

Indicators of the effectiveness of the internal audit function within public organizations

Khaoula LEBKHACHI

Laboratoire de recherche Management, Stratégie et Gouvernance (MASRAG), École Nationale de Commerce et de Gestion, Université Abdelmalek Essaâdi, Tanger, Maroc.

Abdeslam CHRAIBI

Laboratoire de recherche Management, Stratégie et Gouvernance (MASRAG), École Nationale de Commerce et de Gestion, Université Abdelmalek Essaâdi, Tanger, Maroc.

Abstract. Until today, the internal audit function continues to forge its place and importance within organizations regardless of the sector or area of their activities, internal auditors help public entities achieve their strategic objectives and maintain compliance with relevant regulations. This paper examines the effectiveness of the internal audit function and its critical role within public organizations, as a pivotal function in ensuring transparency, accountability, and operational efficiency. In order to achieve its goals of providing independent evaluations of risk management, control, and governance processes, this study explores the various factors influencing the effectiveness of internal audit function, such as the internal audit function and the auditors independence, the Internal auditors' competence, the quality of the internal audit process and the support degree from general management and the audit committee. Based on a focus on theoretical approaches, a proposal of the theoretical model is presented.

Keywords: *Internal audit ; Factors of internal audit effectiveness; NPM; Public organization.*

1. Introduction

In recent years, internal audit function has evolved significantly and proved its contributions in terms of governance and performance within the public sector. As it was officially defined by the IIA (The Institute of internal auditors) in 1999 and adopted after by the IFACI: "*Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes*".

Therefore, Once the implementation of the internal audit function is successful, building it to be effective is another challenge that must be overcome. (Ed-douadi safae & Bakour chafik 2020), as a result, it is important to examine the extent to which internal audit is functioning effectively as originally intended (Alzeban & Gwilliam, 2014; Davidson, 1991), furthermore for its several contributions in the organizations, Radu (2012) suggested that effective internal audit helps top management fulfill its governance responsibilities and that good governance in turn helps align stakeholder interests and increase firm performance.

Consequently, the concept of internal audit effectiveness has been the subject of particular attention in the literature and has been defined differently by different authors and researchers. The introduction of the results-based approach and its success in public administrations remain dependent on the effectiveness and relevance of the internal audit system (Tremblay and Malsch, 2012), which guarantees the quality of information and the accountability of decision-makers.

In this regard, effectiveness can generally be defined as the ability to achieve results consistent with the objectives, and the internal audit effectiveness is the extent to which an internal audit service meets or achieves its purposes, (Mihret & Yismaw, 2007), or as (Dittenhofer, 2001)

points out in different terms, "the achievement of the internal audit process occurs when internal audit functions in a way that accomplishes the task described by the internal audit objective";

The interest of this article is to focus on the effectiveness of the internal audit function in the specific sector of public organizations from where it draws its originality, to the extent that, certainly, the internal audit function has proved its usefulness and its contributions in organizations of any sector, but this time the focus is on public entities, consequently, it is necessary to ensure that this function is able to achieve its objectives of improving the functioning of public organizations, which leads to the satisfaction of the stakeholders by also presenting to them the evidence of legitimacy of the internal audit function, which is important for its continuity in the public organizations; by presenting a proposal of the research model that can be used in other future studies. In this context, the purpose of this paper is to study the adoption of internal audit practices in public organizations and the factors that ensure and guarantee its effectiveness, by theoretically examining the following problematic question: What are the indicators of the internal audit effectiveness in public organizations?

In the perspective of this research, we will focus first on the theoretical foundations of the internal audit adoption in the public sector, and its effectiveness, with emphasis on the neo-institutional theory, the agency theory, the stakeholder theory, the strategic actor theory and the communication theory. In the second part, will focus on the literature review of the effectiveness factors of the internal audit function which are mainly: The independence of the internal audit, the competence of internal auditors, the quality of the internal audit process and the support of the general management and the audit committee. To finish with the presentation of a proposal of research model of research

2. The effectiveness of internal audit practices in public organizations : Theoretical underpinnings

In the public sector, internal audit practices differ from those in the private sector due to the specific issues and complexity of the missions carried out. In this context, public organizations are expected to use public funds and ensure the transparency, effectiveness and efficiency of their operations. In this regard, within the framework of the new public management, internal audit, by evaluating the processes of internal controls, governance and risks, makes an essential contribution (Lalj & Lotfi, 2024).

