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College of Business Administration

**The impact of internal audit functions on organizational
performance:
A case study in Omani government units**

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A case study in ministries in the Sultanate of Oman**

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Declaration

I acknowledge that the scientific material contained in this thesis has its scientific source identified and that the content of the thesis is not submitted for obtaining any other scientific degree, and that the content of this thesis reflects the researcher's own opinions, and it is not necessarily the opinions adopted by the donor.

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Dedication

This work is dedicated to

Almighty God,

My beloved parents the people whom God has used to shape my life, my God prolong
their lives,

My lovely wife...soul mate and wing partner,

My dear children my God prolong their lives and enlighten their paths with
knowledge and faith,

My brothers and sisters... always made me feel the value of success,

My friends, who encourage and support me,

All the people in my life.

Abstract

Purpose, this research investigates the relationship between internal audit functions and organizational performance. The research takes ministries in the Sultanate of Oman as a case study. The research provides an active role of decision-makers in ministries by providing authority, tools, facilities, and appropriate environment to internal audit units and how that will affect the performance of those ministries.

Approach/ methodology is basic research. In order to achieve the study aims and objectives, a quantitative research approach is appropriate, thus the research uses a questionnaire method to collect data from ministries' auditors. The Questionnaire distributed to 181 auditors in several government units. The research uses the SPSS program to analyze the data collected by questionnaire.

Result/ findings, there is a positive relationship between internal audit functions (independence, Competence, and size) and organizational performance, which is achieved through the authority and facilities given by decision-makers in government ministries.

Practical implications and results encourage ministries in the Sultanate of Oman to focus on the issue of the effectiveness of internal audits and strengthen the internal audit units' capacity of ministries.

Originality/value, the research would offer academic contributions to existing research on internal audit functions and their effects on organizational performance. The quantitative data analysis used in this research will allow future researchers to explain the contribution of this research to understand the importance of internal audit functions (independence, competence, and size) on organizational performance.

Keywords, internal audit functions, organizational performance, internal audit independence, internal audit competence, internal audit size.

المخلص

الغرض، يستقصي هذا البحث العلاقة بين وظائف التدقيق الداخلي والأداء المؤسسي. يأخذ البحث الوزارات في سلطنة عمان كدراسة حالة. يوفر البحث دوراً فاعلاً لصناع القرار في الوزارات من خلال توفير الصلاحيات والأدوات والتسهيلات والبيئة المناسبة لوحدة التدقيق الداخلي وكيفية تأثير ذلك على أداء تلك الوزارات.

المنهج/المنهجية، الدراسة تتبع أسلوب البحث الأساسي. من أجل تحقيق أهداف الدراسة وغاياتها، فإن منهج البحث الكمي مناسب، وبالتالي يستخدم البحث أسلوب الاستبيان لجمع البيانات من مدققي الوزارات. يستخدم البحث برنامج SPSS لتحليل البيانات التي تم جمعها عن طريق الاستبيان.

النتائج، هناك علاقة سببية بين وظائف التدقيق الداخلي (الاستقلالية، الكفاءة، والحجم) وأداء المنظمات، والتي تتحقق من خلال السلطة والتسهيلات الممنوحة من صانعي القرار في الوزارات.

الآثار العملية، النتائج تشجع الوزارات في سلطنة عمان على التركيز على قضية فعالية التدقيق الداخلي، وتعزيز قدرات وحدات التدقيق الداخلي في الوزارات.

الأصالة/القيمة، سيقدم البحث مساهمات أكاديمية للبحوث الحالية لوظائف التدقيق الداخلي وتأثيراتها على الأداء التنظيمي. ستسمح استخدامات تحليل البيانات الكمية المتقدمة في هذا البحث للباحثين المستقبليين بشرح مساهمة هذا البحث لفهم أهمية وظائف التدقيق الداخلي (الاستقلالية والكفاءة والحجم) على الأداء التنظيمي.

الكلمات الرئيسية، وظائف التدقيق الداخلي، الأداء المؤسسي، استقلالية التدقيق الداخلي، كفاءة التدقيق الداخلي، حجم وحدات التدقيق الداخلي.

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Chapter one: Introduction

1.1 Study background:

Auditing is a systematic process of obtaining evidence and objectively assessing it concerning assurances about economic procedures and events to ensure the degree of consistency between these assertions and established standards, and to communicate the results to interested users. The importance of auditing is lending credibility to the financial statements through the audit process. That is, the auditor enhances the benefit and value of the financial statements issued by the organization's management (PWC, 2018).

There are benefits to having an internal audit department in the organization, which is to protect the organization's assets in terms of preventing and detecting irregularities arising through fraud or fraud by traditional review of financial systems and controls. The second advantage is to enhance the organization's economy, efficiency, and effectiveness in terms of adding value to its operational performance through performance audits. (Al-Twajjry, Brierley, & Gwilliam, 2003)

The internal audit plays a crucial role in the management of the organization, depending on the tools granted to it by the organization, which is represented in implementing operations and managing the tasks assigned to it effectively in order to improve the performance of the organization. Also, internal audit is one of the basic elements in achieving the vision and goals of the organization, thus organizations that actively support and develop internal audit departments are more able to identify risks and take appropriate corrective actions to address deficiencies in their systems in order to ensure continuous improvement in their performance. (Changwony & Rotich, 2015)

