

## The Journey so far on Internal Audit Effectiveness: a Calling for Expansion

Mu'azu Saidu BADARA<sup>1</sup>  
Siti Zabedah SAIDIN<sup>2</sup>

<sup>1</sup>Department of Accountancy, School of Management Studies,  
Abubakar Tatari Ali Polytechnic Bauchi State, Nigeria

<sup>1</sup>E-mail: [muazubadara@yahoo.com](mailto:muazubadara@yahoo.com), Tel. +6010 250 4252

<sup>2</sup>School of Accountancy, College of Business  
University Utara Malaysia

**Abstract** *Internal audit effectiveness has become a fruitful topic over the decade; this is because of the important roles play by the internal auditors in organizational survival and achievement. Most of the organizations whether public or private has established internal audit department with the mind of enjoying the benefit behind the internal audit service. Therefore, in line with this, the aim of this paper is to present the journey so far on internal audit effectiveness right from the period of 2000-2013 with a calling for more research to be conducted on internal audit effectiveness so that to add on the existing literature on internal audit effectiveness particularly in the public sectors like local government level. It's a conceptual paper.*

**Key words** Internal audit, internal audit effectiveness, public sectors, private sectors

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### 1. Introduction

Many organizations are showing concerned to their internal auditors in order to give guidance and advice at different levels of management (Davies, 2001). This is because, the internal audit plays an important role in the organizational process, and therefore it is not only required to perform ordinary assurance activities, but also to serve as a strategic partner of the organization and add value to its activities towards improving organizational processes and ensuring their effectiveness and efficiency (Al-Twaijry, Brierley, & Gwilliam, 2003; Mihret, James, & Joseph, 2010; Savouk, 2007). Therefore, organizations with effective and efficient internal audit function are more than those that have not such a function to detect fraud within their organizations (Corama, Ferguson & Moroney, 2006; Coetzee & Fourie 2009; Institute of Internal Audit, 2010; Omar & Abu Bakar, 2012; Radu, 2012). At the same time, there is need for the internal audit to be effective so as to create improvement in the government parastatals (Unegbu & Kida, 2011). Hence, an effective internal auditor is the ones who assist his organisation in meeting their objectives.

IIA (2010) defined internal audit effectiveness "as the degree (including quality) to which established objectives are achieved". This means internal audit effectiveness is the ability of the internal auditor to achieve established objective within the organization, in effect, such objective should be stated in a clear terms and the means for achieving such objectives should also be provided (Dittenhofer, 2001). Similarly, effective internal audit function could be a major asset for improving public confidence in financial reporting and corporate governance if it contain these element; Organizational independence, a formal mandate (Existence of approved audit charter, Unrestricted access, Sufficient funding, competent leadership, competent staff, existence of audit committee, stakeholder support, professional audit standards and unlimited scope (Belay, 2007; De Smet & Mention 2011). Therefore, internal audit effectiveness is essentials in the objective achievement of an organizations and in line with this, organization whether private or public should make sure that their internal audit is effective so that to achieve their objective in an efficient manner.

Due to the important for internal audit to be effective, researchers are calling for more research to be conducted on internal audit effectiveness. For examples; Arena and Azzone (2010), Chaveerug (2011) and Mihret et al (2010) emphasize the need for future studies to examining the factors that influence internal audit effectiveness and the possible interactions among them. Also there are needs for a more comprehensive study on the issue of internal audit effectiveness both conceptual and empirical (Cohen & Sayag, 2010), similarly, considering the little literature about the measurement of auditing effectiveness particularly in the public sector, more need to be done (Mizrahi & Ness-Weisman, 2007). In addition, literature has also showed that antecedents of internal audit effectiveness and their possible interactions have not been fully examined (Mihret et al, 2010). Therefore, in view of the above issues, the objective of this paper is to present the journey so far on internal audit effectiveness with a calling for expansion i.e. calling for more research on the subject matter particularly in the public sectors since most of the previous studies give more concerned in the private sectors. Section two of the paper presents the literature review and conclusion.