a. The adoption of internal audit practices in public organizations

Public organizations have attracted increasing interest in adapting to changes in the environment and contributing to improving the work and performance of these entities. Thus, and in order to resolve the failures characterizing this environment; management methods, used in the private sector, have been transmitted to the public sector, which is considered rigid and costly, thus contributing to the emergence of "new public management" (NPM), which aims to modernize organizations intended for public service. (Bensaoula et al., 2023). In addition to NPM, several theoretical approaches have been mobilized to promote the adoption of internal audit practices, namely: transaction cost theory, agency theory, stakeholder theory and signal theory. Table 1 summarizes the contributions of these theories about the adoption of the internal audit function within public organizations.

Table 1: Theoretical approaches

Theories	Contributions
New public management (NPM)	<p>The audit function occupies a primordial place in the reform program initiated by the NPM: the internal audit proposes a new form of control, and participates in the establishment of a new culture oriented towards the measurement of performance results Gendron, Y, Cooper and Townley (2001); Pallot, (2003); Morin (2014);</p> <p>On the managerial level, the adoption of the principles resulting from NPM requires setting up an internal control and audit system. (Otman AZZARRAD & Khalid FIKRI, 2018);</p>
Transaction cost theory	<p>Transaction cost theory provides a relevant conceptual framework for understanding how internal audit works as an internal control mechanism aimed at reducing costs associated with internal transactions and improving organizational governance (Williamson, 1985).</p> <p>Williamson (1985) pointed out that internal audit can serve as a mechanism for reducing transaction costs by improving monitoring of internal activities, reducing uncertainties and enhancing trust among stakeholders;</p> <p>Internal auditors, by assessing compliance with internal policies and procedures, identifying operational risks, and providing recommendations for process improvement, help mitigate agency problems inherent in transaction costs. (Lalj, A., & Lotfi, M, 2024).</p>
Agency theory	<p>following the many developments in corporate governance, the internal audit function appears to be a mechanism for reducing the information asymmetry between the board of directors and management when it is attached to the audit committee, part of the administrative body; (ADDAHBI I. & all, 2020);</p>
Stakeholder theory	<p>Internal auditing plays a crucial role in helping the organization identify and manage its stakeholders and their expectations. Internal auditors not only evaluate management practices, but they also examine how the organization manages its relationships with stakeholders. (Lalj, A., & Lotfi, M, 2024).</p>
Signal theory	<p>The proponents of this theory, Diamond and Verrecchia (1991), consider that the audit function contributes to improving the liquidity of organizations and reducing the cost of capital.</p> <p>Signal theory emphasizes that internal audit is considered as a signal informing about the credibility of the information recorded in the financial statements. (Charbel Tarabay, 2016)</p>

Source: Authors

From the above, Internal audit function, through risk analysis, completes the analysis of management control results. It also represents a complementary tool in the process of improving the effectiveness, efficiency and quality of public action (Hervé Boullanger, 2013). However, in comparison to private sector, the internal audit credibility within public administrations, is

much more sensitive because of the various stakeholders existing in the public entities. (Montondon and Fischer, 1999).

b. Effectiveness of the internal audit function within public organizations

A theoretical framework will be presented, which will allow us to understand that the effectiveness of internal auditing in the public sector can be explained by the following four theories:

i. Neo-institutional theory

Neo-institutional theory is used to understand how organizations are influenced by rules, standards and good practices implemented in their environment. Following the founding work of Meyer and Rowan in 1977, it remains the most widely used in work on the effectiveness of internal auditing, both in the private and public sectors. (Max & al., 2019).

Using a neo-institutional perspective, we can better understand how the processes of institutionalization of internal audit take place in public companies that are linked to each other by institutionalized rules and norms and that their reciprocal relations present forms of dependence that lead some organizations to be influenced by others. In their fundamental work (DiMaggio & Powell, 1983) focus the attention of researchers on the convergence of organizational practices and symbolic structures between organizational fields. They identify three mechanisms by which convergence occurs when organizations seek to become isomorphic with their context, namely coercive, normative and mimetic mechanisms.

