

Literature Review of the influence of Internal Audit Function on Corporate Governance

Newman Wadesango

University of Limpopo, RSA

Newman.wadesango@ul.ac.za

Blessing Nyakumwa

Midlands State University

Lovemore Sitsha

Midlands State University

ABSTRACT

Internal audit is thought to play a role in the centralized management of internal control and risk in corporate governance. A corporation's direction, control, and accountability are governed by a system of procedures, conventions, value codes, policies, regulations, and structures known as corporate governance. Corporate governance ensures that the company is run efficiently, that goals are achieved, and that resources are managed with the highest level of legality and probity. The purpose of this desktop study was to establish the influence of internal audit function on corporate governance in a parastatal companies. The study established that there is a positive relationship between the effectiveness of internal audit functions and corporate governance.

Keywords: Internal Audit Function, Parastatal, Corporate Governance, NSSA.

1. INTRODUCTION

A corporation's direction, control, and accountability are governed by a system of procedures, conventions, value codes, policies, regulations, and structures known as corporate governance. Corporate governance ensures that the company is run efficiently, that goals are achieved, and that resources are managed with the highest level of legality and probity. CGF (2010). Accountability, fairness, openness, and responsibility are the four pillars of corporate governance. In Zimbabwe, the Corporate Conceptual Framework was established which aims at achieving these four pillars in both SEPs and Parastatals. Shareholder rights, transparency, and board responsibility have long been considered the "holy trinity" of excellent corporate governance. Calder (2003). Effective corporate governance is required for any business entity to grow. The importance of corporate governance is the core of investment choices (Banerjee, 2022). An examination of listed Indian companies reveals that internal audit plays a substantial part in improving corporate governance effectiveness through increased use of the Audit Committee, greater public transparency, and the adoption of a sinewy and decisive Board structure.(Banerjee (2022).

1.1 Internal Auditing

The Institute of Internal Auditors (2020) explains internal audit as a liberated consultant action and impartial aimed to uplift the importance and advance an entity's operations. Sutawikara et al. (2021) claim that by employing a methodical and disciplined approach to assess and improve the efficacy, risk governance procedures control sufficiency, and organizational governance, internal audit contributes to the achievement of its purpose. Professionals with extensive knowledge of corporate systems, processes, and mentality do internal audits. The authors said that internal audit will ensure that internal controls are appropriate to manage risk, that the company has a successful and efficient governance process, and that its purpose and aim are realized (Sutawikara et al, 2021).

According to Sandya (2021), one of the internal auditor's key responsibilities is to spot fraud. The author also pointed out that various internal audits centred on financial, operational, and information technology controls may be carried out continually to reveal instances of fraud and abuse, ensuring sound

corporate governance (Sandya, 2021). An internal auditor's responsibility is to check that business procedures and related controls are operating as intended. They can also provide recommendations for ways to streamline business operations, save costs, and boost productivity. Internal auditors play a crucial role in the effective utilization of resources inside a corporation Sandhya (2021).

1.2 Corporate Governance

Good corporate governance is well-defined by Forum for Corporate Governance, Indonesia (FCGI) as a set of guidelines that govern relations between stakeholders, company management, the government, creditors, employees, interior and exterior parties linked to rights, in more direct terms, a system that panels the corporation. According to Mulyani et al. (2021), strong corporate governance is a system that maintains fair production and distribution to all stakeholders who have an impact on firm success. Several variables that contribute to the effectiveness of the process of implementing excellent corporate governance promote its implementation. The effectiveness of excellent corporate governance is dependent on internal audit, moral leadership, and effective information systems. (Mulyani et. al, 2021).

Numerous studies have been done using corporate governance as the dependent variable and internal auditing as the independent variable. An analysis of a handful of the empirical studies on these particular variables is provided below.