## **2. Literature Review**

### **2.1. Internal audit effectiveness**

The word “effectiveness” have been defined by different researchers, for instance Arena and Azzone (2009) defined effectiveness “as the capacity to obtain results that are consistent with targets objective,” while, Dittenhofer (2001) view effectiveness as the ability toward the achievement of the objectives and goals. In the same context, a program can be seen as effective if its outcome goes along with its objectives (Ahmad, Othman, & Jusoff, 2009; Mihret et al, 2010). Therefore, it’s quiet interesting that audit effectiveness is the outcome of the auditors’ activities, duties, professional practices and responsibilities through a high commitment with audit standards, goals, objectives, policies and procedures (Ussahawanitchakit & Intakhan, 2011). In the same vein, Shoommuangpak and Ussahawanitchakit (2009) provided that audit effectiveness refers to “achieving audit’s objective by gathering of sufficient and appropriate audit evidence in order to reasonable opinion regarding the financial statements compliance with generally accepted accounting principles.” Similarly, Beckmerhagen, Berg, Karapetrovic and Willborn, 2004; Karapetrovic and Willborn, 2000) also considered audit effectiveness as “the joint probability that the audit will be reliable, available, suitable, maintainable and valuable”. Therefore, going by the above definitions of effectiveness and audit effectiveness, it’s clear that that audit effectiveness or internal audit effectiveness is means the same thing because they all have central target which is ‘the ability of achieving established objective.’

In addition, IIA (2010) defined internal audit effectiveness “as the degree (including quality) to which established objectives are achieved”. Also internal audit effectiveness means the extent to which an internal audit office meets its purposes (Mihret & Yismaw, 2007). While Mizrahi and Ness-Weisman (2007) give their own definition which is in line with the ability of the internal auditor intervention in prevention and correction of deficiencies and they finally defined internal audit effectiveness as “the number and scope of deficiencies corrected following the auditing process.” Therefore, from the above definition, this study defined audit effectiveness or internal audit effectiveness as the ability of the auditors either internal or external to achieved established objective within the organization. However, the objectives of an internal audit for every organization are depending on the goals set out by the management such organization (Pungas, 2003) and as such, the management of various organizations should have a clear objective for internal auditors to achieve with available resources and other means that might aid the achievement of such objective, even though the degree of internal audit effectiveness tends to vary within organizational level as well as country (Al-Twaijry et al, 2003). Nevertheless, organizations should encourage such effectiveness because it might aid their objective achievement.

Despite the fact that previous studies have make used of variety of approaches to determine appropriate standard to assess the effectiveness of the internal audit function (Al-Twaijry et al, 2003) due to the fact that the issues of effectiveness of internal audit is indispensable because it creates improvement in the government ministries (Unegbu & Kida, 2011) likewise the status of the internal audit department has significant implications for its effectiveness (Mat Zain, Subramania, & Stewart, 2006). In line with the above, consideration over the measurement of the effectiveness of internal audit function keep receiving a significant challenges, consisting the finding of the best and relevant method for measuring the efficiency and effectiveness of internal audit (Bota & Palfi, 2009; IIA, 2010; Spertus, Eagle, Krumholz, Mitchell, & Normand, 2010). Hence,

measurement of auditing effectiveness is relevant because effective auditing can be regarded as an important part of new public management and such measurement can help improving the public responsibility of local staff and the accountability of local government as a whole (Mizrahi & Ness-Weisman, 2007). Thus, the choice of methods for measuring the internal effectiveness depends upon the stated objectives (Karapetrovic & Willborn, 2000; Bota & Palfi, 2009). While Beckmerhagen et al (2004) emphasize that measuring the effectiveness of an internal audit requires a clearly definition, understanding and acceptance of the term "effective audit".

A part from the above consideration over the measurement of the effectiveness of internal, researchers has also indicate some of the reasons behind the ineffectiveness of internal audit, for example Dittenhofer (2001) noted that among the reasons behind ineffectiveness of the internal auditing was result from the ineffective management controls, while sometimes adverse to the organizations objectives. Similarly, inadequate support from the senior management also contributes toward ineffectiveness of internal audit (Ahmad et al, 2009), therefore, looking at these reasons, the implications of an ineffective internal audit in a public sector management can resulted to; the possibility of the emergence of fraud; low or non-compliance with internal policies and procedures; difficulties in controlling the financial operations of an enterprises and can also lead to ineffective financial decision for successful operation (Unegbu & Kida, 2011).

Hence, effective internal auditors carry out an independent evaluation of the financial and operating information systems and procedures with a view to provide good recommendations for improvements (Mihret & Yismaw, 2007; New Delhi, 2006). That is why proper internal organization is also essential factor that lead to the achievement of internal audit effectiveness. Likewise, an effective internal audit function requires the head of the internal audit unit to report to management from time to time on the internal audit activities, authority, responsibility and performance relative to their plan. Similarly, internal audit effectiveness can also be enhance by ensuring consistency in the documentation of audit work, quality of reporting and proper implementation of their recommendation (Mihret & Yismaw, 2007).