- Coercive isomorphism: Resulting from formal and informal pressures placed on organizations by other organizations on which they depend and from the cultural expectations of society (DiMaggio & Powell, 1983). According to the analysis by Lenz et al. (2018), coercive force is considered a main process of change discussed in the empirical literature, implying that the effectiveness of AI is influenced by legislative and regulatory pressures
- Mimetic isomorphism: occurs when organizations copy successful models to respond to uncertainty (DiMaggio & Powell, 1983).
- Normative isomorphism: which states that internal audit results from professionalization projects (Greenwood & Meyer, 2008, cited by Safae Ed-Douadi, Chafk Bakour, 2021). Formal education and growth, as well as the development of professional networks (professional association), can be considered as sources of such isomorphism (DiMaggio & Powell, 1983).

There is Previous researches that has adopted néo-institutional theory and use it in order to explain some factors that influence the effectiveness of the internal audit function within public administrations.

ii. Agency theory

According to the study of Berle and Means, conducted in 1932, the agency theory, is based on the search for personal interest, it is based on the separation between management and ownership (Berle and Means, 1968). In this regard, we distinguish between the principal who is the owner and the agent or the manager, in an ideal context the Principal abandons his prerogatives on the direction of business and delegates his power to a professional manager who must act in the interests of the owner.

According to Jensen et Meckling, Agency relationship is defined as: « *a contract under which one or more persons (the principal(s)) engage another person (the agent) to perform some*

service on their behalf which involves delegating some decision making authority to the agent» (Jensen & Meckling, 1976).

As a result, there are three types of agency costs according to Jensen and Meckling (1976) distinguish (Boisselier et al., 2013; Mtar, 2014):

- Monitoring and incentive costs: which provide guidance for the agent's behavior,
- Obligation costs: which represent costs paid by the agent to guarantee his actions,
- Opportunity costs: which represent the difference between the result of the agent's action made for the principal and its result. Management control intervenes to control the costs of agency theory. It helps to monitor and set objectives, and it also provides the agent with tools to justify the action and the result.

In the context of our research, the agency relationship is complex in the public sector because of the existence of multiple agency relationships (Streim, 1994) instead of a shareholder-manager relationship, we have citizen, government, manager. In general, Audit function helps ensure that public resources are used correctly, the affiliation of internal audit to the organization affects significantly its objectivity. In fact, while independent external auditors provide assurance to shareholders, independent internal auditors, on the other hand, provide assurance to senior management, particularly in the public sector. (Bouthach & Taouab, 2023). In this regard, Agency theory is important for the effectiveness of the function, by providing a basis for understanding auditor independence.

iii. Stakeholder theory

It appears concretely in the work of Freeman which appeared in 1984, and which proposed to analyze the existing relationships between the company and its environment. He defined stakeholders as "any group or individual who can affect or be affected by the achievement of the company's objectives". It is a theory that goes beyond profit maximization, it aims to achieve a balance between the different actors of the organization (Oubba & Akrich, 2018).

It is based on the idea that a manager's decisions must be dependent on the interests of all stakeholders and human capital must be valued, contrary to the idea of neoclassical theory which considers that stakeholders do not all have the same position (Boisselier et al., 2013).

The process of mobilizing senior management and/or other existing structures in supporting internal auditors by also considering them as stakeholders, whose existence is essential and whose effectiveness of their missions is influenced directly or indirectly by the support of senior management. It is about gaining their support and involvement in the process of achieving the organization's objectives and improving its management. The organization's ability to obtain the support of its stakeholders (internal auditors) may depend on a number of parameters such as:

- Promoting the function, the allocation of sufficient resources for internal auditors to carry out their functions and responsibilities;
- Have an access to necessary information;
- the general tone in the organization of acceptance and appreciation of both internal audit and its auditors;
- the implementation of internal audit recommendations.

iv. The Strategic Actor Theory

The theory of the strategic actor, developed by Michel Crozier and Erhard Friedberg, assumes that to understand the actors' game, it is necessary to seek as a priority to understand how collective actions are constructed from sometimes contradictory individual behaviors and interests, and not only to link them to a set of external factors, such as the coherence of the system or environmental constraints... These two authors then propose a method that aims to analyze the functioning of the organization, by looking at the power relations that structure it and the behaviors of the actors and starting from the individual to end up with the structure. This will make it possible to identify actor strategies based on interests and resources (knowledge, expertise, status, legitimacy, etc.). Indeed, this theory proves to be relevant in the study of the effectiveness of internal auditing, to understand this interdependence between senior management and the internal auditor, but also between the internal auditor and the auditee. In order to carry out their audit work at a professional level, the internal auditors need professional training and certifications, experience, and other skills. Training programs for these auditors would increase the level of confidence in senior management and other actors within the organization towards the competence of the internal auditor. The quality and performance of the internal audit service is important for members of the organization to consider internal auditors as effective actors in the service of the organization. When senior management asks the auditees and all departments to implement the recommendations of the audit carried out by internal auditors, they need the support of senior management. (Safae Ed-Douadi & Chafk Bakour, 2021)

