The Factors That Determine Internal Audit Effectiveness in the Selected Public Sector and Parastatal Organizations in Zambia

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By Greaves Mupeta

School of Business
Information and Communications University,
Lusaka, Zambia
Email: greavesmupeta@yahoo.com

Abstract

The main purpose of this research is to investigate the factors that determine the Internal Audit effectiveness in the selected Public sector and Parastatal organizations in Zambia.

The Research targeted more than 5 public sector offices both for profit and not for profit sectors including those under the Parastatal umbrella in Zambia.

The main aim of this paper is to focus on the specific objectives such as; examining the contribution of management support for internal audit effectiveness in public sector offices, to examine the contributions of adequate and competent audit staff for internal audit effectiveness, examine the contributions of an approved Internal Audit Charter as a measure of internal audit effectiveness in public sector offices, examine the contributions of management perception for internal audit effectiveness in public sector offices.

The research was conducted by administering 2 types of questionnaires, the first one to test compliance assessment from senior management staff and the second questionnaire was administered to Internal Auditors to test effectiveness in relation to management’s perception of internal audit function, the management support, the organization independence, the adequate competent staff and the approved internal audit charter.

Key Words: Internal Audit Effectiveness, Management Support, Organizational Independence, Management Perception, Approved Internal Audit Charter
1. Introduction and Background

The IA – CM (Internal Audit Capability Model) identifies different levels of Internal Audit functions either in the private or public sector. The movement is from the lower to higher levels of an assessment to the maturity and complexity of internal audit activity and the organisation it serves (IIA 2012 Supplemental guidance).

The Internal Audit capability model describes five levels of internal audit activity in accordance with its set of capabilities. On lower levels (1 and 2), capabilities are characterised by the absence of infrastructure, lack of adherence to established professional practices or partial compliance with professional standards, reliance on professional skills to perform audits, and audit planning based on management priorities (IIA 2012 Supplemental guidance).

On the other hand higher levels (3, 4, and 5) capabilities are characterised with professional standards, focus on independence and objectivity, documentation of processes, policies, and procedures; quantitative measurement and management risk, participation in the organisation’s governance and risk management.

A country like Zambia that is administered in a democratic policy, there is need for accountability in its use of public money and in providing effective, efficient and economic service delivery in order for these objectives to be achieved the government has come up with the requirement for internal audit function as a mechanism for controlling and using of all scarce resources available in the corporate organisation.

The development of internal Audit profession has brought in changes in the way Internal Auditors are perceived. Previously, Internal Auditors were seen as inspectors or external auditors but this has now evolved to be considered an independent profession which is playing a role in the management of an organisation.

Public sector offices are part of the public body which is partly or wholly financed by government services to the whole society. Under the Ministry of Finance website the responsibilities of Internal Audit department are stated as follows;
‘The department is responsible for the management and control of government resource usage and ensures that adequate, effective prudential measures and controls are in place in the process of utilising the resources’. Therefore the main goal of the department is to promote accountability in all government ministries, spending agencies and statutory bodies and parastatal organisations.

The public sector provides services such as banking, financing, education, communication service, healthcare, police, transportation and energy.
2. Literature review

Internal auditing is a profession and activity involved in advising organisations regarding how better to achieve their objectives through managing risks and improving internal control. Internal auditing involves the utilisation of systematic methodology for analysing business processes or organisation problems and recommending solutions. The scope of internal auditing within an organisation is broad and may include various internal control activities such as the review of the effectiveness and efficiency of operations, the reliability of financial reporting, investigations of fraud, risk assessment, safeguarding of assets, and compliance with laws and regulations. Internal audit activities therefore provide assurance on effectiveness of public sector entities, internal control environment and may identify opportunities for performance improvement.

The Public Finance Act 2004 of Zambia clearly stipulates that the controller of Internal Audit shall be responsible for internal audits of every ministry, department and statutory corporation. It further states that the Internal Auditors shall at all reasonable time have access to all records, books, vouchers and other documents relating to the accounts of any statutory corporation, ministry or department. An internal Auditor shall submit reports to the controlling officer and audit committee and such reports shall be copied to the Secretary to the Treasury and Auditor General.