1.3 The role played by internal audit function on corporate governance

As stated IIA (2017) the role of the IAF is to operate the internal audit within a company and resources, competence, structure and the implementation of IIA's standards are the pillars for the good operation of IAF. According to Volodina et al. (2022), the spread of neoliberal ideals in the Ukrainian public sector has altered the functions of internal auditors. In support of the aforementioned, a study by Deloitte (2018) found that IA's position in corporate governance has changed from a watchdog to a more strategically valuable service.

In their research in Nigeria, Omolaye and Jacob (2017) found a positive association between IAF and institutions' performance in terms of functioning effectiveness, organizational progression, high lucrativeness, solvency, and business stability due to the availability of liberated guarantee services and enhanced threat management, control as well as governance procedures. Kontogeorgis (2018) noted that a research by Lee (2022) on internal controls and risk management and other key pillars of good corporate governance in Singapore asserted that in order to complete the proper institutionalization of internal controls and risk management the responsible board notably the Audit committee or a separate Board Risk Committee should put in place a team of internal auditors to monitor the implementation of the control policies and rules.

Lee (2022) further noted that to ensure risk management thereby ensuring good corporate governance the auditor's should be independently staffed and should report directly to the audit committee. The author also emphasized the need for an effective whistle blowing system by internal auditors which says that internal auditors should be able to act independently in doing their job and should detect and report any breach of the group's internal control or any management override without any fear or favour (Lee, 2022). This was in the view to support risk management. Internal auditors' main concern with the three E's, or economy, efficiency, and effectiveness, is strongly related to the concept of risk assessment and how risks are controlled by technology.

The prominence of the internal audit functions in risk administration was stressed by Malafrente and Pereira (2021) in their investigation of corporate risk management in the United Kingdom. According to the authors, managing risks in a comprehensive way through a suitable and organized process is a crucial obligation of an organization's corporate governance structure. Internal auditing is a tool for managing risk across the range of an organization's activities, within the context of organizational policies and procedures that operate as control parameters (Mihret and Grant, 2017). Likewise, sound corporate governance is ensured and the function of internal auditing of risk management is fulfilled (Mihret and Grant, 2017).

A study by (Park and Park, 2020) in Korea also supported the risk management role of internal audit. The purpose of the study was to examine the whether legal internal auditors impact firm – level stock price

crash risk. The study concluded that legal auditors play a vital role in monitoring future stock price crash risk and steadiness in the equity marketplace. Deloitte (2018) stated that internal auditors have increased the services they offer. They have included disruptive technologies risk assessment and cyber risk assessment as well as embarking on using innovative audit analytics, responsive practices, dynamic and visual broadcasting as innovative. Islam et al. (2018) supported the idea that internal audit's role in risk management has changed recently to include IT risk, particularly IT Security in the cyber world, in both consulting and assurance services. This is because business development is increasingly leading to a digital environment.

Internal audit's primary responsibility with regard to risk is to monitor an organization's operational environment for potential risk exposures, consider the impact of identifying risks, and give recommendations on risk alleviation strategies as well as steps that should be taken to minimize risks found. According to Eke (2018), the role of internal audit in regard to risk is as follows:

- Assess the current risk in the assessed environment and communicate the results to the managerial department and the audit committee.
- Construct a scheme for uniformly evaluating threat throughout the organization.
- Use threat self-assessment techniques to lead the risk assessment.
- Assess the hazards posed by cutting-edge computer innovations, and halt the project if the risks cannot be managed at predefined acceptable levels.

Internal auditors must evaluate the organization's control procedures while taking into account knowledge of controls gained from consulting engagements in order to fulfil these roles (Eke et al., 2018). Control is whichever deed engaged by management to enhance the possibility that established intentions and aims will be achieved (Eke, 2018). Thus, proper planning, organization, and management-based controlling produce control. He or she then makes recommendations for improvement.

