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The impact of internal control and auditing in improving governance processes

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Abstract

The research aimed to explain the relationship between internal audit and the strategic performance of the companies in the research sample by focusing the role on audit committees because of th

eir prominent role in improving corporate governance. A questionnaire form prepared for this purpose was used, The research reached the most important conclusions: To improve governance, companies rely on the strength of internal audit, Internal audit follows up on the implementation of financial procedures and accounting policies, The Audit Committee selects the competent financial manager, Study of the financial statements by the Audit Committee for the purpose of ensuring their credibility. These were the most important recommendations, the need to pay attention to internal audit and build a strong internal control system. The need to educate shareholders and investors about the importance of the role of internal audit. Internal audit must review the plan, follow up on its implementation, and identify deviations. Follow up on the internal audit of the production process for the purpose of achieving maximum production efficiency.

Keywords: internal audit. Corporate governance. The Audit Committee

الخلاصة

هدف البحث إلى توضيح العلاقة بين التدقيق الداخلي والأداء الاستراتيجي للشركات في عينة البحث من خلال التركيز على دور لجان التدقيق لما لها من دور بارز في تحسين حوكمة الشركات، وقد تم استخدام استمارة استبيان تم إعدادها لهذا الغرض، وتوصل البحث إلى أهم الاستنتاجات: لتحسين الحوكمة تعتمد الشركات على قوة التدقيق الداخلي، يتابع التدقيق الداخلي تنفيذ الإجراءات المالية والسياسات المحاسبية، تختار لجنة التدقيق المدير المالي الكفاء، دراسة البيانات المالية من قبل لجنة التدقيق لغرض التأكد من مصداقيتها، وكانت أهم التوصيات ضرورة الاهتمام بالتدقيق الداخلي وبناء نظام رقابة داخلية قوي، ضرورة توعية المساهمين والمستثمرين بأهمية دور التدقيق الداخلي، يجب على التدقيق الداخلي مراجعة الخطة ومتابعة تنفيذها وتحديد الانحرافات، متابعة التدقيق الداخلي لعملية الإنتاج لغرض تحقيق أقصى كفاءة إنتاجية.

الكلمات المفتاحية: التدقيق الداخلي. حوكمة الشركات. لجنة التدقيق

Introduction

The issue of governance is considered one of the leading topics at present, especially after the financial crises, for reasons including fraud and manipulation of financial statements to mislead users of accounting information. It has become imperative for companies to follow the principles of governance, and governance needs many mechanisms, means, and tools for the correct

application, especially disclosure and transparency that information users need. The data and highlights the role of the internal audit through adherence to the accounting rules that contribute to activating corporate governance through oversight of policies, procedures, systems, and financial matters, and the role of internal audit rises to direct operations towards success through auditing financial and administrative activities, and knowledge of corporate strategy and granting it the possibility of auditing it and the extent of achieving the objectives

1. Research Methodology

- Research Problem

The increase in financial crises is in addition to fraud and manipulation of financial statements and the weakness of internal audit procedures. Given what the internal audit agencies represent as a control tool that helps the administration preserve public money, now the interest in it was weak. Therefore, the problem of research is to answer the following questions:

- What role does the Internal Audit Committee play in improving governance?
- Is there an impact of internal audit in improving corporate governance?

- Research Objectives

The research seeks to clarify the role of internal audit and explain the importance of integrated audit in improving governance, and also explain the role of the audit committee in the companies sampled by the research.

- Research Important

The importance of the research comes from highlighting the importance of internal auditing and integrated auditing and their role in improving governance, as well as explaining the importance of the audit committee and the extent of its contribution to governance.

- Hypothesis

The research is based on two hypotheses:

- There is no statistically significant relationship between internal audit and governance.
- There is no statistically significant relationship between the Audit Committee and Governance.

- Scope of Research

The companies participating in the Iraqi Stock Exchange were chosen as a field for applying the research, as they are among the essential companies in Iraq, The target sample was (external auditor, internal audit, accountant).

- Research Method

A questionnaire was used in accounting and auditing for the surveyed companies in the Iraqi market, and then analyzed the answers through the use of statistical methods, arithmetic mean and standard deviation, calculating their means and then using factor analysis for them, 90 forms were distributed and 60 forms were recovered.