The reporting structure in Zambia’s public sector is as follows;

- Controlling Officer
- Audit Committee
- Secretary to the Treasury
- Auditor General

The Public Finance Act of 2004 requires that each ministry, department and statutory corporations establish an audit committee through the board of Directors as corporate governance implementation process.

An Audit Committee shall consist of five members appointed by the Secretary to the treasury as follows;

- Two public Officers
- One representative from the Zambia Institute of Chartered Accountants
- One representative from the Law Association of Zambia
- One representative from any other professional body
3. Theoretical Review

Historically, internal auditing was perceived as being confined to merely ensuring that the accounting and underlying records to an organisation’s transactions were properly maintained, that the assets management system was in place in order to safeguard the assets and also to see whether policies and procedures were in place and duly complied with. Until the mid–20th century internal auditors were primarily concerned with checking accounting records and detection of financial errors and regularities.

Internal auditing was developed in the years between 1900 to 1950; however it was not until the late thirties and early forties that it became widely utilized. Internal auditing emerged as a profession in 1941 when the IIA was founded in New York by a group of practicing Internal Auditors.

Before the issuance of the first version of the statement of responsibilities by the IIA in 1947 most internal auditors focused on routine tasks. (Meigs/1951, p.518)

According to the IIA historical timeline, the first textbook for the practice, Brinks Internal Auditing was published in 1941. The IIA technical Journal, Internal Auditor was first distributed in 1943. The first Certified Internal Auditor examinations were written in 1974 to test the knowledge of individuals against a recognised body of knowledge before they become Internal Auditors.

In 1978, the Institute of Internal Auditors (IIA) defined internal auditing as;

“An independent appraisal activity established within an organisation as a service to the organisation, it is a control, which functions by examining and evaluating the adequacy and effectiveness of other controls, the objective of Internal Auditing is to assist members of the organisation in the effective discharge of their responsibilities. To this end, internal auditing furnishes them analysis, appraisals, recommendations, counsel and information concerning the activities reviewed” (Ali and others …2007 pp25-26)

The modern scope and focus of internal auditing are reflected in the current definition that was formally adopted by the IIA in 1999.

The role of internal auditing can be identified as involving three elements, namely the evaluation and improvement of risk management, control and guidance processes. These are referred to as the three pillars if internal auditing.

Public sector governance relates to the means by which goals are established and accomplished. According to the IIA 2006 it also includes activities that ensure a government’s credibility to establish equitable provision of services and appropriate behaviour of government officials and reducing the risk of public corruption. Management control in the public sector includes all policies and procedures put in place by a government and the management of public sector entities aimed at promoting accountability of resources.
According to an international journal on Government Financial management volume 1 x 2009, ‘’the audit function has become an integral part of government financial management and an instrument for improving performance in the public sector. The need for good governance and accountability has compelled governments to demonstrate a stronger sense of responsibility in the case of public funds and efficiency in the delivery of services.

Management of national economies today is more complex and demands greater competency and professionalism from Internal Auditors if they are able to assist government in ensuring that scarce resources are deployed more efficiently and deal effectively with associated risks.

The nature of internal audit organisational arrangement determines its independence and effectiveness. The size and complexity of the public sector have influenced the diverse forms of internal audit organisation arrangements and service delivery approaches.

Internal auditing is important element to management since it provides audit services for managers at all levels including the Board of directors and Audit committee (Rezaee & Lander 1993).

Over the years, internal auditing has had different emphasis and roles, previously, the emphasis was more towards one-size-fits-all approach whereby audits were scheduled on cyclical, methodological basis, and the auditors’ role was reported against a checklist of existing company policies and procedures to ensure that the internal controls of the company were functioning well.

Internal audit activities are performed in diverse legal and cultural environment within organisations that vary in purpose, size and structures and by persons within or outside the organisation (Sawyer 1993).

These differences may affect the practice of internal auditing in each environment.

Brodie (1989) commented that generally management has been rather slow to recognise the full value and potential of internal audit experience even though there has been a steady improvement in the professional standing of internal auditors.