v. Communication theory

Effective communication between all organizational functions is necessary in any organization. Davidson (1991), confirms that all the auditors can benefit from knowledge of current communication concepts, and even those who believe themselves to be good communicators, must consciously work to assess, improve, and apply their skills. Davidson's communication theory is based on three fundamental truths about communication. They include: That it is impossible not to communicate, that communication is a multi-level phenomenon and that the message sent is not always equal to the message received. cited by (Safae Ed-Douadi & Chafk Bakour, 2021). The existence of effective communication between internal auditors themselves, internal auditors and auditees, internal auditors and members of the organization is undoubtedly necessary to enhance the effectiveness of internal audit. It is also necessary in order to include the relationship between internal auditors and auditees. However, several factors could contribute to the weakness of this relationship, such as the accusatory speaking style of internal auditors by simply looking for weaknesses of auditees... it is necessary to give meaning to the information rather than simply transmitting the message, keeping the information clear and simple to understand, asking for feedback, taking into consideration the intellectual level and the level of communication of the auditees to know how to exchange and avoid the lack of trust among internal auditors and auditees. According to Ali et al. (2013) what can create one of the main obstacles to communication is the lack of trust between senders and recipients in the communication processes. Thus, to prevent such threats, it is necessary to improve the collaboration of auditees with internal auditors.

3. Indicators of the effectiveness of the internal audit function within public organizations: A Literature revue

The concept of effectiveness has begun to receive special attention in the literature, and some researchers have argued for the need to evaluate the effectiveness of internal auditing, especially in public sector organizations, although to date, there is no common frame of reference for this field. In the context of our research, 'The effectiveness of the internal audit function requires

knowledge and determination of the goals to be achieved: objective and relevant assurance, the effectiveness and efficiency of governance, risk management and control processes'. cannot give a definitive answer on effectiveness, (Bendermacher 2016) depending on several criteria, namely, the sector, activity, the audit charter I, (IIA, 2016). Therefore, the evaluation of the effectiveness of the internal audit should not be based only on the results of the audit in relation to the planned objectives, but also on the audit process (planning, execution of reports and follow-up) and on the resources (independence and competence), in order to have an adequate measure of the effectiveness of the audit; Beckmerhagen, & al., 2004 cited by (Ahmad, & al., 2009). In addition to this, several indicators have been presented to judge the effectiveness of the internal audit function.

a. The independence of the internal audit

Internal audit independence is considered as a key factor in internal audit effectiveness (Alzeban and Gwilliam, 2014). Brierley et al. (2003) in Sudan, Mulugeta (2008) in Ethiopia and Ahmed & al. (2009) highlight the lack of independence of the internal audit function and raise concerns about how this lack of independence affects the effectiveness of internal audit (Mouzoun and Elmezouari, 2018). Moreover, Clark & al. (1981) found that the independence of the internal audit department and the level of authority to which internal audit staff reported were the two most important criteria influencing the objectivity of their work;

Furthermore, the results of the study carried out by Ahmad, & al. (2009) highlighted some problems that are generally encountered by the FAI, among others, the non-respect of independence. As described by Chapman (2001), Within the organization, independence means that the internal audit department is positioned at a level that allows auditors to carry out their work freely and without any influence.

Independence remains an essential value. It is affirmed by the attachment to the general management. This independence is also manifested by the development of relations with audit committees. The IIA international survey reveals that the internal audit/audit committee relationship is increasingly fruitful, particularly in North America, Europe and Asia/Pacific. (Azegagh J. & Kerfali S. 2020).