2. Theoretical review

- Internal Audit Concepts

The audit profession has passed through stages, which contributed to the emergence of the need for the audit profession. Among these factors, what is professional and what is academic (AL.hamaqi: 2022: 79). The internal audit, named after the Institute of Internal Auditors, is

concerned with issuing standards and guidelines (Abdul Razzaq ,2017: 115). The audit profession has gone through many stages, namely:

- The first stage in 1947, where the internal audit was intended to be a group of company employees to track errors. (Hazaea.s.a,2020: 115)
- The second stage in 1947-1957 The American Institute of Auditors was established, and since that date, this institute has worked to strengthen auditing as issued its recommendations and defined internal auditing as a neutral activity that takes place within the company with the intention of auditing operations and finances and as a basis for evaluation.(Fikadu,2021:9)
- The third stage in 1957-1971, where the Institute of Intermediate Auditors issued definition due to expanding the scope of the work of the internal auditor's expansion of audit objectives.
- The fourth stage in 1971-1981, when the definition of internal audit was updated as a neutral activity within the company to audit its operations to service management. (IIA, 2018)

Another definition was issued in 1991 as an independent and consulting activity that provides its services to management by evaluating internal procedures and policies. (IIA , 2019: 56)

In 1994, the Association of Internal Auditors issued a definition of internal audit as an independent evaluation function to examine and evaluate the company's activities. In 1999, another definition of internal audit was published as a separate unit designed to increase the importance of the company. (Mohammed,2016: 69)

Many influencing factors led to the emergence and development of auditing, as the audit function is no longer confined to only protecting assets and auditing accounting operations but has evolved to include financial and administrative auditing, including (Nawal.s,2016: 36)

- Increasing projects.
- The emergence of a merger between companies.
- Geographical spread.
- Management interest in business results.

- Definition of Internal Audit

who provided several definitions of the internal audit, and who can find the following definitions within the scope of the directions that researchers went to define internal audit. Boyle sees it as a test through which an internal audit is evaluated to confirm the objectives have been achieved. He defined it as an internal job performance that includes the correctness of procedures and supports management (Negulescu,2019: 88). And also (IIA) defined it as a functional performance within the company for examining practices and policies and continuous evaluation of administrative plans and policies. (IIA, 2018) and (OECD) defined it as the procedures used to preserve assets (Nginyo,2018; 42) and also (Fearnley) defined it as a function whose purpose Verifying the correctness of the accounting operations with what is recorded in the records. (Madhani,2020: 210) , defined by (Ronald) as the procedure by which the accounting data and procedures are verified, which is considered a tool to achieve the company's goals. It is an independent division representing a part of the company and is one of the means of control. (Abdul Razzaq ,2017 : 96).

The audit of accounts has developed as a result of many factors, including - (Hazaea.s.a,2020: 81)

- The administration needs periodic reports.
- The administration's desire to provide correct data to external parties.
- The emergence of companies with many branches.
- Technological development
- The failure and bankruptcy of companies.
- The emergence of large companies.

The old concept of internal audit has changed to the modern one. Table (1) shows the stages of development of the concept and methods of auditing, as follows (Obeid,2023: 216)

Table (1) stages of development of the concept and methods of audit

No.	the details	old concept	modern concept
1.	nature of services	Examination and evaluation	Objective confirmation and advisory services
2.	Target	Assists management in carrying out its responsibilities	Add value to the company
3.	work style	Analysis, evaluation and recommendations	An introduction to improving the effectiveness of risk management
4.	Dependency	Executive management	Board of Directors
5.	Neutrality	Administrative dependency	Independence
6.	Make recommendations	Executive management	Administration and third parties
7.	The executing agency	Inner	Indoor and outdoor

- internal audit objectives

The internal audit aims to add value to the company's operations and helps to organize the achievement of its objectives through a disciplined approach and the improvement of risk management and control over management processes and policies followed. The internal audit seeks to achieve the following objectives: - ((IIA, 2018: 125)

- The integrity and accuracy of the data contained in the reports issued by the company that assists it in making a decision.
- Optimum and efficient use of available resources economically and efficiently.
- Assessing the extent to which the pre-planned goals set by the administration have been achieved, identifying and analyzing deviations, and knowing their causes.
- Providing the necessary protection for assets from embezzlement.
- Ensuring compliance with the legal regulations and administrative policies practiced by the company.