### 3.1 Internal Audit Effectiveness

The Institute of Internal Auditors 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 internal auditor to achieve established objectives within the organization.
Similarly, according to Belay, 2007 and De Smet & Mention 2011, effective internal audit function could be a major asset for improving public confidence in financial reporting and corporate governance if it contains the following elements:

- Organizational independence
- A formal mandate (Existence of approved audit charter)
- Unrestricted access
- Sufficient funding
- Competent leadership
- Existence of audit committee
- Stakeholder support
- Professional audit standards and limited scope

Different researchers have defined the term effectiveness in different ways as follows:

Arena and Azzone (2009) defined effectiveness ‘‘as the capacity to obtain results that are consistent with targets objective’’

Dittenhorfer M (2001) view effectiveness as the ability toward the achievement of objectives and goals.

Mizrahi and Ness-Weisman (2007) defined internal audit effectiveness as the number and scope of deficiencies corrected following the audit process.

4. Empirical Review

This research aims at ensuring that an assessment is done on the effectiveness of internal audit in the selected public sector offices for both profit and not for profit organizations.

The researcher could not find any related literature in Zambia, however a number of researchers have provided studies regarding the effectiveness of internal audit in the public sector with specific emphasis on the effects of management support, independence of internal auditors, management perceptions, competent internal audit staff and the availability of internal audit charter. These reviews from other researchers have been included in the literature.

4.1 Management Support

Cohen and Sayag indicated that the management support is crucial to the operations of internal audit because all determinants of internal audit effectiveness derive from the support of top management, such as the hiring of proficient internal audit staff, developing career channels for internal audit staff and providing organizational independence for internal audit work.
This means that it is the interest of management to maintain a strong internal audit department. (Adams, 1994, Mihret and Yismaw, 2007)

In addition, implementation of audit recommendations is highly relevant to internal audit effectiveness. (Sarens and Beelde 2006, Van Gasberghe 2005) which is the component of management support. (Mihret and Yismaw 2007)

The commitment by management to use audit recommendations and its support in strengthening internal audit is key to internal audit effectiveness.

The findings of Mihret and Yismaw (2007) in their case study, shows that the component of management support is measured on the responses to the audit findings and that of strengthening internal audit.

Sarens and Beelde in their study in 2006 argue that the overall acceptance and appreciation of internal audit is very much dependent on the support they receive from senior management.

4.2 Management Perception of Internal Audit Function

Perception was defined by Woodard III, 2002 as ‘’ the process of attaining awareness or understanding of sensory information or it is the mental image of intuitive recognition of experience when aware of the elements of the environment."

In order to operate effectively, internal auditors and their auditees should have a similar understanding of the importance of internal auditing and its value to the organization.

If this is not reached the auditees will simply think that internal auditors are an obstacle to the organizational objectives. This can result in the underutilization of internal audit services and ignoring audit recommendations. (Flesher and Zanzig, 2000) and this adversely influence the effectiveness of internal audit. (Arena and Azzonne, 2009)

Cohen and Sayag 2010, in their research findings indicated that ‘’ when employees at all levels perceive that top management assigns importance to the function of internal audit, they will cooperate and support these processes”. The outcome of this is that internal auditors will perform their work very highly motivated.

4.3 Organizational Independence

According to the IIA guideline standard 1100 (independence and objectivity) the internal audit activity must be independent and internal auditors must be objective in performing their work.

Independence is the freedom from conditions that threaten the ability of internal audit activity to carry out internal audit activity responsibilities in an unbiased manner (IIA).
The standard on organizational independence 1110 of the IIA states that ‘’ the chief audit executive must report to the level within the organization that allows the internal audit activity to fulfil its responsibilities.

The assurance services provided by auditors derive their value and credibility from fundamental assumptions of independence of mind and independence in appearance (wines, 2012; Stewart and Subramanian, 2010).

Bou – Raad (2000) argued that the strength of internal audit department must be assessed with respect to the level of independence it enjoys from management and from operating responsibilities.

The IIA, the American Institute of certified public accountants (AICPA) and others have likewise identified organizational independence as crucial to the viability of internal audit function (Brown 1983).

Van Peursem (2005) research based on interviews with Australian internal Auditors, and he concluded that independence from management is a dominant feature of successful auditing programs.