In another development, it is possible that an audit can be effective but not efficient (i.e. if the expected objective is achieved but at a great and unjustified expense), this is because effectiveness has to do with the extent to which established objective are achieve while efficiency concerned with the result achieved and the resources used (Beckmerhagen et al, 2004). Therefore, to determine whether the internal auditing function is operating effectively or not some things has to be consider which include; identification of the basic objective of internal auditing; definition of goals to be accomplished by the internal auditing and establish measures that will assist toward the achievement of those goals (Aguolu, 2009; Dittenhofer, 2001) while Cassandra, Yee, Kieran, & Jenny (2008) argued that in order to achieve internal audit objective, three basic conditions must be satisfy i.e. independence; organizational status; and objectivity, also (Feizizadeh, 2012) consideration was that, for an internal audit function to achieve high levels of effectiveness these four items must be consider; goes along with stakeholder needs; achieves best to his abilities; complies with relevant professional standards and; performance measures. Thus, Beckmerhagen et al (2004) also argued that the audit effectiveness should not be measured based on achievement of the audit objectives or on the number of findings of the internal auditor alone, but also more important is to determine the quality and suitability of the audit plan, execution and follow-up. Similarly, Shareholders should have the power to remove any internal auditor that is ineffective (Dhamankar & Khandewale, 2003). This should also be applicable to any organization by removing all internal auditors that are not effective despite the provision of all necessary that might have improved their effectiveness.

Furthermore, effectiveness of internal audit is determined mainly by the agreement between the auditing work and the goals established by the management, the skills of the internal auditor as well as the management support for the internal auditing staff (Alberta, 2005; Albrecht, Howe, Schueler & Stocks, 1988; Arena & Azzone, 2009; Beckmerhagen et al, 2004; Dhamankar & Khandewale, 2003). It is usually consider that there is a strong relationship between independence and effectiveness, this proof that the more independent the auditor, the more effective will be (Karapetrovic & Willborn, 2000; Mizrahi & Ness-Weisman, 2007; New Delhi, 2006; Ussahawanitchakit and Intakhan, 2011) this statement is argued by Cassandra et al (2008) that strongly fund that auditor independence is not the most essential aspect for effective internal auditing.

Similarly, Sudsomboon and Ussahawanitchakit, (2009) affirm that audit strategies also enhancing the audit effectiveness, and thereby, the consideration that internal audit could add value to an organizations

rests on the implied belief that internal audit is effective (Baltaci & Yilmaz, 2006; Mihret et al 2010). In addition, Beckmerhagen et al (2004) agreed that an effective audit cannot be taken for granted, despite the fact that they are performed by trained professionals using various techniques and in accordance with internationally accepted standards. Hence, the selection of internal auditors also plays an important role in determining the effectiveness of the internal audit function (Dhamankar & Khandewale, 2003). Therefore, the selection of such auditors should also be considered in any organizations because such selection also contributes toward internal audit effectiveness.

Knowing the factors that influence internal audit effectiveness is important, because effective internal audit can lead to the improvement of four important processes in the organization: learning (educating staff how to do their work better), motivation (auditing also leads to improvement of performance), deterrence (knowing that an audit is discouraged any things that can lead to abuse), and process improvements (internal audit also ensure that the right things are done in the right way) (Eden & Moriah, 1996). However, the impact that internal auditors have on the achievement of the established objectives (their effectiveness) are influenced by the auditor competency as well as the extent to which management consideration over the internal auditors' work as valuable and decide to exploit it (Arena & Azzone, 2010), in the same context, Aguolu (2009) is of the view that the internal audit profession should form an internal audit group that will be appropriate and effective in achieving organization established objective over and above the need for reliability and accuracy of the records or ensuring compliance with relevant procedures. As such, effective internal audit system also helps to achieve performance and profitability and prevents in loss of revenues particularly in public sectors (Vijayakumar & Nagaraja, 2012) even though Pilcher Gilchrist and Singh (2011) observed that efficiency and effectiveness of audit in a public sectors context is more complex than in the private sectors. But then consideration must be given to the effectiveness of internal auditors.