1.2 Internal audit in Oman

The audit committee has a positive impact on the quality of financial reporting, as the audit committee has a significant impact on the quality of financial reporting. The more audit committees there are, the higher the quality of the financial reports. The increase in the number of audit committees in Muscat Stock Exchange companies is affected by the quality of financial reports; it was positively affected in increasing the quality of financial reports. On the other hand, if there is any defect in the audit committee, the quality of the financial reports will become very low. (Alsabti & Khalid, 2022)

The Accounting Information System (AIS) factors (reliability, relevance, flexibility and integration) have a significant impact on the internal audit effectiveness (IAE) in the companies listed in Muscat Securities Market (MSM). Also, reliability is the most prevalent factor in Accounting Information System (AIS) that affects internal audit effectiveness (IAE). The main practical meaning of the study is that companies listed on the Muscat Securities Market should focus on improving AIS factors to enhance IAE.(Al-Aamri, Al-musallami, & ..., 2021)

There is a positive relationship between internal audit quality and profit management in Omani companies in both sectors (industrial and service). This result indicates that the increase in audit quality will affect the enhancement and improvement of profit management in the Omani listed companies.(Alyaarubi, Alkindi, & Ahmed, 2021)

The quality of the audit (efficiency and effectiveness) directly affects the level of financial stability of the Omani company. The results of the study indicate that awareness must be maximized among employees and management so that the understanding of challenges and the impact on financial stability can be assessed by auditors. (Dsouza & Jain, 2021)

1.3 Problem statement:

The audit carried out by the internal audit committee is very important to ensure the independence of the auditors and to provide high-quality financial reporting, and the poor performance of the internal audit committee leads to poor performance of the organization and may lead to potential fraud. (Hashim, Ahmed, & Huey, 2019; Hashim, Ries, & Huai, 2019). The presence of quality in all products is necessary to achieve success and then profits in enterprises; As the link between internal audit functions and organizational performance of institutions. The role of internal audit is to focus on strategy, operational and commercial risks and to provide assurance to the audit unit. There is a strong correlation between the internal audit functions and the organizational performance of organizations. (Gebayel, Jarrar, Salloum, & Lefebvre, 2018).

Pros and cons of audit committees in the financial report, there are many positives about audit committees, including providing high-quality reports on the financial and administrative performance of the institution, and on the other hand, if the audit committees are weak, it creates a number of challenges and difficulties, including fraud and falsification of the contents of the financial statements. Thus, the necessity of

having audit committees that do the internal audit functions (independence, competence, and size) to detect issues that help improve the performance of Omani institutions, and this improvement in the performance of institutions will eventually lead to improving the country's financial performance. It is imperative to find solutions to the problems facing the Omani institutions as a result of the lack of financial reports, neglect of financial reports, and the lack of continuous oversight that will lead to poor production in the institutions' performance and capacity and thus lead to the possibility of fraud. Therefore, the institutions established audit committees. (Alshali, Alhattali, & Ahmed, 2021; Alabdullah, & Ahmed, 2020a)

Internal audit departments in Oman face many challenges that impede the credibility of their work, as some the quality and efficiency of the audit are one of the deficiencies in that. This the result of the lack of experience and efficiency of the audit team in auditing the accounts of organizations or the lack of independence of those teams, which leads to the ease of influencing the decisions and recommendations of internal audit departments by senior management. According to Transparency International, Oman ranked 56th in the Corruption Expectations Index for 2021, which ranks 180 countries according to levels of corruption observed in the public sector **Therefore, the main objective is to determine the impact of internal audit functions on organizational performance.**

1.4 Objectives of research:

- To examine the impact of internal audit independence on organizational performance.
- To determine the importance of internal audit competence in supporting organizational performance.
- To determine the effects of audit size on organizational performance.

1.5 Research questions:

Through the above, the research will provide an answer to the following questions, which will explain the problem statement:

- What is the impact of internal audit independence on organizational performance?
- What is the impact of internal audit competence on organizational performance?
- What is the impact of internal audit size on organizational performance?

1.6 Significance of study:

The importance of the study is that it highlights a topic of great importance, which is that the audit works to show the actual result of organizational performance, as the main goal of any organization is to make a profit and survive (Derball, 2012). Furthermore, there is increasing interest in academic scientific studies on the importance of internal audits on organizational performance in public and private sectors.

Also, the importance of the study presented that the researcher pointed out the internal audit, as it is considered the primary element in building organizations. There is a lack of studies on the role of internal audits in the performance of organizations, as previous studies did not discuss the impact of internal audits on the performance of organizations in a wide range.

1.7 Operational Definition:

- **Internal audit:** “An independent, objective, guarantee and advisory activity that adds value to and improves the operations of the organization. It helps the organization achieve its goals by providing a structured and disciplined approach to assessing and improving the effectiveness of risk management, control, and governance processes.” (The Institute of Internal Auditors, 2000)
- **Internal audit competency:** "Employees who work in internal audit bodies must be at a level of competence that allows them to understand the importance of developing, implementing and maintaining internal controls to achieve the overall objectives of internal audit". (INTOSAI GOV 9110, 2016).
- **Internal audit independence:** "The freedom from conditions that threaten the ability of the internal audit activity or the chief audit executive (CAE) to carry out internal audit responsibilities in an unbiased manner". (INTOSAI GOV 9140, 2016)
- **Internal audit size:** "Group of auditors interdependent concerning information, resources, knowledge, and skills in order to achieve a common goal, size depends on the audit task at hand".(Mashayekhi, 2019)
- **Organization performance:** "The capability and ability of the organization to effectively utilize the available resources to achieve accomplishments that are in line with the specific objectives of the company, as well as looking at its relationship with its employees." (Jenatabadi, 2015)

Chapter two: Literature review

2.1 Introduction:

This chapter reviews the literature and earlier research on this topic area. It includes clarification of internal audit functions and organization performance in earlier research. It also overviews the relationship between internal audit and organizational performance and lists hypotheses related to that variable.

