levels. These findings imply that improving internal audit staff qualifications will boost the efficacy of Nigeria’s paramilitary services. This is in line with a related study by Hutchinson & Zain (2009) who investigated the relationship between internal audit function competency characteristics of experience and qualification and organization performance in Malaysia. The study established the existence of a pronounced relationship between qualification of internal auditors and firm performance (Hutchinson & Zain, 2009).

Nigeria paramilitary services have unfavorable organizational setting such as office arrangement, office condition, bureaucracy and availability of office procedure which affect the internal audit effectiveness. This merely means that a more effective organizational environment will cause the Nigerian Paramilitary’s internal audit effectiveness to decline. The organizational setting of every institution should allow the

internal auditors to perform their duties without any hindrance. Also, the finding was disagreed with the research carried out by Mihret and Yismaw (2007) who examined how internal audit quality, management support, organizational setting, attributes, and the interplay among these factors, influence internal audit effectiveness. The findings of the study highlight that internal audit effectiveness is strongly influenced by internal audit quality and management support, whereas organizational setting do not have a strong impact on audit effectiveness.

The scope of internal audit work strengthens internal controls, enhances efficiency, improves IT security, verifies the accuracy and integrity of financial statements, minimize risk and ensures compliance improve internal audit effectiveness of Nigeria paramilitary agencies . This means that broadening the scope of internal audit activities will boost the Paramilitaries efficiency in Nigeria.

The study set out to ascertain whether Management Support has some impact on Internal Audit Effectiveness. From the results obtained revealed that management support through capacity building; welfare improvement and ICT training improve internal audit effectiveness. The result of the regression analysis shows managerial support had a significant positive impact on the effectiveness of Nigeria's paramilitary services' internal audits. As a result, the internal audit of the Nigerian paramilitary services would be more transparent as management support increases. This result is in line with the revelation of Nedal (2013) who revealed that the Internal Audit Department suffer due to less support from Senior Management. If internal audit issues reports which are critical of certain part of the organization and management takes no action for political reasons, this would only serve to undermine the internal audit function and reduces its effectiveness.

According to Mihret and Yismaw (2007) management's failure to implement recommendations of internal audit has far reaching implications on the auditor's attitude towards improving audit quality, their commitment to develop a career as internal auditors. The findings also echo the view of Yismaw and Mihret (2007) that the absence of management support undesirably affects IA effectiveness and performance as it hampers the audit process due to the lack of commitment and priority by the top management. However, Christopher, Sarens and Leung (2009) warn that independence and objectivity can be threatened when the management is strongly involved in developing the IA plan and suggested that the CAE and the IA committee should monitor the impact of top management inputs so as to ensure that it does not affect the independence and objectivity of IA. Top management support and commitment set essential precedents for all constituent members of a company to take the audit process seriously to ensure that the audit process is carried out independently and critically. Apart from ensuring that the audit team receives adequate resources to carry out IA, management support also means that all the auditors are continuously trained and developed so that they will have the required competencies to undertake the audit process (Cohen & Sayang, 2010), the lack of which has been proven to negatively affect internal auditing (Ahmed et al., 2009).

CONCLUSION AND RECOMMENDATION

Based on the findings from the analysis, the study has demonstrated that internal audit quality, professional expertise and competency, and audit staff independence have favorable but minor effects. Additionally, organizational settings have a minor but detrimental effect on the quality of internal audits. Internal audit effectiveness and significance at 1% are also positively impacted by management support and the scope of the audit's activity. As a result, it is determined that management support and the scope of the audit work are the key factors affecting the performance of Nigerian Paramilitaries Agency's internal audit. For this study, the following suggestions were taken into account:

- i. Internal audit quality should be improve by the management of Nigeria Paramilitary services in Nigeria so as
- ii. Internal audit staff should be fully independent in order to have unbiased internal audit report

- iii. Paramilitary agencies should employed more qualified chartered accountant in the internal audit department in order to have more transparent and unbiased internal audit report.
- iv. Government and agencies involved should implement policies and procedures against which organizational settings are to be gauged. The policies and procedures should be well-understood by the management staff so as to allow the setting of the organization to be effective.
- v. The Scope of audit work should be widened to cover different Unit of the paramilitary because these will result to effectiveness in internal audit process.
- vi. Management support should be given to the internal audit department of paramilitary, in order to have effective and reliable internal audit report. Suggestions for further research, the researcher did not include Nigeria Police Force and its supervising ministry and the Nigeria Military in the case study in terms of internal audit effectiveness. Also, future researcher should examine determinants of internal audit effectiveness in the Nigeria military and police force.

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