According to Majid et al., (2022) the function of high quality internal audit with a greater degree of training and experience significantly affects the quality and control of the internal control systems. Additionally internal auditors will contribute more to financial statements audits where there is a larger proportion of internal audit staff and also those with previous experience in accounting and auditing, effective internal audits are more likely to detect and prevent fraud. Cheng et al (2018) asserted that an effective internal audit function which adheres to the International Standards for the Professional Practice of Internal Auditing and Regulatory standards is needed to produce cost control reports that are of good quality in order to improve the performance efficiency of a company that is assessing corporate risks, saving costs and increasing corporate operational effectiveness.

A study by Mohammadi et al (2021) indicated that internal auditors who act independently, with the necessary financial expertise and the size of the internal audit team has a significant impact on corporate social responsibility thereby ensuring good corporate governance. Tossin et al (2021) noted that internal audit which uses independent measures, professional skills, scope of work, implementation of investigation, internal audit management simultaneously ensures good corporate governance. As pinpointed by Mulvane et al (2021) on their study of the impact of internal audit, ethical leadership and accounting information systems towards Good Corporate Governance in Arden they emphasized that internal audit significantly affects good corporate governance implementation because it assist management distributor in identifying failures, weaknesses, inefficiencies from several programs that have been carried out by a concerned corporate because the internal audit will push the emergence of better corporate governance. Bananuka et al., (2018) further noted that internal audit function significantly affects accountability as a pillar of corporate governance in Ugandan statutory corporations.

According to Bananuka et al (2018) a well undertaken internal audit is the baseline for financial reporting and a functioning internal audit evaluates the effectiveness of internal controls, participates in risk management and ensures compliance with the laws and regulations. The institute of internal auditors' professional guidelines stated that the public sector governance encompasses the policies and procedures used to direct an organization's activities to provide reasonable assurance that objectives met and that portions carried out in an ethical and accountable manner.

1.4 How effective are internal audit functions in promoting sound corporate governance?

Greaves et al., (2017) defines effectiveness as the accomplishment of the objectives and Beckmerhagen et al.(2018) stated that in order to sufficiently measure audit effectiveness, evaluation must not be done only on results of the audit against the planned objectives, but also the audit process (planning, execution to reporting and follow-up) and resources (auditor independence and competence).

1.5 Empirical Review

Elbashir (2018) acknowledged that the usefulness of internal auditing is strong-minded by the orientation among the audit and the features of the internal audit function, which encompasses the entity's sector, private or public; the expert's ability; the capacity of the audit work; the entity's independence; and topmost managerial support. In order to scrutinize the usefulness of the Internal Audit Function in the discharge of its duties and so advance good corporate governance at parastatal companies this study will adopt the subsequent factors:

1.5.1 Internal audit independence and corporate governance

The Institute of Internal Auditors (IIA) internal auditing is regarded as an independent consulting activity and objective designed to elevate the value and operational .Ta and Doan (2022) in their study on the factors affecting IA effectiveness in Vietnam noted that internal auditors' impartiality and managerial backing to internal audit have a constructive effect on the usefulness of internal audit. The authors further noted that competence of internal and quality of IA do not affect internal audit effectiveness. Mwanza and Kaira (2022) in their study on the efficacy of internal auditing in the public sector in relation to corporate governance concluded that internal audit independence is a necessary attribute which ensures good corporate governance which the government should ensure it is guaranteed to make sure that the IA work with without fear or interference.

The internal auditor must be sufficiently hierarchical within the organization so as to ensure that the internal audit function exercises its duties responsibly because independence by internal auditors is not achieved when the internal auditor reports to the functionarily to the Board (Krichene, 2020).According to Ratmono and Darsono (2021) there is a favourable correlation between IA effectiveness and IA independence in local governments in Indonesia. The authors also agreed that the effectiveness of IA increase with increasing levels of independence. According to Saputra et al. (2020) and Mupeta (2017), an adequate auditor's independence increases the efficiency of the IAF.

Shio (2019) examined the variables affecting the performance of internal audit's functions in Tanzania. According to the report, internal auditors in public organizations must perform adequately, and they should not be given more responsibilities than they can handle. The authors pointed out that internal auditors lack the independence they need to carry out their duties, and management should provide them the freedom and independence they need to do their tasks well. Karyawati and Josh (2021) held the opinion that internal audit independence is not regarded as a serious issue in developing nations, especially those with family business characteristics, because there is no agency issue between shareholders and management. Instead, the family business companies' internal auditing goals place a greater emphasis on external regulations.