2.2 Internal audit functions:

Internal audit is a dynamic integrated process that is constantly adapting to the challenges of an organization. Management and staff at all levels should participate in this process to observe the risks and to provide a guarantee to achieve the mission and objectives of the entity. There are five main components of an internal audit: audit environment; risk assessment; audit activities; information and communication; and monitoring (INTOSAI GOV 9100, 2016).

Managers and employees must have professional and personal integrity and be at a level of competence that allows them to understand the importance of developing, implementing, and maintaining internal controls to achieve the overall objectives of internal control. The consequence of non-compliance with these principles could be weak internal control and involve large monetary values (INTOSAI GOV 9110, 2016).

Independence and objectivity are essential elements of effective internal audit activities. The internal auditor is appointed by the organization, but it also must monitor the progress of operations, and thus the independence of the internal auditor from management is necessary for the auditor to evaluate management actions objectively (INTOSAI GOV 9140, 2016).

The main objective of an internal audit is to support all members of the management responsibilities to perform effectively by providing them with analyses, assessments, recommendations, and comments related to the activities that are reviewed. Internal auditors take care of all stages of the business; this involves studying financial records and accounting to reach a fuller understanding of the processes under review (Yee, Sujan, James, & Leung, 2008).

Internal audit helps organizations achieve their goals by providing a structured approach to assessing and improving the effectiveness and efficiency of control, risk management, and the governance process (Hass, Abdolmohammadi, & Burnaby, 2006).

Internal audit plays a major role within the organization through managing risks, assessing and improving corporate governance, and developing internal control processes that rely on systematic approaches. Moreover, an internal audit is the main component of corporate governance by providing assurance. Likewise, the effectiveness of internal auditing depends on its level of independence, full management support, and commitment, as well as the competence and experience of internal auditors. (Mensah, Ngwenya, & Pelser, 2020)

Factors affecting the internal audit effectiveness incorporate competence of internal audit, independence of internal audit, the objectivity of internal auditors, outsourcing of internal audit, management support for internal audit, and using the internal audit function as a management training ground. (Dellai, 2016)

Distinctive characteristics related to the effectiveness of internal audits assist internal audit chiefs who wish to increase the effectiveness of internal audits by defining the basics of internal audit functions. These include giving adequate attention to the continuous qualification and learning of the internal audit staff, making use of advanced technology, having positive interaction with senior management, and having a positive and significant impact on the effectiveness of the internal audit. (Lenz, Sarens, & D'Silva, 2014)

Internal audit effectiveness is influenced by internal audit team characteristics: (resources and competencies), audit activities and processes: (involvement of IA in risk management), and organizational roles: (level of interaction between IA and AC). IA effectiveness increases when the number of internal auditors and employees grows, the CAE is affiliated with IIA, the firm tack over self-assessment techniques to control the risk, and the AC is involved in the internal auditors' activities. (Arena & Azzone, 2009)

There is a significant relationship between management support, independence of internal auditors, technical competence of internal auditors, and performance of internal audit function. Also, there is a positive relationship between the automation of internal audit processes and the performance of the internal audit. Therefore, supporting the

internal audit team and developing their skills will have a positive impact on the performance of the team in general. (Amil et al., 2020)

Internal audit departments are not well developed in KSA. Whereas internal audit departments operate in an environment that lacks adequate resources and qualified personnel, there are restrictions on their independence, and they focus on compliance auditing rather than performance auditing. From this standpoint, internal auditing in the corporate sector in KSA is ineffective in all four areas :(appropriate corporate environment, top management support, quality internal audit staff, and quality internal audit work.), and it does not give added value to companies. (Al-Twaijry et al., 2003)

There is a strong relationship between the audit committee and the internal audit function in terms of competence and independence, where the level of interaction increases when the audit committee consists of independent board members. It also uses the internal audit function as a basis for management training. (Goodwin & Yeo, 2001)

The characteristics of the internal auditor, which consist of objectivity, the relationship between the internal auditor and auditees, effective communication, proficiency and due professional care, and training and development, have a significant impact on the effectiveness of the internal audit, and that support for senior management has a moderate impact on the effectiveness of the internal audit. (Endaya & Hanefah, 2016)

2.3 Organizational performance:

Organizational performance is among the critical factors and the most beneficial variable in a lot of research like accounting and management (Richard, Devinney, Yip, & Johnson, 2008). The organizational performance consists of the outcomes of an organizational operation that are also measured against the organization's intended outputs. Variables of financial perspective, internal processes, stakeholder perspective, learning, and growth are critical factors for measuring organizational performance (Bello, Ahmad, & Yusof, 2018).

As internal audit aims to help organizations achieve their goals, the positive correlation between the level of internal audit of compliance with internal auditors' professional practice standards and organizational performance can serve as an additional approach to assessing the internal audit effectiveness (Getie Mihret, James, & Mula, 2010).

The Internal audit is a complex process and has many elements such as long-term planning, organization, development, monitoring, verification, confirmation, analysis, reporting, and follow-up; therefore, an effective internal audit is predicted to assist organizations in achieving their objectives (Dittenhofer, 2001).

