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The Effectiveness of Internal Audit in Government Units in the Kingdom of Saudi Arabia and their Obstacles in the Light of the Saudi Vision 2030 and Current Changes

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Abstract

In 2011, the Kingdom of Saudi Arabia launched the National Anti-corruption Commission, Nazaha, to fight corruption and create a just and transparent environment. In turn, the Nazaha program highlighted the role of internal auditing units in raising both the effectiveness and the integrity of government departments.

The current study aims to address the impact of the existence of such bodies and the changes that may occur in the effectiveness of internal audit units in the Saudi public sector.

To achieve the research objective, the researchers used a descriptive, analytical approach. The target population consisted of internal audit departments of government institutions in the Kingdom of Saudi Arabia (ministries, bodies, secretariats, universities, hospitals, and other government departments).

The results of the research showed various obstacles facing internal audit units in government institutions. Some of these obstacles include the lack of incentives to internal audit department employees, inadequate budgets allocated for these units, difficulty of communication with the head office of an institution, the limited number of internal audit department employees, and the lack of proper professional preparation.

Keywords: Internal Audit, Government Units in KSA, Saudi Vision 2030, Anti-corruption, Nazaha program.



فاعلية وحدات المراجعة الداخلية في الجهات الحكومية بالمملكة العربية السعودية ومعوقاتها في ضوء الرؤية السعودية 2030 والتغيرات الحالية

ملخص

تهدف هذه الدراسة لقياس مدى فعالية وحدات المراجعة الداخلية في المؤسسات الحكومية في المملكة العربية السعودية ، وتحديد العقبات التي تواجهها هذه الوحدات والتي تحد من عملها في ضوء التغيرات الأساسية الحالية في المملكة العربية السعودية. وقد بدأت هذه التغييرات بالكشف عن "الرؤية السعودية 2030" الجديدة للبلاد والتي تهدف ، من بين عدة أمور ، إلى تحسين فعالية المؤسسات الحكومية.

تم استخدام الاستبيان كأداة رئيسية لجمع البيانات حول فاعلية وحدات التدقيق الداخلي في المؤسسات الحكومية. ووزع ما مجموعه 150 استبياناً على مراجعين داخليين يعملون في هذه الوحدات (الوزارات والبلديات والوكالات والمستشفيات والجامعات ومؤسسات حكومية أخرى) ، أعيد 136 منها. وجدت الدراسة أن وحدات المراجعة الداخلية في المؤسسات الحكومية المدروسة فعالة إلى حد ما ؛ ومع ذلك ، هناك العديد من العقبات التي تحد من فعالية هذه الوحدات. ومن أهم هذه العقبات عدم توفير الحوافز لموظفي التدقيق الداخلي ، وضعف الميزانيات المخصصة لإدارات المراجعة الداخلية ، وصعوبة التواصل مع المسؤول الرئيسي في هذه المؤسسات.

الكلمات المفتاحية: وحدات المراجعة الداخلية ، الفعالية ، المؤسسات الحكومية ، المملكة العربية السعودية.

Introduction

The Kingdom of Saudi Arabia has passed through many developmental stages in all fields, in line with its new Vision 2030 announced in 2016, which aims to reduce reliance on oil, create a balance between expenditures and revenues and fight all types of corruption. The Vision also seeks to raise the efficiency of government departments and increase taxes from 163 billion to a trillion riyals yearly (Vision 2030, 2016). The objective of the Vision will not be achieved without activating internal control systems in the public sector and working on raising its efficiency to ensure that it functions properly, as well as increasing the quality of employees and preserving federal funds from misuse or fraud.

Saudi Arabia gave priority to internal auditing in the public sector through Cabinet Resolution No. 235 for the year 2004 (MENAFATF, 2010), which was issued to establish an internal audit unit in each government department directly related to senior management. This was followed by the decision to approve the consolidated list of internal audit units in government departments No. 129 for the year 2009 (MENAFATF, 2010), issued by the Council of Ministers.



The functions of the internal audit unit were specified in detail in this list with emphasis on their independence and providing them with the necessary powers to carry out their work.

In 2011, the Kingdom of Saudi Arabia launched the National Anti-corruption Commission, Nazaha, to fight corruption and create a just and transparent environment. In turn, the Nazaha program highlighted the role of internal auditing units in raising both the effectiveness and the integrity of government departments.

In an attempt to enhance the role of control in facilities, approval was given by the government to establish the Saudi Institute of Internal Auditors in 2011, which aims to develop the internal auditing profession in the Kingdom.

In spite of the highly-commended efforts, the practical reality reflected in a study conducted in the same field showed that some government departments failed to activate internal auditing units as required (Al-Sahli, 2011). Some of them did not even create the groups (Alzeban et al., 2010).