Additionally, proper implementation of audit recommendations is also important toward enhancing the internal audit effectiveness (Aguolu, 2009; Mihret & Yismaw, 2007; Sawyer, 1995; Van Gansberghe, 2005). Similarly, Van Gansberghe (2005) also emphasized that improved professionalism; legislation; and also resources availability are among the factors that influence internal audit effectiveness. However, internal audit effectiveness is possibly influenced by the context in which internal audit operates and organizational performance (Arena & Azzone, 2009; Mihret & Yismaw, 2007; Mihret et al, 2010). Therefore, efforts should be made continuously to ensure that the effectiveness of internal audit is maintained all the time (Dhamankar & Khandewale, 2003). Hence, public sector organization needs to recognize the value-added role of internal audit and to make contribution for their effectiveness (Van Gansberghe, 2005). Private sectors and local government also need to understand the importance of internal audit to be effective so as improve such effectiveness.

Several studies have been conducted on internal audit effectiveness, (Aguolu, 2009; Ahmad et al, 2009; Arena & Azzone 2009; Arena & Azzone 2010; Beckmerhagen et al, 2004; Belay, 2007; Boča & Palfi 2009; Cahill, 2006; Cassandra et al, 2008; Cohen & Sayag, 2010; Chaveerug, 2011; Dittenhofer, 2001; Dominic & Nonna, 2011; De Smet & Mention, 2011; Dhamankar & Khandewale, 2003; IIA, 2010; Feizizadeh, 2012; Intakhan & Ussahawanitchakit, 2010; Kuta, 2008; Mihret & Yismaw, 2007; Mihret et al 2010; Mizrahi & Ness-Weisman, 2007; Omar & Abu Bakar, 2012; Sudsomboon & Ussahawanitchakit, 2009; Theofanis, Drogalas, & Giovanis, 2011; Unegbu & Kida, 2011; Ussahawanitchakit & Intakhan, 2011). The studies are highlighted below as the journey so far on internal audit effectiveness.

## 2.2. The journey so far on internal audit effectiveness

Years	Author and Title	Types of Research	Variables	Findings
2000	Karapetrovic S. & Willborn (2000). Quality assurance and effectiveness of audit systems.	Literature review	–	The research finds that, in order to provide confidence in quality externally, audit systems must be managed for internal effectiveness.
2001	Dittenhofer, M. (2001). Internal auditing effectiveness: An expansion of present methods	Literature Review	–	The study found that internal auditing effectiveness can be determined by evaluating the quality of internal

Years	Author and Title	Types of Research	Variables	Findings
				auditing procedures
2003	Dhamankar & Khandewale (2003). Effectiveness of Internal Audits.	Literature Review	–	The study found that it is accepted that internal audit is an important constituent of good corporate governance and effective internal auditing would be a strong tool in the hands of the management.
2004	Beckmerhagen, et al (2004) On the effectiveness of quality management system audits	Case study research	–	The study reveals that the auditor should plan the audit process, identification of goal, scope of the audit, relevant available resources, and possible problems; General criteria or standards for proper audit performance should be clarified; The evaluation of audit effectiveness must be based on facts.
2006	Cahill, E. (2006). Audit committee and internal audit effectiveness in a multinational bank subsidiary.	Case study research	–	The study reveals that a good lesson from the case is that even if internal governance systems are in place, the nature of their operation, communication and the culture of the organization have a bearing on the system's effectiveness.
2006	New Delhi. (2006). Seminar on improving the effectiveness of internal audit in government of India.	Seminar paper	–	The paper reveals that internal audit in Union Ministries and Departments is a nebulous area, which in today's economic scenario requires immediate attention for greater functional clarity.
2007	Belay (2007). A Study on Effective Implementation of Internal Audit Function to Promote Good Governance in the Public Sector	Empirical research	–	The study reveals that the existing internal audit function in the public sector has less satisfactory involvement to assess the effectiveness of governance structure due to lack of resources, poor leadership for internal audit function, absence of appropriate frame work to measure internal audit function performance.
2007	Mihret, D. G. & Yismaw, A. W. (2007). Internal audit effectiveness: an Ethiopian public	Case study research	Internal audit quality, management support, organizational setting and	The study reveals that that internal audit effectiveness is strongly influenced by internal audit quality and