Marx's theory (1978) of the Industrial Capital circuit explains to investors "investors' pursuit of surplus value" from the capital and the role of control mechanisms designed to ensure this is achieved. The theory explains the role of internal audit in organizations not only as a compliance-based control mechanism, but also as a value-added future service. The increase in the rate of return on capital is used as an indicator of the effectiveness of internal audit, as internal audit improves the quality of the reported (ROCE), and internal audit can play an adding value in public sector institutions (Getie Mihret et al., 2010).

The effectiveness of the internal audit function has a significant impact on the quality of financial reports. Some dimensions reflect the effectiveness of the internal audit function, including planning, communication, approval, resource management, policies and procedures, coordination and reporting to leadership, program development, quality control, and follow-up of public complaints. Therefore, an effective internal audit function can improve the quality of the financial reports issued. (Gamayuni, 2018)

There is a significant relationship between the internal audit function: (competence and independence) and the quality of the financial report. There is a shred of evidence harmonious with the hypothesis that the premise of both competence and independence is a necessary precedent for effective internal audit functions to monitor financial reporting. (Abbott, Daugherty, Parker, & Peters, 2016)

Material weakness checks "deficiency, or combination of deficiencies, that results in a reasonable possibility that a company's controls will fail to prevent or detect a material misstatement of an account balance or disclosure" negatively related to the level of education of the internal audit function and the extent to which the internal audit function integrates quality assurance techniques in fieldwork, audit reports related to financial reports, and monitors predetermined control correction problems. These aspects of quality of the internal audit functions: (competence, investment, and objectivity) and activities: (follow-up, coordination, fieldwork QA, IA grade, financial focus) indicate that it helps prevent material weaknesses. In addition, disclosures related

to material impairment are positively linked to the internal audit function's exercise of audit ratings and coordination of the external auditor, which indicates that these activities increase the effectiveness of compliance processes. (Lin, Pizzini, Vargus, & Bardhan, 2012)

There is a positive relationship between the development of internal audit function (internal audit positioning, internal audit independence, risk identification, internal audit staffing) and corporate governance. The internal audit function's relationships concerning board support and reporting quality are critical to the effectiveness of corporate governance. (Changwony & Rotich, 2015)

There are regulatory, environmental, and control factors that motivate companies to develop high-quality internal audit jobs. Regulatory factors include Firm complexity & Board monitoring incentives & Audit committee diligence & CEO power. There is a positive relationship between IAF quality and company complexity: Complex companies need monitoring and advice, and therefore, formal controls are urgently needed. In addition, the quality of the IAF is positively related to the monitoring of the board of directors and the follow-up of the audit committee, and it is negatively related to the authority of the chief executive, indicating that the quality of the IAF is affected by other factors including corporate governance. As for environmental (industry competition) and control (IAF requirements in corporate governance codes) factors, there is a positive relationship between IAF quality and industry competition and IAF requirements in corporate governance codes. (Jiang, André, & Richard, 2018)

The internal audit function is now present in every organization, regardless of its size or the services it provides; whereas, at present, internal audit surpasses most other administrative services to become the basic component of management through which advice can be provided on the efficiency, effectiveness, and economy of any new project. Moreover, internal audit has become an important component in the corporate performance structure of any organization, including the control activities carried out by the board of directors and audit committees to verify the reliability of financial reports. This is reflected in the fact that internal auditing is an essential component of applying accounting systems. The internal audit also clearly contributes to the implementation of the organization's strategies and the achievement of its objectives. (Babatunde, Busayo, & Ajayi-owoeye, 2019)

2.4 Internal audit independence and organizational performance:

There is an important relationship between the independence of the audit committee and the positive performance of companies. This indicates that internal audit improves organizational performance and helps organizations achieve their goals and that the relationship between internal audit and the performance of the company is mediated through the independence of the audit committee. The independence of the audit committee is a major driver of the positive performance of companies, and the interaction between the internal audit and the audit committee enhances the positive performance of the company. (Alzeban, 2020)

The independence of the internal audit and the objective assurance and consulting activity give an added value to the operations of the organization. The independence of internal audit helps the organization achieve its goals by providing a structured approach to assessing the effectiveness of risk management, control, and governance process. Internal audit as an independent evaluation activity within an organization to review accounting and financial processes positively affect preventive and constructive services of management. This indicates that there is an important relationship between the internal audit function on the organizations' financial performance. (Omwono & Wanyama, 2021)

The application of internal auditing standards, the independence of internal auditors, and quality governance have a major impact on the financial performance of banking institutions. Moreover, the use of automated internal audits positively affects the improvement of financial performance in banking institutions. (Hazaea, Tabash, Khatib, Zhu, & Al-Kuhali, 2020)

There is a positive relationship between the internal audit functions and the positive performance of the organization. Whereas internal audit functions represented in particular by independence directly affect the performance of the institution, there is a positive relationship between internal audit procedures and the performance of the institution. (Babatunde et al., 2019)

There is a positive correlation between IAF quality and firm complexity and ensuring that complex firms have a higher demand for oversight and advice and, therefore, a greater need for formal controls. In addition, the quality of the IAF is positively related to the seriousness of board oversight and audit but is negatively related to the authority

of the CEO, indicating that the quality of the IAF is influenced by other factors in corporate governance. In terms of environmental factors, IAF quality is positively related to industry competition, which means that the company's incentive to obtain a high-quality IAF is strengthened when greater environmental uncertainty is encountered. Moreover, independence is the main determinant of internal audit quality. (Jiang et al., 2018)