No study has so far attempted to explain how Vision 2030, and the establishment of other bodies such as Nazaha and the Saudi Institute of Internal Auditors, affect the work of public sector audit units.

Here, the researchers address the impact of the existence of such bodies and the changes that may occur in the effectiveness of internal audit units in the Saudi public sector.

In line with the problem, the following research questions were raised intending to providing answers to them at the end of the study:

- a) To what extent are internal audit units effective in government institutions in Saudi Arabia under the current changes?
- b) What are the obstacles to the performance of the internal audit in government institutions in the Kingdom of Saudi Arabia under the current changes?

Literature Review

This section highlights previous studies that have researched the essential effectiveness of internal auditing along with the common obstacles that face government institutions in several countries.

The Development of Internal Auditing in Saudi Arabia

Saudi Arabia was among the first to pay the required attention and show interest in internal auditing functions in the public sectors, which increased significantly in comparison to the importance given to private corporations. This attention and interest were included in the annual reports, which were performed by the Saudi General Auditing Bureau, the general body that manages and observes the public sector and its federal funds.



Those annual reports indicate that there are several justifications for the fundamentality of internal auditing in the Saudi public sector, such as the constant increase in the balances of finance and locating serious financial mistakes and violations (Saudi Organization for Certified Public Accountants, 2009) .

Internal auditing has attracted professional interest, represented by the establishment of the Saudi Institute of Internal Auditors as a professional dominion of independent features, operating under the general supervision of the Commerce Ministry. One of the institution's goals is to provide global internal auditing ethics, standards, and other internal guidelines regarding internal auditing, issued by the International Institute for Internal Auditing.

Characteristics and Effectiveness of Internal Auditing

The main aim of internal auditing is to develop organizational effectiveness and efficiency through constructive and necessary criticism. Generally, internal auditing comprises four essential elements (Cohen and Sayag, 2010):

- a) Verification and confirmation of written organizational records .
- b) Analysis of policies .
- c) Estimation of logic and procedures' completeness, internal staffing, and assurance by services that the procedures are appropriate and efficient for the organizational policies.
- d) Reporting and providing recommendations for management development.

Al-Shetwi et al. (2011) state that the primary influence regarding the functions of internal audit on the commercial quality of reporting and managerial procedures consists of three factors :

- a) The competence and proficiency of internal audit employees.
- b) The independence of the internal auditing profession and auditors .
- c) The general task performance of the internal auditors.

Moreover, Ebrahim et al., (2014) examined other essential elements of the internal audit function and internal auditors in an organization:

- a) The primary qualification and performance of the audit administration .
- b) The volume of the audit administration .
- c) The required qualifications of the chief organizational executive of auditing .
- d) The previous experience and practice of the audit administration .

In this study, internal audit comprises two factors: competence and independence. However, the main contribution of the domestic auditing activities is potential of major significance as the efficient system of internal audit mainly leads to developed professional and ethical practices, accountability, improved output quality, an enhanced decision-making process, effective risk management, and the tracking of performance (Tackie et al., 2016).

Obstacles Facing Internal Audit Units in Government Institutions

Auditing organizational, governmental, and public sector environments can be a complicated issue because several legislative and policy frameworks are saturating the



business domain. The function of the internal audit is faced with certain obstacles and challenges (Nebbel et al., 2015) which include:

- a) Internal auditors are not comprehending the primary function of the organizational and governmental environment.
- b) Internal auditing generally being neglected by internal audits during their performance.
- c) The lack of management support on organizational and governmental levels.
- d) The lack of audit activities and actions for monitoring procedures.

Hence, the challenges that face internal auditing as a profession and internal auditors as professionals can be closely related to both the business, the professional, and the administrative and organizational environment.

In Saudi Arabia, internal and external auditors generally believe that internal audit volume is an essential indicator of the general quality of performance (Hailemariam, 2014). The size of the internal audit, staffing, and competency make up critical characteristics in the quality performance of the internal review, which cannot be ignored. This strongly indicates that in the absence of one aspect or dimension, regarding the functions of internal auditing, another cannot contribute or participate in the performance quality of the internal auditors in the government institutions.

In a review of studies conducted in Saudi Arabia, we found that none have addressed the efficiency of internal auditing units in government entities since the announcement of Saudi Vision 2030, or the possible effects of establishing control institutions such as Nazaha and other changes. Consequently, the researchers hope that this study will complement the previous reviews and add to them.