Years	Author and Title	Types of Research	Variables	Findings
	sector case study.		auditee attributes.	management support, whereas organizational setting and auditee attributes do not have a strong impact on audit effectiveness.
2007	Mizrahi & Ness-Weisman (2007). Evaluating the effectiveness of auditing in local municipalities using analytic hierarchy process (ahp): A general model and the Israeli example	Empirical research	–	The study found that the effectiveness of an internal audit in Israeli municipalities is low
2008	Kuta, H. I. (2008). Effectiveness of Auditing for Proper Accountability in Nigerian Local Governments.	Empirical research	–	The study found out that auditing in Nigeria Local Governments is ineffective. Factors responsible for the ineffectiveness include, lack of independence of the internal auditors, preparation of an audit programmed, insufficient funds, understaffing and that due recognition is not accorded to auditor's report
2008	Cassandra et al (2008). Perceptions of Singaporean Internal Audit Customers Regarding the Role and Effectiveness of Internal audit	Empirical research	–	The study found that both Singaporean senior and junior managers appreciate with the professionalism and effectiveness of the internal auditors that serve in the business.
2009	Ahmad, et al, (2009). The effectiveness of internal audit in Malaysian public sector.	Empirical research	–	The study reveals that that the lack of audit staff is ranked as the major problem faced by internal auditors in conducting an effective internal auditing.
2009	Aguolu, O. (2009). Designing an effective internal audit group.	Literature Review	–	The study reveals that many factors can responsible to internal audit ineffectiveness, but the usual cause of this failure was in the structure and orientation of internal audit group
2009	Arena & Azzone. (2009). Identifying organizational drivers of internal audit effectiveness.	Empirical research	Resources and competencies of an internal audit team, activities and processes performed and organizational role.	The result of the survey shows that the effectiveness of internal auditing is influenced by: (1) the characteristics of the internal audit team, (2) the audit processes and activities, and (3) the organizational links.

Years	Author and Title	Types of Research	Variables	Findings
2009	Sudsomboon & Ussahawanitchakit, P. (2009). Audit Strategy of CPAs in Thailand: How does it Affect Audit Effectiveness and Stakeholder Acceptance?	Empirical research	Audit knowledge, individual learning, and professional experience are capabilities of certified public accountants (CPAs) taken as the antecedents of audit strategy. Also, enforcement of professional organization is a moderator of the relationship between antecedents and audit strategy	This study found the positive relationship among audit strategy, audit effectiveness, stakeholder acceptance, and antecedents of audit strategy as well as enforcement of professional organization.
2009	Bota, & Palfi, (2009). Measuring and assessment of internal audit's Effectiveness	Literature Review	–	The study reveals that it is important to find the most relevant methods for measuring and assessment of the effectiveness of internal audits.
2010	Arena, M & Azzone, G. (2010). Internal Audit Effectiveness: Relevant Drivers of Auditees Satisfaction.	Case study research	–	The analysis of the study showed that different factors are important to drive Internal Audit effectiveness. And auditee contribute toward internal audit effectiveness
2010	Cohen, A. & Sayag, G (2010). The Effectiveness of Internal Auditing: An Empirical Examination of its Determinants in Israeli Organizations	Empirical research	Sector – private versus public, Professional proficiency of internal auditors, Quality of audit work, Organizational independence, Career and advancement, Top management support.	The result of the study showed that the support of management is almost crucial to the operation and success of internal audit. And other determinants of internal audit effectiveness derive from support of top management.
2010	Mihret, et al, (2010). Antecedents and organizational performance implications of internal audit effectiveness: Some propositions and research agenda.	Literature Review	Internal audit effectiveness and organizational performance.	The study showed that Propositions and a research agenda are provided on potential antecedents of internal audit effectiveness and its possible association with company performance measured as rate of return on capital employed
2010	Intakhan, P, & Ussahawanitchakit, P. (2010). Roles of audit experience and ethical reasoning in audit professionalism and audit effectiveness through a	Empirical research	Audit experience and ethical reasoning as independent variables, mediating effect of audit professionalism and moderating effect	The results of the studies show that all the variables under studied are found significant.