Auditors should be sufficiently independent from those they are required to audit in order to conduct their work without interference. In their research, (Cohen and Sayag, 2010) did find that coupled with objectivity, organizational independence contributes to the accuracy of the auditor’s work and gives employers confidence that they can rely on the results and reports.

Mautz and sharaf (1964) differentiate among three dimensions of independence: programming independence, investigative independence and reporting independence.

4.4 Adequate and competent Internal Audit Staff

Internal auditors must have sufficient proficiency and training to carry out the tasks assigned to them. The auditors work must be carefully directed, supervised and reviewed. The skills requirements for internal audit should be aligned to the nature of the organization’s business, its risk profile and the associated needs of management.

The empirical finding by Al – Twaijry et .al, 2004, based on the questionnaire and interview responses from internal and external auditors, working in Saudi Arabia suggests that internal audit function size is an important indicator of its quality.

Appropriate staffing of an internal audit department and good management of that staff is key to the effective operations of an internal audit.
According to Al – Twaijry et al 2004 an audit requires a professional staff that collectively has the necessary education, training experience and professional qualifications to conduct full range of audits required by its mandate.

The competence of internal auditors can be measured in terms of academic level, experience and the efforts of staff for continuous professional development and compliance with audit standards.

Both the quality of professional care exercised will determine the overall quality of internal audit work. (Cohen & Sayag 2010)

The literature review specifically conducted on communication skills (Smith 2005) stated the development of effective communication skills such as listening, interpersonal, written or oral communication skills is an important part of internal auditor’s advancement potential.

4.5 The Approved Internal Audit Charter

The internal audit charter is a formal document that defines internal audit purpose, authority, responsibility and position within an organization (iia.uk/resources)

A researcher by the name of O .Regan (2002) concluded that a well drafted Audit Charter is an important ingredient for internal audit effectiveness. He added that it helps to direct the efforts of audit staff and lays out what is expected of the board in order for internal audit to provide the expected assurance.

Van Peursem (2005) also added in his research that the presence of a strong audit charter adds an official and respected layer of authority to the position of internal audit in the company.

5. Methodology

The study focuses on the determinants of internal audit effectiveness in selected public sector offices in Zambia.

The research phase involved primary data collection obtained through the administration of two questionnaires. The method used was distributing the questionnaires to managers and another to internal Auditors. A purposive sampling method was used on selected public sector offices.

The target populations for this research were the public sector offices in the town of Ndola. The focus was to target at least 5 public offices which were purposively selected as a good representation of other sectors.

The following are the public sector offices which were selected;
The survey was conducted specifically on those public sectors with internal audit units. The questionnaires were distributed by targeting key management staff and internal audit staff.

The target for the distribution of questionnaires was first to the top senior management who perform supervisory roles and are most of the time involved in dealing with audit matters in the organization.

The other questionnaire was targeted at internal auditors in order to measure factors affecting internal audit effectiveness in the public sector. The aim was to get responses from at least four internal auditors from each public office since this department has fewer staffing levels.

The questionnaires for internal auditors dealt with an independent variable which is to determine the effectiveness of internal auditors.

The questionnaires for managers focused on the effectiveness of auditors in their duties in public offices in testing compliance levels.

The questionnaire design was a modification of the one which was done by (Mihret and Yismaw 2007 and Cohen & Sayag 2010 Arena and Azzone, 2009).

The questionnaire was prepared in a likert form named after its inventor Rensis Likert a format which shows a five level likert scale were the highest level shows a five score as strongly agree and the lowest shows a score of one as strongly disagree.

The administration of the questionnaire to the respondents was organised in two parts, one dealing with effectiveness of internal auditors and its determinants and the other one focused on the statistical data regarding the respondents.

6. Results

The objective of the research was based on the determinants of the effectiveness of internal auditors in the selected public sector organizations including Parastatals.

The findings suggest some of the strategies that need to be employed in order to improve internal audit effectiveness.

The factors were mainly centred on four areas such as management support, management perception of internal audit function, competent internal audit staff and an approved internal audit charter. In order for this to be achieved data were collected and checked on parameters which included characteristics of respondents such as gender, level of education, work
experience and position at work of those involved in the research study in order to achieve the objective of the study and research questions.