Drogalas et al.,(2017) conducted a study that aimed to explore the relationship between internal audit effectiveness, the internal auditor's responsibility, training, and fraud detection. Questionnaires were sent to 207 companies listed on the Athens Stock Exchange. The study concluded that audit effectiveness, auditor responsibility, and auditor training generally have a significant, positive effect on the detection of fraud. Moreover, the study found that the internal audit is essential in detecting accounting fraud and there is a need for companies to invest in the internal audit processes and training to achieve enhanced corporate performance .

Regarding the effectiveness of internal auditing and the general challenges faced by government institutions in this respect, Dessalegn and Aderajew (2007) examined domestic audit services in Ethiopia. They employed the case study method due to its effectiveness in conducting detailed research and analysis while utilizing multiple data sources. The study sample was a large public sector higher education institution in Ethiopia. The study results indicated that internal auditing and its effectiveness are strongly affected by the quality and managerial endorsement of the internal audit.

A study by Dominic and Martinov- Bennie (2011) employed semi-structured interviews. The study's participants, who were from seven different organizations, were approached by the Institute of Internal Auditors, Australia.



The study concluded that there was a significant refocus and expansion of the IA's role and the perceptions of its effectiveness. Moreover, the general performance evaluation mechanisms within the IA had not yet evolved contemporaneously .

Nasibah et al., (2012) explored the essential importance of internal audit functions in the Malaysian public sector and the subsequent influence and extent in the general hierarchy sector and the decision-making process. The researchers employed the instrument of the questionnaire, which was given to several internal auditors and other internal audit staff in their departments from several groups of public agencies and departments in the West Coast of Peninsular, Malaysia. The study concluded that the function of the internal audit in the public sector in Malaysia is highly curtailed by understaffing and hampered by inadequate support from top management while auditors seldom extend their full cooperation. Moreover, the study found that the auditors themselves lacked the appropriate training and knowledge of the practical approaches of auditing .

A study by Udeh and Eugene (2016) aimed to evaluate the effectiveness of internal auditing of the Nigerian public sector. The sample was taken from four governmental institutes in Enugu State in Nigeria while the study community was 127 accountants and 55 auditors. They found that there were sufficient penalties for violators of internal auditing, but despite that, the sanctions were not implemented effectively. The study concluded that efforts should be directed toward updating internal auditors' knowledge, as well as towards the overall application of internal auditing.

Afeji (2007) studied the obstacles faced by internal auditing units in government bodies in the Gaza Strip. The barriers included three types (regulatory, legal, and technical). The main obstacles found were the absence of the control laws, which regulate the control function of these units, together with a lack of experienced auditors.

The objective of Abu-Azza (2012) was the evaluation of internal auditing efficiency as an essential profession in Libyan public institutions. It used a form consisting of two elements which impact this profession (the competence & independence of the internal auditor, and the field and level of performance of the internal audit) derived from international professional standards for the practice of internal audit (ISPPIA). The study used a randomly distributed survey on 54 individuals (internal auditing managers and financial and administrative managers, senior executives and external auditors) of those institutions. The findings focused on the weakness of internal auditing efficiency in public institutions because of the gap of the elements .above

Al-Saed (2013) suggests indexes measure the efficiency level in the internal auditing function in the government sector, based on international standards and previous scientific studies. Questionnaires were distributed to the sample (the internal auditors working in the ministry of the local administrative, and some technical members of the central body of accounts in the Republic).

The study found a positive relationship between each separate independent variable (independence of the internal auditor, professional competence of internal auditors,



quality of performance of internal auditing, coordination and cooperation between internal and external auditors, support of senior management of internal auditors), and the dependent variable (efficiency of the internal auditing function).

Al-Hawatmeh and Al-Hawatmeh (2016) addressed the general evaluation of internal units of control for the principal financial control effectiveness and challenges faced by administrative units in the Jordanian government. The researchers employed questionnaires from 125 employees and managers. The study concluded that internal control evaluation of the effectiveness of financial control in government units generally increased with arithmetic indication and the deviation of the standard. The study recommended the attention to the human factor as an essential factor of the internal control system.

Al-Sahli (2011) shed light on internal governmental auditing through field application in the internal auditing units of five Saudi ministries with the aim of evaluating the quality of internal auditing functions of government institutions based on the evaluation of interior auditing quality (IAQAF) proposed by the British Treasury. The study depended on three aspects to study the integrity of the auditing units: human resources, objectivity, and performance and execution. It documented the weak quality of the internal audit function in Saudi governmental institutions.

Abdulaziz and Sawan (2013) examined the role of the internal audit function in the public sector in Saudi Arabia, by focusing on the nature and practice of internal auditing in organizations that are subject to audit by the General Audit Bureau. The study employed a qualitative approach to gain an in-depth understanding of the nature and characteristics of the IAF in the Saudi public sector. Moreover, it used semi-structured interviews, the results of which showed a weakness in the effectiveness of internal auditing in those institutions due to several limitations, such as the shortage of professionals, no support for senior administration, and the absence of interaction between internal and external auditors.