Mohammadi et.al (2021) on their study of the impact of board and audit committee characteristics on corporate social responsibility from the Iranian Stock Exchange asserted that board independence significantly affects corporate social responsibility as a pillar of corporate governance. Lee (2022) further noted that to ensure risk management thereby ensuring good corporate governance the auditor's should be independently staffed and should report directly to the audit committee The author also emphasized the need for an effective whistle blowing system by internal auditors which says that internal auditors should be able to act independently in doing their job and should detect and report any breach of the group's internal control or any management override without any fear or favour.

According to Muqattash (2017), independent internal audit processes and objectivity among internal audit specialists are necessary if organizations are to conduct highly effective audits. Internal auditors should adhere to professional regulations, according to Djordjeric and Dukic (2017), and they should be able to identify and deal with any threat to independence and objectivity. Sherriff (2021) observed that the internal audit system's lack of independence, complete support, and an inadequate budget allocation render it useless.

The success of the internal audit function, according to the American Institute of Certified Public Accountants (AICPA) and other like-minded organizations, depends on organizational independence. To be able to work independently and, equally crucial, be seen working, auditors must be sufficiently removed from the parties they are needed to audit. When an organization is independent and objective, it improves the quality of the auditors' work and offers staff member's confidence that they can depend on their findings and reports. Since independence shields internal auditors from influence or coercion and increases their neutrality in their auditing work, it is said that liberty is more harmful to internal auditors' effectiveness.

1.5.2 Internal auditor's experience and skills and corporate governance

Mwanza and Kaira (2022) noted that internal auditors recruited and retained based on their qualifications, training attained and certification by IIA ensures that an effective internal audit service resulting in quality audit work and financial accountability. Mulenga (2019) also highlighted that so as to ensure superficial corporate governance, there is need for a skilful and professional IA personnel with the relevant skills to perform the internal audit function.

Another study in Tanzania by Kalokola (2020) on the effectiveness of internal audit on performance of internal audit services in selected government authorities in Tanzania showed that organisational settings and audit attributes have an impact on the quality of internal audit services provided by an IAF. The authors concluded that management should provide enough human, financial and infrastructural resources to enable the IAF to carry out its tasks relating to fieldwork and controlling in institutions so as to ensure good corporate governance.

According to a study by Vadasi et al (2019) on the effectiveness of internal audit factor (professionalization) through its contribution to corporate governance in Athens, Greece, internal audit effectiveness is impacted by internal audit professionalization because the influence of internal audit to corporate governance is enhanced in organizations where there is compliance with the IA Standards as well as internal auditors having qualified credentials. The authors included two company-specific traits, such as the CEO's dual role and the caliber of the audit committee, as factors that improve IA's contribution.

The effectiveness of the internal audit activities is affected by staff competency (Lan et al., 2018). The necessity of having an internal audit team with the knowledge, skills, and other competences necessary to perform their duties is emphasized by the International Standards for Professional Practice in International Auditing (ISPPIA, Standard 1210). Cheng et al. (2018) noted that in order to improve the performance effectiveness of a company that is assessing corporate risks, saving money, and increasing corporate operational effectiveness, it is necessary to have an internal audit function that is efficient and adheres to the International Standards for the Professional Practice of Internal Auditing and Regulatory standards. In order to effectively carry out their duties, internal auditors also need good interpersonal skills in teamwork, debating, communication, and critical thinking. According to Majid et al. (2022), a high-quality internal audit function with more training and expertise has a substantial impact on the quality and control of the system of internal control. Effective internal audits are more likely to identify and stop fraud than ineffective ones, therefore internal auditors will add more to financial statement audits if there is a higher percentage of internal audit professionals and also those with prior experience in accounting and auditing (Majid et al, 2022).