As a result, and as it was presented by the (IIA, 2020), Internal audit must remain independent of management to preserve its objectivity, authority and credibility. In this sense, it must be directly attached to the governing body, has full access to the human, material and information resources necessary to carry out its functions, and plan and provide its services with complete freedom and impartiality. Internal audit and management must maintain a regular dialogue to ensure that the work of internal audit is relevant and in line with the strategic and operational needs of the organization. Through all its activities, internal audit learns to know and understand the organization in depth, thus improving the quality of the assurance and advice it provides as a strategic partner and trusted advisor. It is essential that the front- and second-line roles of management and internal audit collaborate and communicate to avoid duplication, overlap and gaps (IIA, 2020).

b. Internal auditors' competence

The internal audit standards provide that the internal audit function must have or acquire the necessary skills to properly carry out its missions. This standard focuses on the importance of internal auditors having the technical and behavioral skills to be able to provide added value to their institutions.

Internal audit department competence is one of the most commonly studied factors in the existing literature (Turetken and Ozkan 2019). Internal auditors claim to be independent,

objective and competent professionals who evaluate the internal control system, the risk management and governance system. To do this, internal audit staff must be experienced. Some auditors' behaviors can compromise the quality and effectiveness of the internal audit. Negative auditee behaviors often originated from the auditee's perception of the auditor and his reluctance to control, which can be interpreted in light of the theory of psychological reactance of Brehm (1966), which explains that the individual reacts negatively to any restriction on his freedom and therefore to control. Communication and influencing skills are essential to ensure that important recommendations are implemented in a timely manner. Understanding and support must be ensured by audit clients and other stakeholders as they seek to transform improvement opportunities into concrete actions, to prevent things from going wrong, to fix what is broken or to improve and perfect what is good (Mouzoun and Elmezuari, 2018). In addition, A good internal audit manager does not hide and is not afraid to show himself and take a position on thorny issues. He uses his skills of persuasion, negotiation and non-violent communication to obtain the support of the various stakeholders Mouzoun and Elmezuari, (2018). Based on the results obtained from the study carried out at the level of 5 Moroccan public establishments and enterprises, (Mouzoun, 2018) notes that staffing, remuneration, training, modern internal audit, corporate governance, professional qualifications and a general recognition that the internal audit function has a lot to offer senior management if it is properly supported, are to be respected if we want to progress progressively compared to the current state of internal audit in Morocco. The importance of auditors' professional experience, training, education level and professional qualifications to conduct any type of audit requested (AlTwaijri, Brierley and Gwilliam 2003) are criteria that improve the internal audit effectiveness. In the same order of ideas, Albrecht et al., 1988, Ratliff 1996). Nanni (1984) found that auditor experience had a positive effect on internal control assessments.

c. The quality of the internal audit process

Omar *et al.*, 2007 explained that in the public sector, the concept of internal audit effectiveness focuses on the outcome or impact of a program or activity delivered to the public. A program would be effective if its outcome achieved its objectives. Evaluation of the audit process (planning, reporting and follow-up) is essential to assess the effectiveness of the FAI. (Beckmerhagen *et al.*, 2004 cited by (Ahmad *et al.*, 2009)) For internal auditing to be a value-added activity, it is important that internal auditors comply with the Standards for the Professional Practice of Internal Auditing (SPPIA) (Ridley, 1993; Crockett & Albin, 1995; Montondon, 1995; Ridley & Chambers, 1998; Moeller & Witt, 1999). Other studies have focused on output measures (Cohen & Sayag, 2010; Mihret & Yismaw, 2007). This approach aimed to measure the function's ability to satisfy the needs of its customers, such as senior management and the audit committee. In the UK, Ridley and D'Silva (1997) identified the importance of compliance with professional standards as the main factor contributing to the added value of the internal audit function. Ziegenfuss (2000) emphasized that the extent to which internal audit recommendations are implemented is the most appropriate measure to assess the effectiveness of IA.

d. Support from general management and the audit committee

Internal audit effectiveness is driven most by stakeholder and top management support and backing, all other determinants of AI effectiveness stem from top management support (Alzeban & Gwilliam, 2014; Cohen & Sayag, 2010). Lenz (2013) emphasizes the internal audit-directors relationship and shows that there can be "moments of truth" when senior management and the internal audit responsible interact, moments that can determine whether this responsible succeeds or fails in establishing an effective internal audit function. Thus, internal audit responsible who interact frequently and in a timely manner with senior management, using