- Raising the production efficiency rates for all operations carried out by the company.

- Internal Audit Standards

They represent the basic principles that internal auditors must adhere to when performing their duties and define the levels of professional performance that professional bodies and organizations have set. It aims to provide a reasonable level of control. (IIA, 2019: 99)

The criteria are divided into the following:

A) Criteria for traits: It includes a set of criteria, including (Mohammed, 2016: 56)

- Independence: Independence is achieved when the external auditor performs his work by giving an unbiased opinion.
- Organizational position: - The internal auditors must obtain the support of senior management and the board of directors.
- Objectivity: It means that the auditor is objective when performing the audit function. Objectivity must be achieved by the internal auditor, with the need to allocate individuals to avoid conflict of interests.

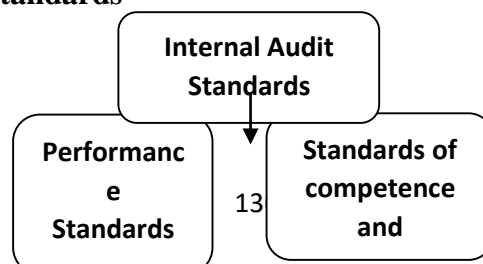
b) The necessary professional competence standards: - These include:

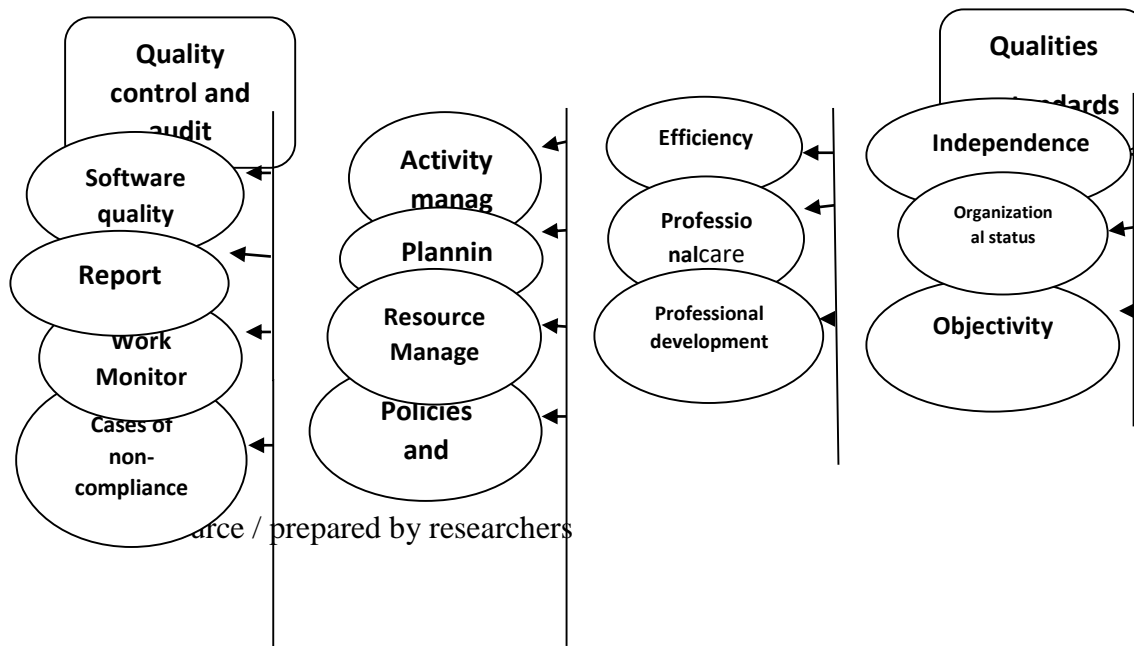
- Competency: The internal auditor should have the knowledge, skills, and other performance competencies and individual responsibilities. (Nawal, 2016: 82)
- Professional Care: It is the commitment to the necessary professional care and skill from a competent internal auditor.
- Professional development: the commitment of internal auditors to enhance and develop their skills.