The internal audit division requires qualified employees who collectively have the education, experience, training, and professional credentials required to carry out the full range of audits required by its

mandate. Huong (2018) agreed that a high degree of education is necessary for auditors to be considered valuable and effective human resources. An internal audit function is deemed competent, as stated by Abbott et al. (2016), when it employs internal auditors with adequate knowledge, experience, and skills. Lai and Liu (2018) stated that more competent internal leaders whom they refer to as with higher educational level are in a position to acquire and analyses relevant information.

According to Nurdino and Gamayuni's (2018) study, internal auditor competency has a big impact on internal auditing. According to a study by Jachi and Yona (2019), in Zimbabwe, the internal audit function competency aspects of training, experience, and certification are interdependent with openness and accountability. Additionally, the study demonstrated that the desire to enhance IA competency through the development of a setting that would support and ensure their efficacy in maintaining corporate governance. In their research on corporate governance practices in India, Novranggi and Sunardi (2019) also made the case that the competency of internal auditors has an impact on the efficiency of internal auditing. According to Bananuka et al. (2018), an internal audit becomes competent once it has the ability to assess the efficacy of internal controls and engage in risk management. The results led the author to conclude that the internal audit function is non-functional if internal auditing staff are not competent, independent, and compliant with professional standards.

1.5.3 Management support and corporate governance

According to Quampah et al. (2021), failure to discuss and promptly implement audit findings, insufficient management support through IT skills training, and other reasons make the IA ineffective at government institutions in Ghana. Mwanza and Kaira (2022) observed that management should recognize the function of the IAF by providing the appropriate resources and trainings in their study of the success of internal auditing in the public sector in Zambia.

Abdulaziz (2022) found that management support for IA is positively correlated with corporate success in his investigation of CEO traits, management support for IA, and corporate performance in Malaysia on listed businesses. The authors also stated that CEO experience and management support for internal auditing (IA) increase the effects of the level of implementation of these recommendations on corporate governance. They also asserted that the impact of management support on corporate performance is excluded when it interacts with the CEOs' involvement in the appointment of the Internal Auditors and when Internal Auditors report directly to the CEOs. Dawuda et al (2017) noted that institutions in Ghana are not making good use of internal audit departments as a mechanism for sound corporate governance. Internal audits departments have been installed only to comply with regulations rather than adding value to the organisations. The study concluded that management support should support fully the internal audit department so as to ensure that it carries out its duties effectively thereby ensuring good corporate governance.

Sherriff (2021) contends that responsibility is reached when managerial support is of the highest caliber. The recognition and responsibility of the internal audit function inside an organization is fundamentally dependent on top management support. According to ISPPA, the internal audit department should undoubtedly have sufficient funding to increase the effectiveness of its activities. Thi and Huong (2018) discovered that management support was closely related to the three auditing effectiveness dimensions in businesses (auditing quality, auditee evaluations, and added value of IA). Alqudah et al. (2019) discovered that management support was the primary variable affecting internal audit effectiveness inside firms. They contend that employing skilled and experienced employees and allocating adequate resources would increase the effectiveness of internal auditing. In their research on the use of information technology, top management support, and internal audit effectiveness (Alkebsi and Aziz, 2017), the authors found a strong correlation between these variables. According to Wondwosen (2019), managerial assistance has little bearing on the efficiency of internal audits.

1.6 Other factors which can be used to measure internal audit effectiveness include

1.6.1 Number of audit committee conferences

According to Gebrayel et al. (2018) study on the relationship between the internal audit function and the quality of financial reporting, regular meetings between the AC and internal auditors have a supportive impact on the internal audit function, which in turn affects the financial reporting quality of a corporation.