Data presented in this study are from respondent’s views and perceptions as regards the determinants of internal audit effectiveness in the selected public sector offices.

The findings are also incorporated with various secondary sources as a means of attaining objectivity, validity, reliability and significance.

6.1 Results for Internal Audit Effectiveness

Internal audit effectiveness means the extent to which an internal audit meets its purposes (Mihret & Yismaw, 2007). Previous studies have used different approaches to determine appropriate standard to assess the effectiveness of the internal audit function (Al-Twajiry et al, 2003) due to the fact that the issues of effectiveness of internal audit is indispensable because it creates improvements in the government ministries (Unegbu & Kida, 2011).

In line with the above, consideration over the measurement of the effectiveness of internal audit function keep receiving a significant challenges, consisting of findings of the best and relevant method for measuring the effectiveness of internal audit (Bota & Palfi, 2009; IIA 2010).

The following are the statistical analysis of results based on the linkert type of questionnaire administered to management staff for the selected public sector offices/Parastatals in Zambia.

6.1.2 Likert Scale Analysis – Internal Audit Effectiveness

<p>| Survey Scale: 1=Strongly Disagree   2=Disagree   3=Neutral   4=Agree   5=Strongly Agree |
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<tr>
<th>Course Evaluation Survey</th>
<th># 1's</th>
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<tr>
<td>1. Internal auditors can effectively identify and report any non-compliance activities with my office's/sector policies and procedures.</td>
<td>8</td>
<td>18</td>
<td>9</td>
<td>5</td>
<td>40</td>
<td>40</td>
<td>2.28</td>
<td>2</td>
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<td>2. Internal Auditors provide useful recommendations and constructive criticisms on non-compliance activities or control systems of the office/sector.</td>
<td>9</td>
<td>18</td>
<td>10</td>
<td>3</td>
<td>40</td>
<td>40</td>
<td>2.18</td>
<td>2</td>
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<td>3. I use the recommendations and constructive criticisms and information provided by internal auditor for decision making.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>40</td>
<td>2.48</td>
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<tr>
<td>4. My office/sector has put its confidence on internal audit staffs, because they may face any problems on noncompliance activities.</td>
<td>8</td>
<td>21</td>
<td>11</td>
<td>40</td>
<td>2.08</td>
<td>2</td>
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<td>5. The number of complaints or doubts about the internal auditors’ findings is very low because their report is correct and reasonable.</td>
<td>14</td>
<td>20</td>
<td>6</td>
<td>40</td>
<td>1.80</td>
<td>2</td>
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<tr>
<td>6. Internal audit ensures the economical, effective and efficient use of resources in my office/sector.</td>
<td>26</td>
<td>9</td>
<td>5</td>
<td>40</td>
<td>2.48</td>
<td>2</td>
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<tr>
<td>7. In my office/sector internal audit ensures that activity performed is in compliance with established policies, procedures, laws and regulations.</td>
<td>17</td>
<td>19</td>
<td>4</td>
<td>40</td>
<td>2.68</td>
<td>3</td>
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<tr>
<td>8. The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems found.</td>
<td>20</td>
<td>14</td>
<td>6</td>
<td>40</td>
<td>2.65</td>
<td>2</td>
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<tr>
<td>9. The internal auditors have confidence to issue audit reports because they are capable to determine the nature and frequency of non-compliance activities.</td>
<td>8</td>
<td>19</td>
<td>8</td>
<td>5</td>
<td>40</td>
<td>2.25</td>
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<td>10. The recommendations of internal audit department provide practical, cost-benefit solutions for correcting the problems that were found.</td>
<td>21</td>
<td>14</td>
<td>5</td>
<td>40</td>
<td>2.60</td>
<td>2</td>
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<td>11. Internal auditors have the experience and expertise to address corporate risk management problems within the organization.</td>
<td>6</td>
<td>23</td>
<td>11</td>
<td>40</td>
<td>2.60</td>
<td>2</td>
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<td>12. Internal auditors in your company are capable of carrying out internal control function under corporate governance rules.</td>
<td>16</td>
<td>24</td>
<td>40</td>
<td>2.60</td>
<td>2</td>
<td></td>
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<td>13. The existence and findings of internal auditors meet my expectations.</td>
<td>8</td>
<td>25</td>
<td>5</td>
<td>2</td>
<td>40</td>
<td>2.60</td>
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14. The internal auditors’ reports are highly considered for decision making and internal controls by management.