C) Performance Standards: is the group that focuses on describing and clarifying the nature of internal audit activities and provides the basis for how and measuring the performance of these services and includes the following:

- Managing the audit activities: _ The audit manager must effectively manage the internal audit activities to achieve high value.
- Planning: The audit manager should set plans for positions to manage the priorities of the internal audit activity in line with the company's objectives.
- Resource management: Ensuring that the resources of the internal audit activities are sufficient and distributed efficiently.
- Policies and Procedures: The audit manager must set the necessary policies and procedures to guide the audit work. The content of these policies and Procedures depends on the size and form of the internal audit activity.

Figure (2) Internal Audit Standards





- Types of Internal Audit

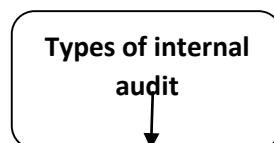
The researchers identified several types of internal audit, according to the activity of my agencies:

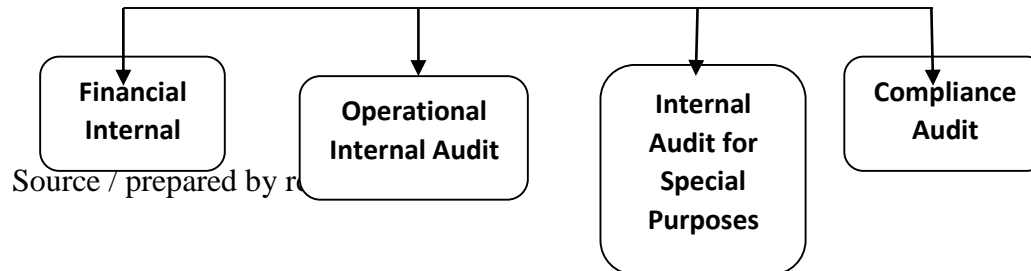
- Internal audit: it is the audit of the records and operations of the company's activities following the generally accepted accounting rules and administrative policies.
- Operational internal audit: It is the comprehensive independent examination of the company to evaluate its various systems, administrative control, and operational performance to verify operations in light of its objectives. (Negulescu,2019 : 87)
- Internal audit for particular purposes: This type relates to the audit carried out by the internal auditor for new issues assigned to the administration. It includes cases of sudden inspection to detect fraud and corruption. (Nginyo,2018: 68)
- Compliance audit: It measures the duration of the audit commitment and its conformity with the standards and the extents that need to determine the responsibility and which may need to be audited and include the following:

A - Determining the extent of commitment to the objectives of the activities and operations.

B - Determining the extent of compliance with the regulations and instructions by the administration.

And the following figure (3) shows the types of internal audits.





-Integrated Audit

The concept of integrated internal auditing, which is also called management auditing or performance auditing, is considered to be a definition that many researchers have given that suggest a theoretical or methodological framework. Integrated internal auditing has emerged from management to go beyond the objectives of accounting auditing because it is considered performance auditing ,Integrated internal auditing is management auditing, which is a systematic and economic analysis of the company's management performance. It identified two concepts: the first is used to judge the quality of performance, while the second is used to issue a judgment about the company's performance. (ALabbassi&Acharban,2021,17)

Performance auditing includes examining in an independent, objective and reliable manner whether the company, systems, processes and programs are operating in accordance with governance principles,Based on the historical development of the concept of integrated internal auditing and what was stated by the American Institute of Internal Auditors and the French Institute for Auditing and Internal Control, that integrated internal auditing is the same as performance auditing and includes objectives, operations, and risks. (Handoyo,2021;30)

Integrated internal audit is considered one of the most important mechanisms used in following up on the company's strategic performance in order to control how the strategy is implemented according to the alternatives chosen by senior management. (Hammayo,2021;6)

-The Concept of Governance

The economy is the basis for the development, progress, and stability of countries. That stumbling in financial and administrative corruption is one of the main reasons for the collapse of states and their institutional system. This stumbling is caused by the weak relationship with the internal audit profession, reflecting its effects on control. (Madhani,2020 : 66)

The transformations that swept the countries of East Asia, America, and Russia, and the crisis of confidence that befell the audit in recent years, which led to failures in the administrative and financial fields in major companies such as Enron Energy. (Attaf,2022: 112)

Since the emergence of the term governance, many studies have been conducted worldwide on this concept. However, there is no definition of the term governance agreed upon by analysts. This is due to the overlap between the issues regulating the term, and it has resulted in several labels, including governance, governance procedures, and rational management. (IIA , 2019: 117)