Alktani and Ghareeb (2014) established the general evaluation of internal auditing quality and challenges in the public sector in Saudi Arabia. They concluded that there was a general lack of independence of internal audit functions in public sector units, as well as a shortage of professionalism, which can hurt the quality of the internal auditing function.

Alzeban and Gwilliam (2014) evaluated elements impacting on the efficiency of internal auditing in the public sector in Saudi Arabia by scrutinizing the relationship between some essential features such as the efficiency of the internal auditing department; the size of the internal auditing department; management's support of internal auditing; and independence of the internal auditor. Data was acquired from 203 managers and 239 internal auditors, from 79 institutions related to the public sector in the Kingdom. They concluded that without support from management internal auditing is not sufficiently independent and has a limited scope of work and resources.



They also highlight the importance of interaction between internal audit staff top management in determining the independence and objectivity of internal auditors.

Research Methodology

To achieve the aims of the study, the researchers use a descriptive, analytical methodology. The study population consists of internal audit departments of government institutions in the Kingdom of Saudi Arabia (ministries, bodies, secretariats, universities, hospitals, and other government departments).

The study includes the distribution of 150 questionnaires to internal auditors working at internal audit departments in government units in the Kingdom of Saudi Arabia.

136 completed surveys were collected; however, 21 of these were excluded as they were from trainees or individuals with no previous experience in internal auditing. Therefore, the total number of valid questionnaire responses for the analysis was 115.

Table (3.1) demonstrates the distributed questionnaires that were received and were valid for analysis.

Table (3.1): Distributed Questionnaires

Distributed Questionnaires	Received Questionnaires	Ratio of Distributed Questionnaires to Received Questionnaires	Questionnaires Valid for Analysis	Ratio of Questionnaires Valid for Analysis to Received Questionnaires	Ratio of Questionnaires Valid for Analysis to Distributed Questionnaires
150	136	90.6	115	84.5	76.66

Description of the study tool (questionnaire):

The survey, in its final version, contains two main parts:

Part 1: includes respondents' preliminary data (job title, scientific qualification, and specialization, professional qualifications, practical experience of internal audit, the total number of internal auditors in your organization, are any training programs provided for internal auditors? If so, how many hours are allocated to each employee annually? Who offers these programs? Are there any courses, meetings, workshops, and visits aimed at internal auditors? If so, determine the frequency of these meetings annually, and the provider of these courses and conferences. Is there a system of governance in the organization in which you work? Are the financial statements or final account of your organization subject to auditing by an external auditor? Is there an auditing committee in your organization? Do you see that Vision 2030 and the establishment of various supervisory agencies such as the Anti-Corruption Agency (Nazaha) have contributed to increasing the effectiveness of internal audit in government units?).

Part 2: includes the axes of the questionnaire; the questionnaire, in its final version, consists of 30 statements distributed on two principal axes:



The first axis: "the effectiveness of the internal audit department in the organization" and consists of 19 statements.

The second axis: "obstacles facing the work of the internal audit department in the organization" and consists of 11 statements.

Likert five-point scale (strongly agree - agree - neutral - disagree – strongly disagree) was used to measure the level of effectiveness and success of internal auditing in government units and its obstacles in the light of Vision 2030 and the current changes in the Kingdom from the perspective of internal auditors in government institutions in the Kingdom of Saudi Arabia.

Findings and Discussion

Table (5.1) shows that almost half of the respondents occupy the position of internal auditor, about 10% hold the position of accountant, 20% occupy the position of administrator, 3.5% occupy the location of a statistician, and 20% occupy the position of supervisor or manager.

Table (5.1): Distribution of respondents according to job title

#	Job title	Frequency	Percentage
1	Internal Auditor	54	47.0%
2	Accountant	11	9.6%
3	Administrator	23	20.0%
4	Statistician	4	3.5%
5	Supervisor/Manager	23	20.0%
Total		115	100.0%

All respondents in the study work in internal audit units as internal auditors. However, more than half of auditors working in these units hold other job titles (accountant, statistician, supervisor, etc.). This shows that there is a lack of awareness about the importance of creating job titles that are compatible with the function of the internal audit unit. This obliges and drives some groups to employ staff from other departments who may not have the knowledge or desire to work in internal audit units. This, of course, negatively affects the outputs of these units.