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<td>4</td>
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<td>5</td>
<td>40</td>
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6.2 Management Support

The respondent’s answers on the questionnaires as regards management support showed that most of them felt that there was unfavourable management support towards internal audit.

The results showed 9.5% strongly disagreed, 45% disagreed, 27% agreed and 0.5% strongly agreed. A number of researchers, in their research found that management support is key to internal audit effectiveness examples are Sawyer 1973 who determined that management acceptance and support for internal audit function has long been critical to the support of the function.

The survey shows that more respondents disagreed of having the management support towards the audit function.

6.3 Management Perception of Internal Audit Function

The survey on management perception was done on two folds the first one was conducted by questioning senior and middle management staff on how they feel about internal auditor’s abilities to detect non-compliance activities in an organization. The results of this survey are on the table of appendixes. The purpose of this survey was to test management perception towards internal audit and use it as a variable to test other hypothesis on the effectiveness of internal auditors.

Internal audit staffs were also asked on the aspects of the management perception towards their audit functions.

6.4 Organizational Independence of Internal Auditors

Internal auditors were asked various questions through questionnaire to test their independence in their offices and sectors. The survey results showed that about 7% strongly disagreed, 45% disagreed and only 26% agreed to most of the questions.

The responses shows that overall the respondents felt that there is not enough independence on their part to conduct audit functions in the selected public sectors where these questionnaires were administered.
A number of researchers have done a research and concluded that organizational independence is key to the effectiveness of internal auditors. Dessalegn Getie Mihret (2007) in his research showed that independence is of paramount value in providing effective internal audit service to management, for it affords an atmosphere of objective and uninhabited appraisal and reporting of findings without influence from units being audited.

Questionnaire responses revealed that most of the internal auditors cannot objectively examine audit issues without management interest involved. A number of them also felt that they cannot perform auditing activities without any interference from anybody.

6.5 Adequate and Competent Internal Audit Staff

One of the most important measures of internal audit effectiveness is that of having a competent and adequate internal audit staff.

The results of the survey conducted in this area showed that there is lack of certification by audit staff in a number of public sector offices as a number of respondents’ answered that they are not certified in auditing. The survey also showed that there is a lack of use of modern technology in auditing such as the computerized data tools.

The IIA’s standard 1210 on proficiency of the auditor require that the internal auditors possess the knowledge, skills and other competencies needed to perform their responsibilities (IIA, 1999b).

6.6 Approved Internal Audit Charter

The responses to the questions on an approved internal audit charter were characterised by most respondents disagreeing compared to those who agreed. The determinant of this trend is that a number of audit staff has no idea on the presence of the audit charter therefore its use cannot be fully enforced. However, a few senior audit staff who answered the questionnaires was able to know the importance and strength of an approved audit charter.

7. Summary, Conclusions and Recommendations

The purpose of the study was to measure the factors that determine internal audit effectiveness in the selected public sector offices in Zambia. The study aimed at answering the following questions; does the support given by management to internal audit enhance its effectiveness? Does the management perception matter for internal auditor’s effectiveness? Does the adequate and competent internal audit staff impacts on internal audit effectiveness? Does the presence of an approved internal audit charter in public sector offices contribute to the internal audit effectiveness?
The study specifically aimed to assess the determinants of internal audit effectiveness in these sectors. Primary and secondary data was used in the study by gathering data through the questionnaires.

The study results reveals that for internal audit to be effective there should be management support, organizational independence, a good management perception towards internal audit and the presence of an approved internal audit charter.

The findings show that more auditors felt that they do not have enough management support in the conduct of their duties. The study also revealed that internal auditors are not adequately covered in management budgets to improve their competence through certification and the use of new technology. This has resulted in internal audit being unable to review an audit activity on time and within the scope of the audit plan.

A number of audit staff expressed the feeling of not being able to freely decide the scope and timing of the audits due to lack of organizational independence. The results also show that internal audit face challenges to access data during the conduct of the audits.