Governance has emerged in the work of companies as an aid criterion for discipline members of board directors for the preservation of the interests of others. (Nawal ,2016: 132)

And the use of the term governance means the use of internal and external mechanisms, taking into account the parties involved in the company's management. (Negulescu,2019: 145)

-Definition of Corporate Governance

Definitions provided from the point of researchers and scholars of the concept of governance, including: (Fearnley) defined as a system through which the company is controlled and directed to serve the interests of shareholders. (Madhani, 2020: 156) Ronaldo defined it as the relationship that binds all parties in the company, including management members and shareholders. (AL.hamaqi: 2022: 154) Many definitions issued by organizations have been received, including: The administrators defined it as a set of relations that link the company's management and shareholders through the procedures and rules applied by the management. (Abdul Razzaq, 2017 : 162) As for the accountants, they defined it as the procedures used in the company to supervise and control the management and reduce risks. (Hazaea, 2020: 164) for the definition of the American Institute of Auditors, it is the procedures by the management is supervised to achieve the objectives. (Obeid, 2023 : 235) The International Finance Corporation (IFC) defined it as a system carried out by its management and control through a set of procedures. (Attaf, 2022 : 189) From definitions, the researchers conclude that governance is a set of concepts, objectives, management, and control that ensure appropriate solutions for the board of directors.

-Governance Objectives

Governance seeks to achieve several goals, which are: ((IIA, 2018)

- Attracting foreign investments and limiting capital flight.
- Achieving stability and credibility for the financial sectors.
- Developing the company's management and assisting it in making decisions.
- Achieving competition and leads to creating an incentive for the development and adoption of modern technology.

-The Audit Committee

It means that the Board of Directors delegates the responsibility for financial supervision to the Audit Committee in order to undertake control and supervision, whether with regard to internal control or internal audit operations. A committee called the Audit Committee is formed from members of the company's Board of Directors and external consultants, provided that none of them have executive authority and that they are independent. On behalf of management, the number of members of the Audit Committee shall not be less than three (Hammayo, 2021; 4)

There are a set of tasks carried out by the Audit Committee, which are: - (Handoyo, 2021; 45)

- Evaluating the efficiency of the financial director and financial management personnel.
- Study the internal control system and its adequacy and effectiveness.
- Study the financial statements before presenting them to the Board of Directors.
- Study accounting policies.
- Study the audit plan with the external auditor.
- Study the external auditor's report.
- The Audit Committee meets periodically.

-Objectives of the Audit Committee

There are a set of objectives, which are: - (Assad & ALshriden, 2020; 223)

- Giving confidence to users of accounting information, which adds a character of seriousness.

- Ensuring the integrity of financial statements.
- Ensuring the efficiency of risk management systems and the efficiency of operational processes.
- Integration between internal audit activities and the external auditor.
- Ensure that financial operations comply with regulations and laws.
- Work to solve issues and problems.
- Paying attention to and caring for the company's reputation.

-The Role of Internal Audit in Corporate Governance

The role played by internal audit has gone beyond the traditional concept, which limits its services to auditing the adequacy and effectiveness of the internal control system, but has also extended to include identifying the risks to which the company is exposed and providing the necessary consultations to the Board of Directors, senior management, the audit committee, and the external auditor (ALabbassi&Acharban,2021;14)

Internal audit is considered the basis for corporate governance, so the American Institute of Internal Auditors took the initiative to develop standards and a charter of ethics for the internal audit profession to confront the environmental changes that occurred as a result of financial collapses in various countries of the world. Internal audit adds value to the company and contributes to achieving its goals by providing reasonable assurance of The company's risks are managed effectively through the improvements it provides in the field of risk management, as the scope of internal audit has expanded to performance auditing and risk auditing ,After issuing the principles of corporate governance, which came to avoid stumbling, financial failure, and bankruptcy of companies and to ensure achieving balance for stakeholders, the American Institute of Internal Auditors made fundamental amendments to international standards out of its desire to subject the internal audit profession to governance requirements. (Abdullahi&abubakar,2020;833)

After the issuance of the International Standards for Internal Auditing in 2003, accounting thought began to move towards changing the traditional role of internal audit and making it more responsive to the requirements of improving governance through the basic axes of internal audit, which are: - (Assad&ALshriden,2020;223)