There is a strong positive relationship between internal audits and the effectiveness of the association's financial management. Moreover, increasing unity in the determinants of internal audit would lead to an increase in the effectiveness of the financial management of the association. Therefore, internal auditors must be independent of the individuals and operating activities of the organizations. (Alhassan, 2018)

Internal audit quality affects the performance of Nigerian federal universities, which includes internal audit competence and independence. Moreover, support and encouragement of the university's senior management for internal auditing and increasing its efficiency by enhancing the knowledge and skills of the audit staff through training, workshops, and seminars to ensure their independence. This will entail the reliability of the internal audit department and the effectiveness of Nigerian federal universities through the ability of internal auditing to help universities achieve a high level of performance if they are given the necessary support from the top management. (Bello et al., 2018)

There is a positive relationship between internal audit and sales in economic institutions, as the independence of internal audit makes the employees of the audit department characterized by integrity and honesty. The prominent role of internal audit in decision-making by the beneficiaries, the presence of a special department to verify the sales organization that checks the invoices with the goods, and the sales control by an independent person who positively and directly affects sales. (Alfadhli, Rashid, & Yaakub, 2018)

Independent Internal Audit has a beneficial effect on the company's performance in listed and unlisted companies. Thus, increasing the independence of the Internal Audit Committee could lead to higher resources for the company management, which is reflected in the increase in overall performance. Can a more independent internal audit

committee lead to the highest performance in companies from Romania and Poland? (Terinte et al., 2017)

The internal audit department plays an important role in zakat organizations; whereas, there is a direct relationship between the independence of internal auditing and the performance of zakat institutions in Malaysia. The internal audit department informs the appropriate structure with a reasonable level of independence. (Shamsuddin, Mustaffha, & Johari, 2017)

2.5 Internal audit competency and organizational performance:

The competency of the audit committee and the experience of the members in the field of accounting and auditing positively affect the performance of the company. This means that internal audit improves organizational performance and helps organizations achieve their goals and that the relationship between internal audit and the company's performance is a positive relationship through the qualifications and experience of the members of the audit committee. It also indicates that the competency and expertise of the audit committee is the main driver of the company's performance and that the interaction between the internal audit and the audit committee enhances the company's performance. (Alzeban, 2020)

The quality of the internal audit function is positively related to the company's operational efficiency. The competency of the internal audit function also improves the operational efficiency of the company. In addition, with effective corporate governance at the company level and strong institutions at the country level, the quality of the internal audit function significantly improves the operational efficiency of the company. Improving the quality of a company's internal control also improves the company's operational efficiency. (Chen, Lin, Lu, & Zhou, 2020)

The internal audit function plays an effective role in governance practices, as they have a direct impact on the sustainability of the performance of the state-owned company. The study confirmed that internal audit symbolizes competency, integrity, transparency, and quality, as well as the fact that internal auditing is considered an obstacle to unethical business activities, as both the Board of Directors and management, rely on internal audit to provide new ideas to ensure risk reduction, assurance, consulting and creating added value. (Boamah, 2020)

Internal audit's use of analytical applications has a direct impact on improving the performance of the audit process. Moreover, competency and standards of the technology used are linked to the positive performance with the quality of audits. Finally, all uses of audit analysis work at the application level and at the feature level to improve the performance of the internal audit process. (Li, Dai, Gershberg, & Vasarhelyi, 2018)

Competency is the main determinant of internal audit quality, which has a direct impact on the firm performance. There is a positive correlation between IAF quality and firm complexity which ensures that complex firms have a higher demand for oversight and advice and, therefore, a greater need for formal controls. In addition, the quality of the IAF is positively related to the seriousness of board oversight and audit but is negatively related to the authority of the CEO, indicating that the quality of the IAF is influenced by other factors in corporate governance. In terms of environmental factors, IAF quality is positively related to industry competition, which means that the company's incentive to obtain a high-quality IAF is strengthened when greater environmental uncertainty is encountered. (Jiang et al., 2018)

Changes in internal audit standards lead to a meaningful variation in the effectiveness of financial management. Among the most important standards of internal audit are the independence of internal auditing, professionalism, and internal control. This indicates that changes in the effectiveness of financial management can be accounted for through the dynamics of internal audit standards, internal audit independence, professionalism, and internal control. There is also a strong positive relationship between internal audits and the effectiveness of the association's financial management. Moreover, increasing unity in the determinants of internal audit would lead to an increase in the effectiveness of the financial management of the association. (Alhassan, 2018)

Dimensions of internal audit quality affect the performance of Nigerian federal universities, which include internal audit competence, internal audit independence, and size of internal audit. Moreover, support and encouragement of the university's senior management for internal auditing and increasing its efficiency by enhancing the knowledge and skills of the audit staff through training, workshops, and seminars in order to ensure their independence. This will entail the reliability of the internal audit department and the effectiveness of Nigerian federal universities through the ability of

internal auditing to help universities achieve a high level of performance if they are given the necessary support from the top management. (Bello et al., 2018)

There is a strong influence and relationship between internal audit standards and sales in National Cement Company - Libya, and the more internal audit employees have sufficient experience in internal audit standards and adhere to them, the greater the impact on sales positively. Thus internal audit competence significantly affects sales performance. (N. Rashid, Alfadhli, Yaakub, Afthanorhan, & Abdullah, 2018)