problem-solving communication, help and promote internal audit effectiveness, especially when the communication is supported by shared goals, knowledge, and mutual respect. Geis (2010) in turn looked at the subject of support from the management's perspective of internal audit assessment by management, studying the German context to conclude that ultimately the most important thing is the service provided to "audit clients" and the satisfaction of their expectations. In the same context, Sarens and De Beelde (2006) study the relationship between internal audit and top management, concluding that the acceptance and appreciation of internal audit within a company depends on the support of top management. Among the indicators of such support, the study by Sarens and De Beelde (2006) refers, among others, to open and direct communication, planning of internal audit, approval of resources and support for the implementation of recommendations. For Ahmad *et al.* (2009) and Mihret & Yismaw (2007) management support is considered as the second most important factor impacting the internal audit effectiveness after the quality of internal audit. The attribute of the auditee, cooperation and the relationship between auditors and auditees was also considered a factor impacting internal audit effectiveness for these two authors, but which remains at low incidence. Furthermore, Goodwin and Yeo, 2001 argue that "the independence and objectivity of the internal audit function is fostered by a direct and frequent working relationship between the Board and the internal audit function". The authors consider that problems related to staff shortages, or others can be overcome if there is strong support from top management, as they are responsible for facilitating the day-to-day operations of the internal audit function. (Ahmad *et al.*, 2009; Alzeban & Gwilliam, 2014; Cohen & Sayag, 2010; Mihret & Yismaw, 2007). Brierley *et al.* (2001) suggest that internal audit should be linked to the highest level of the organization to ensure that corrective action is taken by implementing internal audit recommendations.

4. Model of the research: A proposition

According to what is put forward, among the factors enabling the internal audit effectiveness are focused on the indicators grouped in Table 2.

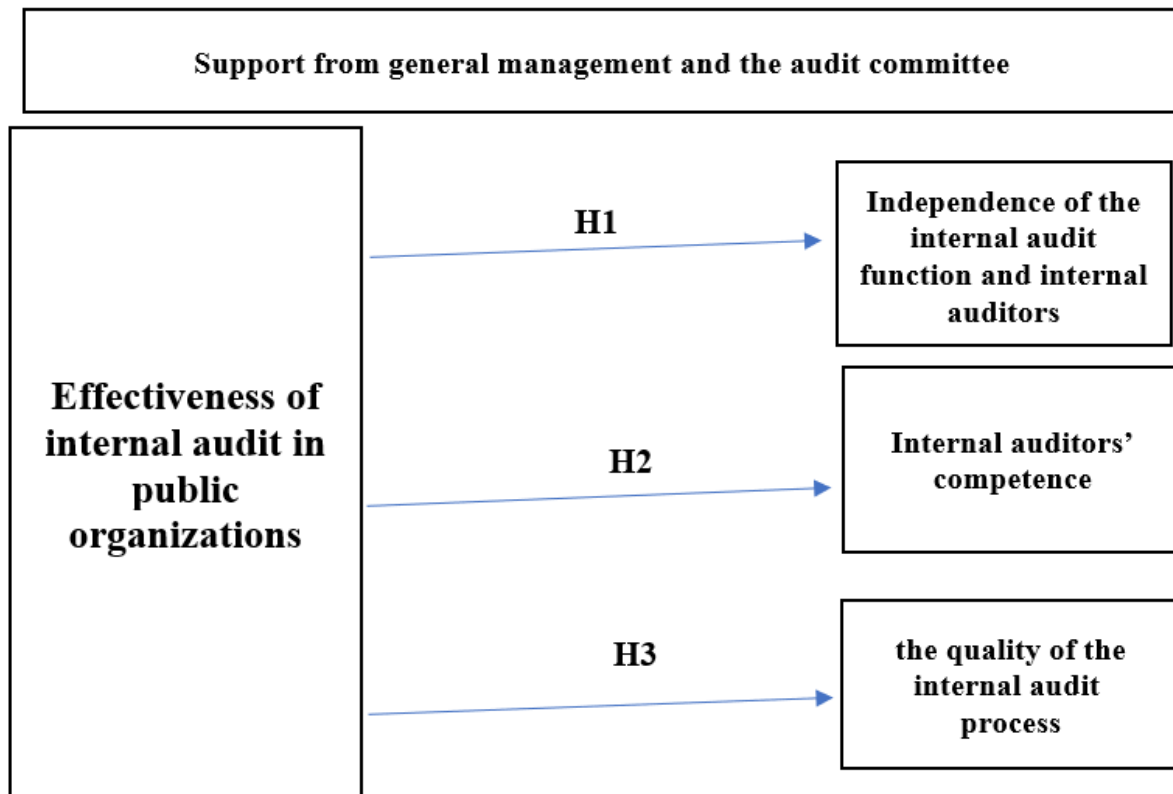
Table 2: Determinants of indicators of the internal audit function effectiveness