- An objective activity that carries out internal audit work through highly experienced and skilled professionals, whether from inside or outside the company.
- Commitment by the internal auditor to apply international standards for internal auditing more than regulatory and legal considerations.
- Expanding the scope of internal audit to include advisory services, assurance, examination and evaluation services.
- The internal auditor's commitment to perform assurance services that focus on the objective evaluation of evidence for an independent technical opinion.
- Having an internal audit strategy aimed at adding value to the company and improving its operations.
- Confirming the internal auditor's quality report that the activities were carried out in accordance with international auditing standards.

- Working on corporate governance principles for the purpose of protecting shareholders' rights through transparency and financial disclosure.

The internal audit in companies is an effective function that provides independent guarantees to the board of directors and senior management on the quality and effectiveness of systems and management processes to control the risks facing the company and thus help the board of directors and senior management in protecting the reputation of their organizations, and the audit in the company must be independent of the executive management, which requires the auditor Sufficient prestige and authority within the company. (AL-Hamaqi,2022: 169)

3.Discussion

The urgent need for corporate governance emerges from the separation between ownership and management in joint-stock companies. Most of the shareholders who invest their money do not have the time necessary to operate their money in the companies and ensure their success. As a result, the shareholders elect boards of directors that appoint experienced executives And efficient management of these companies. They often do not have a large number of shares. Therefore, they will not bear the burden of loss if the unit represented by its management fails in its performance. As a result, managers may take measures that harm the value of shareholders after important events. The collapse of major international companies represented this due to the destruction of confidence crisis resulting from weak oversight performance in collapsed companies; internal audit significantly impacted corporate governance.

The following table shows (4) the targeted samples included in a questionnaire prepared for this purpose and distributed by (90) forms.

table (4) samples

Category	The forms that were actually distributed	Form retrieved	response rate
external auditor	30	20	67%
Accountant	30	25	84%
Internal Auditor	30	15	50%
Total	90	60	67%

Prepared by researchers based on the categories to which the forms were distributed
Statistical methods: Using the arithmetic mean, standard deviation and factor analysis for the purpose of clarifying the sample answers and to indicate the importance of the questions.

Table (5) descriptive statistics

Items	relative weight	Std. Deviation	mean	5	4	3	2	1
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1.	The strength of an internal audit system for companies contributes to activating governance.	85,1	0,511	4,24	19	39	2	-	-
2.	The Audit Committee evaluates the competence of the CFO.	85,1	0,478	4,23	20	33	7	-	-
3.	The audit follows up the implementation of the financial procedures.	85,1	0,459	4,29	20	28	12	-	-
4.	The internal audit ensures the implementation of governance procedures.	79,1	0,525	4,03	14	22	10	2	-
5.	The Audit Committee studies the financial statements before presenting them to the Board of Directors	87,6	0,554	4,37	30	25	5	-	-
6.	The procedures of internal policies and plans are audited and examined by the internal audit system.	82,2	0,370	4,14	22	23	15	-	-
7.	The audit possesses sufficient knowledge of professional standards to activate governance.	83,9	0,400	4,19	12	48	-	-	-
8.	Evaluation of the Audit Committee and the effectiveness of internal audit	97,5	0,298	4,88	34	16	10	-	-
9.	The Audit Committee supports the independence of internal audit	83,0	0,550	4,14	26	19	15	-	-
10	The internal control is obligated to exercise	91,0	0,560	4,53	27	23	10	-	-

due diligence when performing the internal audit.									
	84,0	0,471	4,27						

The table was prepared by the researchers based on statistical data.

The table shows the statistical analysis results from the questionnaire questions, which consist of ten questions. According to table, the answers are noted that the first question got an average of 4.24 and a deviation of 0.511. In contrast, the second question got an average of 4.23 and a deviation of 0.478, third question got an average of 4.29 and a deviation 0.459. the fourth question got a mean 4.03 a deviation of 0.525, and the fifth question got an average of 4.37 a deviation of 0.554. the sixth question got a mean of 4.14 and a standard deviation of 0.370, and seventh question got a mean of 4.19 and a standard deviation of 0.400. The eighth question had an arithmetic mean of 4.88 and a standard deviation of 0.298; the ninth question got an average of 4.14 and a deviation 0.550. The tenth question got a mean of 4.53 and a standard deviation of 0.560, and the result of the answer factor was completely in agreement.