The internal audit department plays important role in zakat organizations. As there is a direct relationship between the competency of the internal audit department's employees and the performance of zakat institutions in Malaysia. The competency of the internal audit department's employees is represented in the presence of employees with a mixed background experience, good experience, qualifications, and training that the employee gets during the audit work. (Shamsuddin et al., 2017)

Organizations that do not have an internal audit function are more vulnerable to fraud than those that have self-reported fraud detection and reporting. Moreover, organizations that rely on an external auditor have the lowest potential to detect and report fraud than those with an internal auditor job, which indicates that an internal audit has an added value in improving the control environment within organizations to detect and report fraud. Thus, having a highly qualified internal audit within the organization positively affects performance by improving the control environment within organizations to detect and report fraud. (Prawitt, Smith, & Wood, 2009)

2.6 Internal audit size and organizational performance:

There is a positive relationship between the size of the internal audit team and the positive corporate performance, indicating that internal audit improves organizational performance and helps organizations achieve their goals and that the relationship between internal audit and company performance is a positive one. The size of the internal audit team is the main driver of the positive performance of the company, and the interaction between the internal audit and the audit committee enhances the company's performance. (Alzeban, 2020)

When banking institutions apply internal auditing standards, this affects the performance of those financial institutions, while the size of the internal audit

committees and their meetings have a slight impact on the financial performance of banking institutions. Moreover, the use of automated internal audits affects improving financial performance in banking institutions. (Hazaea, Tabash, Khatib, Zhu, & Al-Kuhali, 2020)

Internal audit quality dimensions affect the performance of the Nigerian federal universities, which include the efficiency of the internal audit, the independence of the internal audit, and the size of the internal audit. Moreover, the support and encouragement of the university's top management for internal audit and increasing its efficiency by enhancing the knowledge and skills of the audit staff through training, workshops, and seminars to ensure their independence. This will entail the credibility of the internal audit department and the effectiveness of Nigerian Federal Universities through the ability of internal auditing to help universities achieve a high level of performance if given the necessary support from top management. (Bello et al., 2018)

The internal audit department plays important role in zakat institutions in Malaysia. As there is an important relationship between the number of employees of the internal audit department and the positive performance of institutions. For example, the increase in the number of employees of the internal audit department, especially those with experience in financial auditing, has a positive impact on the overall performance of zakat institutions. (Shamsuddin et al., 2017)

The internal audit departments are not well developed in KSA. The internal audit departments operate in an environment that lacks adequate resources and qualified personnel. Hence, the lack of qualified personnel, as well as the small size of many internal audit departments may significantly restrict the scope of tasks performed by internal audit departments. There are also limitations on the independence of internal audit staff, and internal audit departments focus on compliance auditing rather than a performance review. (Al-Twaijry et al., 2003)

The internal audit functions play an important and positive role in the effectiveness of the internal audit. That is, there is a significant and positive impact of the size of the audit committee and the frequency of audit committee meetings on the overall performance of the internal audit function in the listed companies. (A. Rashid, Salim, & Ahmad, 2021)

2.7 Research framework:

The study discusses the impact of internal audit functions on the organizational performance of ministries. The study aims to investigate the relationship between the dependent variables (independence, competence, and size of internal audit) and the independent variable (organizational performance), through achieving the study objectives by reviewing the prior literature to reach a convincing solution to the research questions. Figure 1 presents the conceptual framework, which shows that there is a direct relationship between internal audit functions (independence, competence, and size of internal audit) and organizational performance.

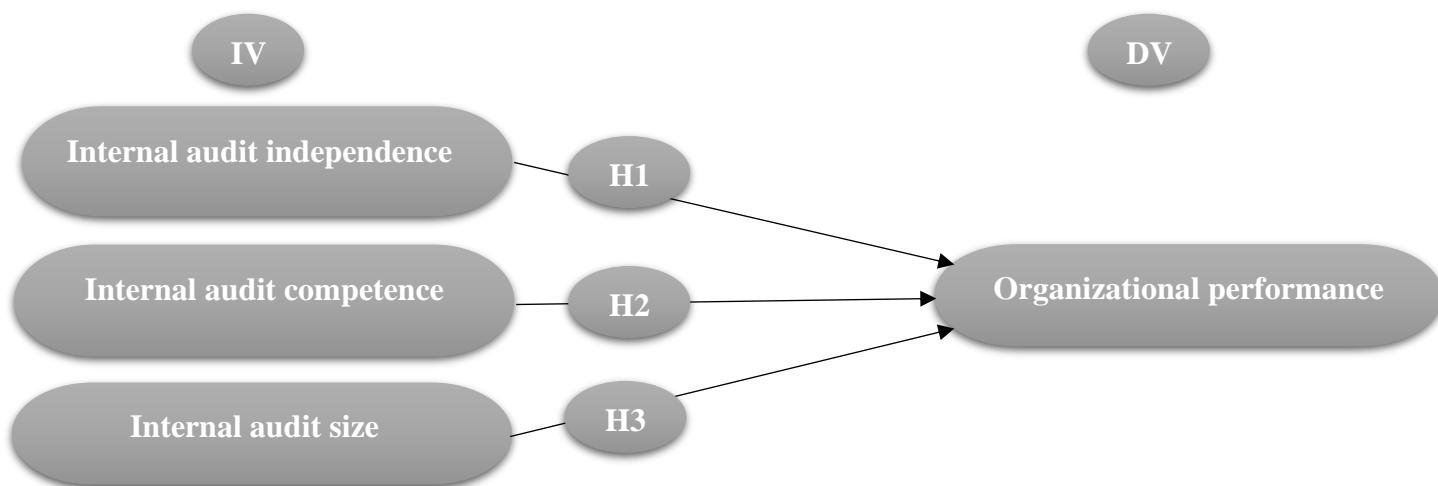


Figure 1: Theoretical framework

2.8 Research Hypotheses:

According to the study's theoretical framework, the below are the research Hypotheses:

H1: There is a significant relationship between internal audit independence and organizational performance.