Table (5.2): Distribution of respondents according to scientific qualifications

#	Scientific Qualification	Frequency	Percentage
1	General Secondary School Certificate or equivalent	4	3.5%



2	Bachelor's degree	78	67.8%
3	Higher Diploma	6	5.2%
4	Master's degree	24	20.9%
5	Doctorate	3	2.6%
Total		115	100.0%

Table (5.2) shows that 3.5% of participants have a general secondary school certificate or equivalent, 67.8% have a bachelor's degree, 5.2% have a higher diploma, 20.9% have a master's degree, and 2.6% have a doctorate. The majority of the sample holds a bachelor's degree, which is considered an appropriate qualification.

Table (5.3): Distribution of respondents according to specialization

#	Specialization	Frequency	Percentage
1	Accounting	48	41.7%
2	Business Administration	39	33.9%
3	Other (Psychological Specializations)	8	7.0%
4	Other (Law)	4	3.5%
5	Other (Islamic Sciences)	5	4.3%
6	Other (Economy)	4	3.5%
7	Other (Arabic language)	3	2.6%
8	Other (Engineering)	2	1.7%
9	Other (English)	2	1.7%
Total		115	100.0%

Table (5.3) shows that 41.7% of the respondents are specialists in the field of Accounting, 33.9% are specialists in the field of Business Administration, 7% are specialists in Psychological Specializations, 3.5% are specialists in Law, 4.3% are specialists in Islamic Sciences, 3.5% are specialists in Economy, (2.6%) are specialists in Arabic Language, 1.7% are specialists in Engineering, and 1.7% are specialists in English Language.



Most of the study respondents, approximately 76%, hold a university degree in Accounting or Business Administration. This is a good indicator, and it increases the effectiveness of the performance of internal audit units. Moreover, approximately 24% of study respondents hold degrees in other disciplines not related to internal auditing work, such as Law, Islamic Culture, and Languages, which negatively affects the effectiveness of the performance of these units.

Table (5.4): Distribution of respondents according to professional qualifications

#	Professional Qualifications	Frequency	Percentage
1	None	86	74.8%
2	Certified Internal Auditor (CIA)	12	10.4%
3	Certified Public Accountant (CPA)	12	10.4%
4	Saudi Organization for Certified Public Accountants Certificate (SOCPA)	3	2.6%
5	Certified Government Auditing Professional (CGAP)	2	1.7%
Total		115	100.0%

Table (5.4) shows that 74.8% of the respondents do not have any professional qualifications, 10.4% have the Certified Internal Auditor certificate (CIA), 10.4% have the Certified Public Accountant certificate (CPA), 2.6% have the certificate of Saudi Organization for Certified Public Accountants (SOCPA), and 1.7% have the Certified Government Auditing Professional certificate (CGAP) .

This highlights the weakness in professional qualifications of the sample members, which reflects negatively on the effectiveness of the performance of internal audit in the government units under study. It may be appropriate to intensify the efforts of stakeholders, because of the importance of professional qualifications in the field of internal auditing, and the correlation of this to the nature of its function.

Table (5.5): Distribution of respondents according to practical experience of internal audit

#	Practical Experience of Internal Audit	Frequency	Percentage
1	Less than one year	16	13.9%
2	From one year to less than five years	46	40.0%
3	From five to less than ten years	42	36.5%



4	Ten years or more	11	9.6%
Total		115	100.0%

Table (5.5) shows that 13.9% of the respondents have less than one year of internal audit practical experience, 40% have from one year to less than five years of experience, 36.5% have from five to less than ten years of experience, and 9.6% have ten years or more of experience. The researchers believe that this may be due to the recent establishment of internal audit units in government units.

Table (5.6): Distribution of respondents according to the total number of internal auditors in your organization

#	The total number of internal auditors in your organization	Frequency	Percentage
1	From 1 to 5 internal auditors	45	39.1%
2	From 6 to 10 internal auditors	40	34.8%
3	From 11 to 15 internal auditors	21	18.3%
4	More than 15 internal auditors	9	7.8%
Total		115	100.0%

Table (5.6) shows that 39.1% of respondents stated that their organization has from 1 to 5 internal auditors, 34.8% reported that their organization has from six to ten internal auditors, 18.3% said that their organization has from 11 to 15 internal auditors, and 7.8% said that their organization has more than 15 internal auditors. It should be noted here that the number of internal auditors working in the audit units is low, which would weaken the effectiveness of these units.

Table (5.7): Distribution of respondents according to their responses to the question "Are any training programs provided for internal auditors?"

#	Are any training programs provided for internal auditors?	Frequency	Percentage
1	NO	23	20.0%
2	YES	92	80.0%
Total		115	100.0%

Table (5.7) shows that 20% of the respondents stated that their organization does not provide training programs for internal auditors and 80% reported that their organization does offer training programs for internal auditors. This is a good



indicator as there are programs that target internal auditors and contribute to improving their efficiency.