Some of the highlighted results include the challenges faced by internal audit such as not having enough resources to cover for training and technology advancement.

Most of the internal audit staff felt that management does not put much reliance on making the unit as a consultancy and advisory on controls associated to management performance and operations. The results show that a number of internal audit staff had no idea on whether recommendations are taken seriously and implemented to promote value added activities.

Further the result shows that internal audit is not content with the audit charter as the respondents disagreed with most of the questions. This shows a reflection that the audit charter is not approved hence it cannot be effectively used in an organization.

The study provides insights to improve the internal audit effectiveness in the public sector which is an integral part of corporate governance reporting since it affects the running of some of the major public offices that needs a lot of accountability.

The major contribution of this study was that the researcher highlights the need for improvement in the way of assessing the importance of an audit function bearing on the need to have an effective internal audit in the public sector in Zambia.

7.1 Management Support

Auditors should be independent in performing their duties and should not be restricted from access to certain files. The organization should always provide the necessary facilities to assist
internal auditors in their performance of audits. Apart from this management should provide and support training needs for an auditor to improve skills and update themselves in the field of auditing.

7.2 Management Perception of Internal Audit Function

Management should ensure that employees’ especially senior managers have a good awareness of the roles of internal audit and ensure that their function is viewed as value adding to the organization. There should be reliance on internal audit function through consultancy and advisory services including investigations conducted.

7.3 Organizational Independence

The auditors should have the freedom to conduct their audits by deciding the scope, time and extent of audit procedures based on auditing standards. There should be objectivity in examination of auditing issues and no management interest should be involved for adjustments beyond auditing standards and values.

7.4 Competent Internal Audit Staff

The work of internal audit should be performed with modern technology such as the use of computerized data tools and specific audit software. This will improve on internal audit effectiveness especially with the implementation ICT’s in the public offices.

More internal auditors need to be certified in auditing owing to the dynamic changes in the field of auditing.

7.5 Approved Internal Audit Charter

An approved internal audit charter should be in place and must clearly state the authority and purpose. The policy and purpose should be in line with the standards of profession practice formulated by the institute of Internal Auditors (IIA).

8. Recommendation for Further Study

The researcher recommended further research to be carried out on the determinants of internal audit effectiveness in the public sector offices in Zambia. There has been fewer research done on this topic in Zambia and this study could not have captured every aspect of internal audit effectiveness were further studies can be done in this regard.
ACKNOWLEDGEMENT

In the first instance I would like to thank the Almighty God for the good health provided during the accomplishment of this Research and for my future success in my career.

I would also like to express my deepest thanks to Information and Communications University Zambia for giving me this opportunity to study and develop new skills and training.

Finally I would like to thank the people who have given me ideas to complete this study.
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### Tables and Figures