1.6.2 A formal decree

Mulugeta (2018) Since public servants are also members of the public, both citizens' and public servants' behavior should be restrained by strong regulation. Formally speaking, this implies that the national constitution, the national audit charter, or any other legal instrument should create and provide for the audit's impact, which includes its power, roles, tasks, obligations, and duties. The measures and requirements set forth in these legal papers should include things like reporting guidelines, audit decision-making, the expression of an opinion, and the reviewed entity's need to collaborate with external auditors and working as a group (Mulugeta, 2018)

1.6.3 Career progression

According to Goodwin (2016), the criteria that have been set forth thus far, in particular the professional competence of the auditors, the standard of the auditing work, and the organizational independence of the auditing departments, illustrate circumstances in which the interests of internal auditors are of the line of work rather than those of the employing business. The second and third components illustrate the alternative situation, in which corporate safety comes first. The first of these entails taking care and progression into account.

1.6.4 management training centre(mtc)

By attracting students who do badly in academics and are more concerned with making money, utilizing internal audit as a managerial training centre affects people's independence, claims Bartlett (2017). This poses a risk to that independence. Carcello et al. (2018) claim that because MTC auditors are seen to have a stronger intrinsic talent for issue solutions, management relies on them more than non-MTC suggestions. This indicates that utilizing the internet as a management training tool does not compromise the independence of independent worldwide auditors. According to Hoops et. al. (2018), the objectivity of internal audit is not jeopardized by using it as a management training centre; on the contrary, it is strengthened, and the audit committee's relationship with management is made more objective. MTC is beneficial for internal audit tasks since it improves the rapport with the auditee and lessens the likelihood that they will act as "watchdogs for good change" rather than just "blood hunters."

1.6.5 Stakeholder assistance

The goal of public sector organizations, as stated by Baltci and Yilmaz (2016), is to help the general public access local services. Locals should proactively promote the legality of internal audit activities, according to this framework.

1.7 To determine if internal audit affect corporate governance quality

In their investigation into the relationship between corporate governance quality and enterprise risk management in Amman, Mustafa and Al-Nimer (2018) came to the conclusion that there is a clear correlation between the two. The findings also demonstrated the need for organizations to embrace new practices for allocating resources for risk management, as well as the need for businesses to take into account usability and training requirements before implementation. An investigation by Park and Park (2020) into the possibility that statutory internal auditors have an impact on a company's risk of a stock price crash came to the conclusion that better statutory internal auditors, as indicated by their compensation and level of financial expertise, are linked to a lower likelihood of future stock price crash risk. The results showed that high quality legal internal auditors prevent managers from hiding bad news due to superior abilities and robust motivation to reduce their risk of legal action and maintain their reputation. Simply put, having statutory internal auditors of high caliber helps to lower market risks.

A high quality IAF contributes to both financial reporting quality and effectiveness of audits, according to Gros et al. (2017).’S study on IAF quality and financial reporting on German listed businesses. They agreed that the IAF is a crucial component of good corporate governance and makes a significant

contribution to the integrity of financial reporting. According to Gros et al. (2017), external certification of IAF workers is necessary to achieve better financial reporting, lower audit fees, and sound corporate governance. Another study by Alyazidi et al. (2022) in Yemen noted that there is an association between the effectiveness of corporate governance and the IAF's objectivity, independence, professional ethics and the IAF size. The study's findings indicated that characteristics of the IAF play a substantial and influential influence in boosting corporate governance effectiveness.

In their investigation into the moderating impact of internal audit performance on the relationship between corporate governance quality in Tehran, Larijani and Khodaie (2022) came to the conclusion that internal audit performance quality is necessary to ensure corporate governance quality, which in turn ensures good corporate governance, which ensures good corporate performance. The results of the study demonstrated a substantial positive correlation between the corporate success of the company and the IA unit's and corporate governance's quality of performance. Zeyn (2018) noted that in order to ensure improved financial accountability that will produce reliable financial reports government internal audit quality is an important requirement. The study also noted that auditors with good skills enhances good corporate governance through communication of audit findings to both the head area and the auditee which improves the presentation of financial statements.