H2: There is a significant relationship between internal audit competence and organizational performance.

H3: There is a significant relationship between internal audit size and organizational performance.

2.9 Summary of literature review:

Looking at the literature reviewed above, it is evident that several researchers agree that internal audit functions are a major supporter of organizational performance. Previous studies also focused on the effectiveness of internal auditing in organizational performance in different environments. However, few researchers have addressed the determining factors of internal auditing and assessed the extent to which those factors determine organizational performance. In addition, there is no evidence that the problem statement in this research has been examined in previous studies. Besides, the study focuses on the Omani context, especially internal audits in ministries.

Thus, the main objective of this study is a positive contribution to the knowledge group, through the empirical study of the degree to which institutional performance is positively affected by the effectiveness of internal audit functions (independence, competence, and internal audit size). Also, it aims to assess that impact on several institutions and ministries in the Sultanate of Oman, so this study seeks to bridge that gap.

Chapter Three: Methodology

3.1 Introduction:

This chapter presents the research method. It provides a clarification of research design and strategy and determines sources of data collection. It also gives an analysis of the population and sample that would be studied. Furthermore, the chapter gives more clarification about the research framework and testing developed hypotheses by data that would be collected from primary and secondary sources to reach accurate findings by using sampling, research measurement, and perfect research procedures for collecting and analyzing data.

3.2 Research approach:

The research applies the deductive research approach, where the researcher formulated a set of hypotheses that must be tested during the study process. Thus, the study followed seven steps: identify a broad problem area, define the problem statement, develop hypotheses, determine measures, data collection, data analysis, and interpretation of data. (Uma Sekaran and Roger Bougie, 2016)

3.3 Research design:

The research makes use of a case study research strategy and applied quantitative research strategy through using a questionnaire research tool as a data collection method, in the sense that there will be numeric data. The quantitative research strategy is applicable particularly for the purposes of this research, the researcher hypothesizes a relationship between many different variables to experiment with the direct causal relationship between dependent variables (internal audit functions) and independent (organizational performance) which can be studied through developing and distributing questionnaires, and then analyzing them to obtain accurate results that will address the research problem and achieve the study objectives. (Uma Sekaran and Roger Bougie, 2016)

3.4 Research methods:

The study is a quantitative research that uses questionnaires as a classic research tool to collect data from the proposed sample and analyze it to obtain the results. The researcher will distribute questionnaires to internal auditors according to their different

job titles and specializations in Omani government units. The study selected questionnaire elements and staff carefully in order to represent the opinion of the population as a whole.

3.5 Questionnaire:

This study selected questionnaires as a fast and reliable way to collect information from a carefully selected sample of auditors that expresses the population in an effective and timely manner. As time is the biggest challenge in collecting data, there is an ease in analyzing the collected information and showing the results that will achieve the objectives of the study and solve the research problem.

3.6 Sampling strategy:

The sampling in this study is designed based on an unconstrained probability sampling design, known as simple random sampling. This type is characterized by the fact that every element of the population has an equal and known opportunity to choose a subject. The study aims to study the impact of internal audit functions on organizational performance, which will represent internal auditors in Omani government units. In addition, simple random sampling will be the most appropriate type for this type of study. Also, this sampling design has the least bias and provides the most generalization. The study population is all auditors in Omani government units. The researcher applied random sample sampling technique to select the study sample size from the study population. Also, the researcher distribute 275 questionnaires via e-mail to internal auditors in various Omani government units, which results in 181 responses, with a response rate of 66% of the total questionnaires that were distributed, where the auditors will fill out the questionnaire and send it back via e-mail again. This process will save time and effort. (Uma Sekaran and Roger Bougie, 2016)

3.7 Data collection:

The researcher also adopted the questionnaire method to collect data from auditors and analyze it. This type of data collection was considered the most appropriate for this study. Also, the participants were contacted via e-mail. (Uma Sekaran and Roger Bougie, 2016)

3.8 Instrument design

3.8.1 Questionnaires:

The questionnaire consists of two main parts. The first part consists of questions related to age, gender, and questions related to the professional role of the participants, such as their length of experience in the ministry, the job, and specific responsibilities. The other part consists of questions dealing with the main research objectives.

3.8.2 Measurement:

The study has adopted a 5-Point Likert Scale Measurements (**1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree**) to measure independent variables (**internal audit independence, internal audit competence, and internal audit size**), and (**organizational performance**) as the dependent variable. **Independence and competence of internal audit** measured by eight items adapted from (Amil et al., 2020). Internal audit size is measured by four items adapted from (Alzeban & Gwilliam, 2014). **Organizational performance** is measured by four items adapted from (Babatunde et al., 2019).