Table (5.8): Distribution of respondents according to the number of hours allocated to each employee annually

#	Number of hours assigned to each employee annually	Frequency	Percentage
1	None	25	21.7%
2	10 hours or less	27	23.5%
3	11-30 hours	40	34.8%
4	31-50 hours	17	14.8%
5	More than 50 hours	6	5.2%
Total		115	100.0%

Table (5.8) shows that 21.7% of the respondents do not receive any training programs, 23.5% receive 10 hours of training programs or less annually, 34.8% receive 11-30 hours of training programs annually, 14.8% accept 31-50 hours of training programs annually, and 5.2% earn more than 50 hours of training programs annually. The number of training hours can be considered inefficient especially with the low experience of the internal auditor in government bodies.

Table (5.9): Distribution of respondents according to the agency providing these programs

#	The agency providing these programs (training)	Frequency	Percentage
1	None	21	18.3%
2	General Auditing Bureau	35	30.4%
3	Anti-Corruption Agency (Nazaha)	3	2.6%
4	Saudi Association of Internal Auditors	36	31.3%
5	Institute of Public Administration in Riyadh	17	14.8%
6	IMTC institute	3	2.6%
Total		115	100.0%



Table (5.9) shows that 18.3% of the respondents do not receive any training programs from any agency, 30.4% receive training programs from the General Auditing Bureau, 2.6% receive training programs from the Anti-Corruption Agency (Nazaha), 31.3% receive training programs from the Saudi Association of Internal Auditors, 14.8% receive training programs from the Institute of Public Administration in Riyadh, and 2.6% receive training programs from the IMTC institute. We can positively argue that most internal auditors receive training from a specialized professional institution.

Table (5.10): Distribution of respondents according to their responses to the question "Are there any courses, meetings, workshops, and visits aimed at internal auditors?"

#	Are there any courses, meetings, workshops, and visits aimed at internal auditors?	Frequency	Percentage
1	NO	38	33.0%
2	YES	77	67.0%
Total		115	100.0%

Table (5.10) shows that 33% of the respondents stated that their organization does not provide any courses, meetings, workshops, or visits aimed at internal auditors, while 67% reported that their organization does offer classes, conferences, workshops, and tours aimed at internal auditors.

This is also a good indicator of the presence of professional education for internal auditors, which in turn contributes to raising their awareness and showing the nature of their work and the responsibilities entrusted to them.

Table (5.11): Distribution of respondents according to the frequency of meetings annually

#	The rate of meetings annually	Frequency	Percentage
1	None	36	31.3%
2	5 times or less	70	60.9%
3	From 6 to 10 times	6	5.2%
4	From 11 to 20 times	2	1.7%
5	More than 20 times	1	0.9%



Total	115	100.0%
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Table (5.11) shows that 31.3% of the respondents do not receive any educational programs, 60.9% receive education programs five times or less annually, 5.2% receive education programs between six and ten times annually, 1.7% receive education programs from 11 to 20 times annually, and 0.9% receive education programs more than 20 times annually. Again, this is a positive sign that internal auditor skills are being developed.

Table (5.12): Distribution of respondents according to the agency providing programs (courses, meetings, workshops, and visits)

#	The agency providing these programs (courses, conferences, workshops, and visits)	Frequency	Percentage
1	None	38	33.0%
2	General Auditing Bureau	26	22.6%
3	Anti-Corruption Agency (Nazaha)	10	8.7%
4	Saudi Association of Internal Auditors	30	26.1%
5	Institute of Public Administration in Riyadh	11	9.6%
6	IMTC institute	38	33.0%
Total		115	100.0%

Table (5.12) shows that 33% of the respondents do not receive any of these programs from any agency, 22.6% receive these programs from the General Auditing Bureau, 8.7% receive these programs from the Anti-Corruption Agency (Nazaha), 26.1% receive these programs from the Saudi Association of Internal Auditors, 9.6% receive training programs from the Institute of Public Administration in Riyadh, and 33% receive training programs from the IMTC institute. We can positively argue that most internal auditors receive training from a specialized professional institution.

Table (5.13): Distribution of respondents according to their responses to the question "Is there a system of governance in the organization in which you work?"

	Is there a system of governance in the organization in which you work?	Frequency	Percentage
	NO	54	47.0%
	YES	61	53.0%
Total		115	100.0%



Table (5.13) shows that 47% of the respondents stated that there is no governance system in the organization in which they work, while 53% reported that there is a governance system in the organization in which they operate. Although the overwhelming majority of the sample replied that they have a governance system, a large percentage also responded that they do not. Hence, it is essential to intensify efforts to create a governance system in all government units, which contributes to raising the performance of the internal audit units.

Table (5.14): Distribution of respondents according to their responses to the question “Are the financial statements or final account of your organization subject to auditing by an external auditor?”