Indicators	Determinants
Independence of the internal audit function and internal auditors	-A hierarchical attachment to the General Manager -A functional attachment to the Board of Directors/Audit Committee.
	-An open and direct communication, in AI planning, resource approval and support for implementation of recommendations; as well as problem-solving communication.
	- A direct and frequent working relationship between the BD and the FAI through the AC
Internal auditors' competence	-Technical and behavioral skills -Communication and influence skills
	-Good practices in training internal audit teams
	-Motivation, remuneration, training
the quality of the internal audit process	- The adequacy between the frequency of missions and the activity or process to be audited, - Multi-year planning and thus guarantee coverage of all risk areas
	-Compliance with standards or ability to execute the internal audit plan
	-The function's ability to meet the needs of stakeholders (CEO, board of directors)
	-The extent to which internal audit recommendations are implemented
Support from general management and the audit committee	-Promotion of the internal audit function,
	-Privileged access to the audit committee, combined with transparent exchanges
	-Sufficient operating resources
	-Financing of internal audit activities and sufficient operating resources

Source: Authors

Based on the table presented above and the different theoretical approaches, the following synthetic model is presented:

Figure 1: Research Model



Source: Authors

As a result, the indicator of support from general management and the audit committee influences and acts on all other indicators, thereby representing a moderating variable acting on the relationship between the two variables, namely the dependent variable: the effectiveness of internal auditing and the three independent variables, by principally financing of internal audit activities and promoting it.

This relationship could be examined based on the three specified hypotheses:

H1: The independence of internal audit and internal auditors affects positively the effectiveness of internal audit

The independence of the internal audit function from other entities requires a hierarchical attachment to the general management, and functional attachment to the audit committee, this will allow the internal audit function to have a promotion guaranteeing on the one hand, access to the documentation necessary to carry out its missions, and on the other hand by the application of the recommendations which present the fruits of the internal audit missions, while ensuring the availability of the necessary financial, technical and human resources;

H2: Internal auditors' competence affects positively the effectiveness of internal audit

The internal auditors' competences are essential in order to carry out the activities and missions of the internal audit function and reach its goals, in particular communication, technical and behavioral skills, knowing that the level of these competences are ensured and reinforced by the support of top management by ensuring their motivation, remuneration and training.

H3: the quality of the internal audit process affects positively the effectiveness of internal audit

At this level, the quality of the internal audit process is certainly ensured through the sufficiency of resources, but also through the adaptation of mission planning and their implementation with the needs in terms of internal audit, and this according to the risk mapping, and the adaptation of these missions to the needs of the stakeholders, without forgetting the importance of compliance with internal audit operating standards.

5. Conclusion

Internal auditing appears to be a framework conducive to good governance as it allows for a reduction in costs and consequently an improvement in performance. It should be noted that this practice is more a response to a regulatory obligation than a search for cost but which is correctly in line with the theory (Addahbi *et al*, 2020). In the public sector, internal audit functions are governed by various structures because this sector is founded and governed by a legal framework that includes laws, regulations, administrative acts and rules, as well as other types of applicable requirements specific to the organization's attributions, these are "laws and/or regulations", these requirements are intended to establish the mandate of the internal audit function, its position within the organization, its hierarchical affiliations, its scope and its financing methods, among other requirements. (IIA, 2024);

Several empirical studies have shown that the presence of an effective internal audit is associated with better corporate governance, a reduction in opportunistic behavior and an improvement in organizational performance (Zaman, 2017), Hence the need to study the factors that promote the effectiveness of the internal audit function. Certainly, as any other function, the internal audit knows a lot of challenges, Among the problems encountered at the level of the results of the study carried out by (Ahmad, et al., 2009, p58), by the internal audit function, is the negative perception of the auditee, lack of resources.

So what is the point of setting up a practice or a function without ensuring the achievement of its goals? which can only be achieved by respecting the professional standards of the practice of internal auditing, respecting the expectations of stakeholders by ensuring clear and flexible communication, the implication of recommendations thanks to the good relationship between auditees and auditors, promotion and hierarchical dependence on general management and functional to the audit committee, in order to both ensure independence from other functions and departments within the organization and allocate financial, human and technical resources.

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