<table>
<thead>
<tr>
<th>Research Evaluation Question</th>
<th># 1's</th>
<th>#2's</th>
<th>#3's</th>
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<th>n</th>
<th>MEAN</th>
<th>MODE</th>
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</thead>
<tbody>
<tr>
<td>1. I receive full cooperation, access to records and information from my office/sector.</td>
<td>2</td>
<td>13</td>
<td>11</td>
<td>14</td>
<td>40</td>
<td></td>
<td>2.93</td>
<td>4</td>
<td>0.1</td>
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<tr>
<td>2. I can get necessary resources (facilities) that help me to perform auditing activities as needed.</td>
<td>2</td>
<td>15</td>
<td>9</td>
<td>13</td>
<td>1</td>
<td>40</td>
<td>2.90</td>
<td>2</td>
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<tr>
<td>3. The office/sector supports me by providing training in order to improve my skills and update with the field.</td>
<td>2</td>
<td>18</td>
<td>6</td>
<td>14</td>
<td>40</td>
<td></td>
<td>2.80</td>
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<tr>
<td>4. The office/sector supports me to introduce myself with new technology, policy or procedures when it is necessary.</td>
<td>7</td>
<td>26</td>
<td>5</td>
<td>2</td>
<td>40</td>
<td></td>
<td>2.05</td>
<td>2</td>
<td>0.1</td>
</tr>
<tr>
<td>5. The office/sector supports Internal Auditing staffs by budgeting funds for certification to have relevant education in auditing that allows them to audit all of the organization’s/sector’s systems.</td>
<td>6</td>
<td>18</td>
<td>5</td>
<td>11</td>
<td>40</td>
<td></td>
<td>2.53</td>
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<td>6. The office/sector has enough awareness and good perception about internal auditing roles</td>
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<td></td>
<td>20</td>
<td>2.80</td>
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<td>7. The office/sector considers internal auditing practices as a value-adding activity and I work smoothly &amp; regularly with management.</td>
<td>7</td>
<td>19</td>
<td>11</td>
<td>3</td>
<td>40</td>
<td></td>
<td>2.25</td>
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<tr>
<td>8. The office/sector encourages me to implement my recommendations, to promote value-added activities and to strengthen internal audit function.</td>
<td>15</td>
<td>17</td>
<td>8</td>
<td>4</td>
<td>40</td>
<td></td>
<td>2.83</td>
<td>3</td>
<td>0.1</td>
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<tr>
<td>9. The position/status of internal audit is clearly recognized by management in my office/sector.</td>
<td>7</td>
<td>4</td>
<td>19</td>
<td>10</td>
<td>40</td>
<td></td>
<td>3.80</td>
<td>4</td>
<td>0.2</td>
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<td>10. The office/sector see internal auditing as providing internal assurance through investigations, checks &amp; assessment, and consultancy &amp; advisory particularly into controls associated to management performance and internal operations.</td>
<td>14</td>
<td>14</td>
<td>12</td>
<td>4</td>
<td>40</td>
<td></td>
<td>2.95</td>
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<td></td>
<td>11. I perform the auditing activities without any interference from anybody and without any influence from the office/sector.</td>
<td>2</td>
<td>24</td>
<td>12</td>
<td>2</td>
<td>40</td>
<td>2.95</td>
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<td>12. I freely decide the scope, time and extent of auditing procedures based on auditing standards and the office's/sector's policy.</td>
<td>3</td>
<td>16</td>
<td>10</td>
<td>11</td>
<td>40</td>
<td>2.95</td>
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<td>13. I objectively examine auditing issues only with reliable audit evidence and no management interest is involved for adjustment beyond auditing standards and values.</td>
<td>2</td>
<td>18</td>
<td>8</td>
<td>12</td>
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<td>2.95</td>
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<td>14. I feel free to include any findings in my audit work and report directly to responsible body.</td>
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<td>16</td>
<td>6</td>
<td>17</td>
<td>40</td>
<td>2.95</td>
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<td></td>
<td>15. I can freely access necessary documents, information and data about the organization/sector for my audit work.</td>
<td>6</td>
<td>17</td>
<td>7</td>
<td>10</td>
<td>40</td>
<td>2.95</td>
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<td></td>
<td>16. My office/sector has sufficient skilled internal auditors. Most of them have certification in auditing</td>
<td>4</td>
<td>16</td>
<td>7</td>
<td>13</td>
<td>40</td>
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<td>17. It is possible to audit and review each activity on time, and cover the planned scope of auditing activities.</td>
<td>20</td>
<td>7</td>
<td>13</td>
<td>40</td>
<td>2.95</td>
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<td>18. The audit procedures and evidence collections are completed on time, since enough skilled internal auditors are available or employed</td>
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<td>17</td>
<td>7</td>
<td>11</td>
<td>40</td>
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<td>19. The internal audit staff number &amp; their skill matches the scope of office's/sector's internal operations.</td>
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<td>20. The work of internal audit is performed with modern technology that uses computerized data tools and specific internal audit software.</td>
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<td>21. Internal audit charter is maintained(available) in my office/sector</td>
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<td>22. The purpose and authority is clearly defined in the charter.</td>
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<td>2.95</td>
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<td>23. The purpose and authority of internal audit charter is in line with &quot;standards for the Professional Practice&quot;</td>
<td>5</td>
<td>19</td>
<td>8</td>
<td>8</td>
<td>40</td>
<td>2.95</td>
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24. The Internal audit charter specifies the internal audit activity’s position within the office; authorized access to records, personnel, and physical properties relevant to the performance of engagements, and the defined scope of internal audit activities.

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<td>18</td>
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