	Are the financial statements or final account of your organization subject to auditing by an external auditor?	Frequency	Percentage
	NO	38	33.0%
	YES	77	67.0%
	Total	115	100.0%

Table (5.14) shows that 33% of the respondents stated that the financial statements or the final account of their organization are not subject to auditing by an external auditor, while 67% reported that the financial statements or the definitive account of their organization are subject to verification by an external auditor. This may explain, to some extent, the weakness of internal audit units as there is less interactive communication with professional external auditors.

Table (5.15): Distribution of respondents according to their responses to the question “Is there an auditing committee in your organization?”

	Is there an auditing committee in your organization?	Frequency	Percentage
	NO	44	38.3%
	YES	71	61.7%
	Total	115	100.0%

Table (5-15) shows that 38.3% of the respondents stated that there is no auditing committee in their organization, while 61.7% reported that there is an auditing committee in their organization. This result may indicate a positive sign of internal audit unit effectiveness assuming that audit committees carry out their roles independently and effectively.



Table (5.16): Distribution of respondents according to their responses to the question “Do you see that Vision 2030 and the establishment of various supervisory agencies such as the Anti-Corruption Agency (Nazaha) have contributed to increasing the effectiveness of internal audit in government units?”

	Do you see that Vision 2030 and the establishment of various supervisory agencies such as the Anti-Corruption Agency (Nazaha) have contributed to increasing the effectiveness of internal audit in government units?	Frequency	Percentage
	NO	17	14.8%
	YES	98	85.2%
	Total	115	100.0%

Table (5.16) shows that 85.2% maintained that Vision 2030 and the establishment of various supervisory agencies such as the Anti-Corruption Agency (Nazaha) have contributed to increasing the effectiveness of internal audit in government units. This is a good indicator, and the researchers believe that this is moving towards achieving the goal of Vision 2030, and the establishment of regulatory bodies such as Nazaha and others and contributes to the effectiveness of the performance of government bodies.

Results and discussion of the first question, "How effective is the organization's internal audit department?"

Results show that “the effectiveness of the internal audit department in the organization” was very high from the perspective of the respondents, as the total mean of the first axis was 4.23 with a standard deviation of .551; and the standard deviations of the statements of the first axis ranged between .735-.972, which are considered low, indicating homogeneity of the opinions of respondents regarding these statements.

While the standard deviations of statements 12-15 of the first axis ranged between 1.073 and 1.199, which is considered high, indicating heterogeneity of the opinions of respondents regarding those statements.

Statement 3 (The Internal Audit Department develops annual plans to carry out its tasks) ranked first with an arithmetic mean of 4.62 and a standard deviation of .768, while Statement 2 (The Internal Audit Department evaluates the internal auditing system and makes recommendations for its improvement) ranked second with an arithmetic mean of 4.48 and a standard deviation of .799, and Statement 15 (The Internal Auditor has the independence to perform his duties successfully) ranked last with an arithmetic mean of 3.58 and a standard deviation of 1.199.



The rest of the statements of the first axis "the effectiveness of the internal audit department in the organization" had high and very high degrees of responsiveness.

The researchers consider that the "effectiveness of internal audit department in the organization" getting a very high degree of responsiveness may be attributed to the significant impact of the internal audit that assesses the internal control system and makes recommendations for its improvement. Also, the internal audit department ensures the adequacy and effectiveness of the accounting system and control of an organization's operations through the commitment to accuracy while examining financial records and reports, which in turn helps to improve the organization's work performance and increase its targeted profits.

This result matches what many previous studies mentioned, such as Aikins (2011) who maintained that the local government auditors perform more audits in operational areas that deal with fiscal receipts and outlays. Furthermore, the work of auditors influences the financial performance of local government through improvements in internal controls and operational efficiency.

The research shows that Statement 3 (The Internal Audit Department develops annual plans to carry out its tasks) ranking first with a very high degree of responsiveness, an arithmetic mean of 4.62, and a standard deviation of .768, may be attributed to the belief of most respondents in the effectiveness of the internal audit department in the organization and its experience in developing appropriate annual plans that increase the organization's profits and improve its work performance.

This result matches what many previous studies mentioned, such as Al-Saed (2013) who maintained that there is a positive relationship between each separate independent variable (independence of the internal auditor, professional competence of internal auditors, quality of performance of internal auditing, coordination and cooperation between internal and external auditors, support of senior management of internal auditors), and the dependent variable (efficiency of the internal auditing function).