The following table (6) shows the use of factor analysis, which summarizes the variables in a smaller number of the main factors that can explain the phenomenon, which is difficult to detect and can impact the interpretation of the relationships between many variables. And to obtain a new set of variables.

The factor represents great importance in the variables for each question of the first factor, which differs in each question's effect. The variance of this factor means 5,708, and the percentage of variance is 51,908. The questions arranged according to their importance according to answers of the sample members and according to a table (6)

Table (6) factor analysis

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	5.708	51.908	51.908
2	1.695	15.435	67.345
3	1.064	9.692	77.039
4	.800	7.292	84.332
5	.556	5.071	89.408
6	.335	3.064	92.474
7	.239	2.187	94.664
8	.222	2.034	96.701
9	.179	1.641	98.342
10	.143	1.312	99.657

Source / prepared by researchers based on statistical information

Table (7) arrange the variables within the importance of each of the research factors

	Component		
	1	2	3
x1	.810	-.249-	-.198-
x2	.858	-.243-	-.189-
x3	.849	-.252-	.041
x4	.815	.506	.058
x5	.782	.502	-.262-
x6	.653	-.274-	.537
x7	.725	-.139-	.574
x8	.490	.586	.599
x9	.841	.201	-.257-
x10	.268	.879	.139

- The second question (The Audit Committee evaluates the competence of the CFO.) is considered the first factor in importance, with a saturation degree of 0.858.
- The third question (the internal audit is responsible for following up the financial procedures.) It is considered among the first factor, second in importance, with a saturation degree of 0.849.
- The ninth question (The Audit Committee supports the independence of internal audit) represents within the first factor the third rank in importance, with a saturation degree of 0.841.
- The fourth question (the internal audit is based on ascertaining the procedures for implementing the governance) This variable represents within the first factor the fourth rank in importance and with a saturation degree of 0.815.
- The first question (the existence of an internal audit system in banks that contributes to activating governance) represents within the first factor the fifth rank in importance and with a saturation degree of 0.810.
- The fifth question (The Audit Committee studies the financial statements before presenting them to the Board of Directors) This variable represents within the first factor the sixth rank in importance and a saturation degree of 0.782.
- The seventh question (the audit system possesses sufficient knowledge of professional standards to activate governance) This variable represents within the first factor the seventh rank in importance, with a saturation degree of 0.725.
- The sixth question (the procedures for internal policies and plans are checked and checked by the internal audit) This variable represents within the first factor the eighth rank in importance, with a saturation degree of 0.653.
- The eighth question (Evaluation of the Audit Committee and the effectiveness of internal audit) This variable within the first factor represents the ninth rank in importance with a saturation degree of 0.490.

- The tenth question (the availability of technical, accounting, and scientific qualifications to activate governance) represents within the first factor the ninth rank in importance, with a saturation degree of 0.268

4. Conclusions and Recommendations

- Conclusions

- 1- To improve governance, companies rely on the strength of internal audit.
- 2- Internal audit follows up on the implementation of financial procedures and accounting policies.
- 3-The Audit Committee selects the competent financial manager.
- 4- Study of the financial statements by the Audit Committee for the purpose of ensuring their credibility.
- 5-Senior management supports the independence of the internal auditor.
- 6-The Audit Committee evaluates the suitability of the internal control system.
- 7-The Audit Committee contributes to the external auditor's commitment to the standards and the audit plan.
- 8-The Audit Committee contributes positively to defining responsibility and transparency.

- recommendations

- 1-The need to pay attention to internal audit and build a strong internal control system.
- 2-The need to educate shareholders and investors about the importance of the role of internal audit.
- 3-Internal audit must review the plan, follow up on its implementation, and identify deviations.
- 4- Follow up on the internal audit of the production process for the purpose of achieving maximum production efficiency.
- 5-The necessity of preparing an internal audit program.
- 6- Audit committees must be activated to enhance the ability of these committees to review the company's financial position.
- 7-The importance of mentioning the work of the audit committee in the final report of the financial statements.
- 8-The need for there to be cooperation between senior management, the audit committee, and executive management.

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