1.8 To identify key polices that ensure corporate governance compliance in a parastatal company

A proper framework must be in place for an organization to ensure excellence in decision-making and the swift as well as active enactment of choices

Good governance imposes that organizations have the right framework in abode to guarantee superiority in making choices and that choices are employed quickly and successfully. Important elements of good governance include:

1.8.1 The Audit Committee

The performance of a company's audit committee or board of directors has a significant effect on the control environment. By overseeing financial reporting, ensuring the adoption of internal controls, implementing appropriate accounting rules, and selecting and managing independent external auditors, audit committees must assume increased responsibility for corporate governance. The degree of the board's independence from management, the experience and standing of its members, the degree to which it raises and pursues challenging management issues, and its interactions with internal and external auditors are all factors that affect the effectiveness of the audit committee. The audit committee can fulfil its duties and fulfill its functions due to a solid interaction between the committee and internal audit. An audit committee establishes the role and direction for internal audit, maximizing from the IAF (Tugman and Leka, 2019).

1.8.2 Internal Audit

The primary objectives of an organization's internal control system are to provide administrative management with the confidence that financial data is precise and reliable, that its organization abides with policies, plans, practices, laws, regulatory requirements, and agreements, that assets are protected against theft and theft, that resources are used efficiently, that established goals and objectives for operations or programs can be achieved, and that assets are used in an efficient and effective manner. Kinsey (2019). This system or interior control structure is the focus of internal auditing.

1.8.3 Risk Management

In order to achieve an entity's goals, Srinivas (2019) claims that risk assessment calls for identification, investigation, and acceptance of both interior and exterior threats. Internal auditors and management benefit from risk assessment's ability to maintain control. Maintaining the ability to recognize, comprehend, and respond swiftly to challenges, chances, and risks relevant to the entity's operations, reporting, and compliance goals is necessary for upholding control. Out of all the threats identified in the identification phase, a list of risks with varying impacts is created throughout the risk assessment process to ensure that risk is properly monitored (Srinivas, 2019). The COSO report helps management and internal auditors establish a continuous process for recognizing changes in an entity's business environment and for taking the necessary precautions to manage threat.

1.9 Measures to improve audit functions

Ali (2017) stated that effective governance practices can increase quality of service in Tanzanian public organizations. The TANESCO managerial department was urged to guarantee that each employee understood and adhered to the core principles of good governance. In order to raise knowledge of good governance, it was suggested that TANESCO concentrate on efforts for staff and human resource development and implement adequate training programs. For instance, TANESCO ought to have enough qualified auditors to analyze management and procurement operations and provide recommendations in accordance with the most recent rules and regulations in order to reduce avoidable deviations.

Auditors must update and enhance their abilities, much like other employees, to increase auditing performance. Evidence points to training as one of the key tools for learning that enables auditors to modify their behaviours and operational procedures and enhance their auditing abilities (Drogalas et al., 2017). For performing better in their constantly changing occupations, auditors should regularly participate in training sessions and keep up with new information and technology, according to AI-Mzary et al. (2015).

Thabet (2017) found a positive relationship between auditor training level and how well they perform in auditing exercises. The larger their professional expertise and capacity to detect faults and inconsistencies, the higher their degree of training. The operation of the internal audit can occasionally be affected by inadequate record keeping, a lack of paperwork, which frequently causes income loss as well as government incompetence (Okpala, 2019). Internal audits may not be as successful if records aren't kept accurately and the tendering process isn't adequately documented. The success of internal audits is also influenced by how well-written and thorough the company documentation are. Regulating authorities utilize these records to keep an eye on both the effectiveness of the public sectors and the observance of legal compliance (Bairo, 2020).

2. CONCLUSION

The study concludes conclusion that a substantial beneficial relationship between corporate governance and the internal audit function do exist. The study also concludes that, in order to achieve effective corporate governance, organisations such as NSSA must guarantee greater independence for the IAF. The results show that internal auditing plays a crucial role in enhancing good corporate governance in NSSA. According to the findings, male employees are predisposed to acting unethically in an organization more than female employees, which is why there are more instances of corruption among employees.

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