Meanwhile, Statement 15 ranking last, with an arithmetic mean of 4.58, a standard deviation of 1.199, and a high degree of responsiveness, may be attributed to the belief of most respondents in the importance of internal audit department and the role of its employees in achieving the organization's goal and elevating it. This result matches Drogalas et al. (2017) who stated: "the main importance of internal audit and the need for companies to invest in internal audit processes and training to achieve enhanced corporate performance."

Results and discussion of the second question, "what are the obstacles facing the work of the internal audit department in the organization"?

Results show that "obstacles facing the work of the internal audit department in the organization" was high from the perspective of the respondents, as the total mean of the first axis was 3.68 with a standard deviation of .686; and the standard deviations



of the statements of the second axis ranged between 1.027 and 1.286, which are considered high, indicating heterogeneity of the opinions of respondents regarding those statements.

While the standard deviations of Statements 5 and 6 of the second axis ranged between .712 and .958, which is considered low, indicating homogeneity of the opinions of respondents regarding those statements.

Statement 6 (Slim rewards and incentives are provided to the internal audit staff) ranked first with an arithmetic mean of 4.59 and a standard deviation of .712, while Statement 5 (Limited budget is allocated to the internal audit department) ranked second with an arithmetic indicates of 4.31 and a standard deviation of .958, and statement 3 (Difficulty communicating with the organization's primary responsibility) ranked last with an arithmetic mean of 2.77 and a standard deviation of 1.165. The final statement of the second section (obstacles facing the work of the internal audit department in the organization) had a high degree of responsiveness.

The researchers argue that "obstacles facing the work of the internal audit department in the organization" having a high degree of responsiveness may be because most respondents felt that there were many obstacles hindering the ability of internal audit staff to perform their work correctly; some of these obstacles are: non-cooperation of other departments in organizations with the internal audit department which in turn prevents the exchange of knowledge and increases managerial conflict between them; and lack of authorities and powers granted to the internal audit department which in turn hinders its ability to do its duties properly.

This result matches what many previous studies mention, such as Afefi (2007) who concludes that "there were a number of obstacles that limit the efficiency of the internal auditing units function; the most important of which is the absence of the laws of control which regulate the control function of these units; and the lack of experienced auditors.

The researchers see that Statement 6 (Slim rewards and incentives are provided to the internal audit staff) ranking first and having a very high degree of responsiveness with a mean of 4.59 and a standard deviation of .712 may be attributed to the low budget allocated to the rewards and incentives of internal audit department employees which in turn decreases their motivation to work hard and reduces their loyalty and affiliation to the organization; it may also be attributed to the lack of professional qualifications held by employees, which in turn limits their abilities to accomplish goals and causes the management to reduce their rewards and incentives.

This result matches what many previous studies mention, such as Al-Sahli, (2011) who states that "there is a clear deficiency in the performance of the internal audit department employees in the Saudi organizations regarding number and qualification." The study also maintains that "there is a lack of independence in those internal audit departments".



This result also matches what IIA (2006) concludes: "the activities of internal auditing in the public organizations should be designed properly so that the governmental supervisory institutions could achieve their goals and duties effectively".

Statement 3 (Difficulty communicating with the organization's primary responsibility) ranking last with a mean of 2.77 and a standard deviation of 1.165 may be because organizations' management does not adopt modern management techniques that are based on decentralized leadership which achieves effective communication with all employees in all departments; and also because their adherence to traditional management techniques hinders the ability of employees to meet the person responsible and transmit their complaints and suggestions to him.

This result matches the conclusion of Nasibah et al. (2012) that: "The auditors themselves lacked the appropriate training and knowledge on the effective approaches of auditing".

Summary and Recommendations

Based on the tables of means and standard deviations as well as the collective opinions over this question, it is evident that internal audit units in government institutions are active, from the perspective this study's respondents.

This study has also documented that there are various obstacles facing internal audit units in government institutions, the most prominent of which are the lack of incentives to internal audit department employees and the inadequacy of budgets allocated for these units, as well as difficulty of communication with the head official of an institution, the limited number of internal audit department employees, and finally the lack of proper professional preparation.

The study participants also offered some useful suggestions that could increase the effectiveness of internal audit departments, such as the necessity of compliance with audit regulations, which would be highly effective; the need for a bright and unified standard for internal audit regulations to which internal departments must adhere; and finally, the need for management to understand and support internal audit units and their needs .

We add to this some recommendations that we believe are essential based on our study findings as follows: the need to allocate an appropriate budget and proper incentives for internal audit units; the need for more specialized training and professional certificates; and the promotion of the staff of internal audit departments .

Finally, there is a gap in the literature for further studies to be conducted aimed at identifying the most effective ways to overcome the obstacles facing the internal audit departments of Saudi organizations. Also, further studies should be carried out which seek to determine the effectiveness of internal audit departments in organizations according to variables other than those which have been covered in the existing studies.



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