Years	Author and Title	Types of Research	Variables	Findings
	moderator of stakeholder pressure: An empirical study of tax auditors in Thailand		of Stakeholder Pressure	
2010	IIA. (2010). Measuring Internal Audit Effectiveness and Efficiency. IPPF- Practice guide	Literature Review	–	The finding reveals that internal auditing plays a critical role in the governance and operation of an organization. When effectively implemented, operated, and managed, it is an important element in helping an organization achieve its objectives
2011	Chaveerug, A. (2011). The role of accounting information system knowledge on audit effectiveness of cpas in Thailand.	Empirical research	Accounting information system knowledge on audit effectiveness via the mediating influences of the risk assessment competency and quality of auditor planning judgments.	The results show the accounting information system knowledge has positive relationships with audit effectiveness and is a positively significant on risk assessment competency and quality of auditor planning judgments.
2011	Dominic, S.B.S & Nonna, M. (2011). The internal audit function: Perceptions of internal audit roles, effectiveness and evaluation.	Qualitative research	–	The study reveals that perceptions of effectiveness in this section is relate to the structure, status, and relationships of the internal audit function, along with human resources, in terms of staffing and competencies.
2011	Theofanis et al, (2011). Evaluation of the Effectiveness of Internal Audit in Greek Hotel Business.	Empirical research	Control environment, Risk assessment, Control activities, Information and Communication, Monitoring.	The results stress the efficient functioning of all components of internal control system and their decisive role in the efficient functioning and consequently success of Greek hotel business.
2011	Unegbu, A.O & Kida, M. I.(2011) Effectiveness of Internal Audit as Instrument of Improving Public Sector Management.	Empirical research	–	The study showed that the Internal audit can effectively check fraud and fraudulent activities in the Public Sector and that Public Sectors in Kano State have significant numbers of Internal Audit Departments to function effectively.
2011	Ussahawanitchakit & Intakhan (2011). Audit Professionalism, Audit Independence and Audit Effectiveness of CPAs in Thailand.	Empirical research	Audit professionalism and audit independence. Audit experience and ethical orientation.	The study reveals that both audit professionalism and audit independence have a good positive impact on audit effectiveness but audit experience and ethical



Years	Author and Title	Types of Research	Variables	Findings
				orientation do not moderate the relationship
2012	Feizizadeh (2012). Strengthening internal audit effectiveness.	Library research	–	The study reveals that most of the companies measure and quantify the performance & effectiveness of their business activities.
2012	Omar & Abu Bakar. (2012). Fraud Prevention Mechanisms of Malaysian Government-Linked Companies: An Assessment of Existence and Effectiveness	Empirical research	Committees, the board of directors, external auditors, internal auditors, and anti-fraud specialist	Results found that management review of internal controls and external audits of financial statements ranked the top-most fraud prevention mechanisms in terms of the percentage of existence in organizations as perceived by internal auditors and fraud investigators.
2012	Badara, M. S, & Saidin, S. Z. (2012). The relationship between risk management and internal audit effectiveness at local government level	Literature Review	Risk management and internal audit effectiveness	The study reveals that risk management can influence the effectiveness of internal auditors at local level
2013	Badara, M. S, & Saidin, S. Z. (2013). Impact of the effective internal control system on the internal audit effectiveness at local government level	Literature Review	Internal Control System: Control environment. Risk management. Control activities. Information and communication. Monitoring.	The paper concluded that effective internal control system can influence the effectiveness of internal auditors at local level.
2013	Badara, M. S, & Saidin, S. Z. (2013). Antecedents of internal audit effectiveness: A moderating effect of effective audit committee at local government level in Nigeria	Literature Review	<b>Independent variables:</b> Effective internal control system. Risk management. Audit experience. Cooperation between internal and external auditors Performance measurement. <b>Moderator:</b> Effective audit committee. <b>Dependent variable:</b> Internal audit effectiveness	The paper concluded that the variables should be validated empirically

The effectiveness of internal audit is very important issues especially when it comes to decision making, for example: If management believe that internal audit functions are ineffective, then their recommendations will carry little value from the side of decision makers (Burton, Emett, Simon & Wood, 2012). Therefore, looking at the above previous studies on the internal audit effectiveness, they give more concerned on the

private sectors, case study as well as literature research. Therefore, more studies on internal audit effectiveness should be carried out in the public sectors particularly local government level so that to contribute to the internal audit literature in the public sector and contribute toward internal audit effectiveness.

### 3. Conclusion

This paper presents the journey so far on internal audit effectiveness, the paper present different research that has been conducted on internal audit effectiveness right from the period of 2000-2013. The paper is a conceptual literature review paper not an empirical paper. Nevertheless, the paper contribute to the body of knowledge by extending the existing literature on the internal audit effectiveness through the presentation of the previous studies on internal audit effectiveness with a calling for expansion on the existing literature on the internal audit effectiveness. Therefore, more research should be conducted on internal audit effectiveness. Since most of the previous studies on internal audit effectiveness focuses at the private sectors, future studies should conduct more empirical and conceptual research on internal audit effectiveness at public sector particularly Local government level. Likewise, future studies should incorporate the variables used in private sectors to determine the internal audit effectiveness in the public sectors. Similarly, future studies should look at the possibility of the influence of different variables from different field of study on internal audit effectiveness so that to contribute to the internal audit effectiveness literature.

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