3.8.3 Pre-Testing Procedures

Questionnaires were evaluated by six experts, three of whom are academics, and three are internal auditors, in order to test if the items cover all the factors related to the four variables. The researcher also has covered issues related to reliability and validity to ensure appropriateness. The questionnaire included (16) items, including (4) items related to internal audit independence, (4) items with internal audit competence, (4) items on internal audit size, and (4) items related to organizational performance. The above steps resulted in the development of the final questionnaire.

3.8.4 Pilot study

A pilot study was conducted on 35 internal auditors to test the validity and reliability, and to see if there was confusion by respondents about any of the items. The pilot study provides a clear path to the questions and a good understanding by the respondents and helps the researcher in the development of the questionnaire.

3.8.5 Validity and reliability

Several steps were taken to validate the questionnaire, such as which questionnaire items were quoted from the literature, and a pilot study was conducted to confirm the correctness of the answer. The survey was prepared using a Google Form, and the survey was emailed to 35 internal auditors for validation and reliability. The incoming response was transmitted to Excel and then to SPSS to test their responses. The study used appropriate statistical tools that reveal the results through Cronbach's alpha, which shows the agreement of the items with the reliability coefficient. The Cronbach Alpha range for the variants is 0.62 - 0.84; which explains the extent of the respondents' interaction in the results of the questionnaire, through that all variables exceeded 0.62.

Table 1: Reliability Test

Variables	No of responses	No of items	Cronbach Alpha
Internal audit independence	35	4	0.828
Internal audit Competence	35	4	0.762
Internal audit Size	35	4	0.773
Organizational Performance	35	4	0.777

3.9 Methods of Data Analysis:

The study relied on analyzing the results of the questionnaires distributed to the selected sample through SPSS statistical analysis programs. Results of the survey were presented in the form of tables and graphs.

3.10 Ethical Considerations, Problems, and Limitations:

The researcher faced several issues, the most important of which was the approval to participate in the questionnaire by organizations, as well as the employees, and their fear of data confidentiality and the possibility of publishing that data. Additionally, the data confidentiality and privacy policy are that organizations are strict about allowing employees to participate in research projects. As it was confirmed that this data will be used for research and study purposes and will remain confidential.

Chapter four: Data analysis and findings

4.1 Introduction

This chapter presents research findings by analyzing data collected from responses of internal audit departments in ministries. The purpose is to present, interpret, and discuss screening and analysis data in order to reach the results through analytical methods.

4.2 Response Rate

In this research, 275 questionnaires were distributed to internal auditors in internal audit departments in various ministries, which results in a number of 181 responses with a response rate of 66% of the total questionnaires that were distributed. This is considered a high response rate.

4.3 Descriptive analysis of demographical questions

This section represents an analysis of the demographic data of the respondents in this research, which includes gender, educational level, actual job position, and the number of years of experience. The tables below show the results of cross-table between demographical data.

Table 2: Number of years' experience * Actual job position

		Actual job position				Total
		General manager	Manager	Head of department	Auditor	
Number of years' experience	Less than 5 years	0	0	1	27	28
	Between 5-10 years	1	0	11	54	66
	Between 11-15 years	0	4	16	29	49
	Above 15 years	1	9	12	16	38
Total		2	13	40	126	181

The table above links between number of years' experience and job position.

Table 3: Number of years' experience * Level of education

		Level of education				Total
		PHD	Master	Bachelor	Diploma	
Number of years experience	Less than 5 years	0	0	25	3	28
	Between 5-10 years	1	11	34	20	66
	Between 11-15 years	1	16	29	3	49
	Above 15 years	1	14	13	10	38
Total		3	41	101	36	181

The table above links between number of years' experience and level of education.

Table 4: Gender * Level of education

		Level of education				Total
		PHD	Master	Bachelor	Diploma	
Gender	Male	2	34	80	32	148
	Female	1	7	21	4	33
Total		3	41	101	36	181

The table above links between gender and level of education.

4.3.1 Gender

The table below shows that the percentage of male respondents in the selected sample (181) is (81.8%), while the percentage of female respondents is (18.2%). This indicates that the number of male internal auditors is greater than females in ministries.

Table 5: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	148	81.8	81.8	81.8
	Female	33	18.2	18.2	100.0
	Total	181	100.0	100.0	

4.3.2 Level of education

The table below shows that most respondents hold a bachelor's degree, with a rate of (55.8%). In addition, master's holders accounted for (22.7%), diploma holders represented (19.9%), and PhDs counted for (1.7%). This indicates that the highest percentage of internal auditors are holders of a bachelor's degree, and therefore that most auditors are qualified to carry out their job duties.

Table 6: Level of education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	PHD	3	1.7	1.7	1.7
	Master	41	22.7	22.7	24.3
	Bachelor	101	55.8	55.8	80.1
	Diploma	36	19.9	19.9	100.0
	Total	181	100.0	100.0	

4.3.3 Actual job position

The table below shows that most of the respondents who participated in the survey are auditors represent (44.2%), followed by others with (25.4%), the head of a department represents (22.1%). The percentage of managers who participated counted for (7.2%), and the general managers counted (1.1%). This indicates that the highest percentage of respondents are auditors who carry out audit and review procedures in ministries.

Table 7: Actual job position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	General manager	2	1.1	1.1	1.1
	Manager	13	7.2	7.2	8.3
	Head of a department	40	22.1	22.1	30.4
	Auditor	80	44.2	44.2	74.6
	Others	46	25.4	25.4	100.0
	Total	181	100.0	100.0	

4.3.4 Number of years of experience

The table below shows that most respondents have work experience between 5-10 years which represents (36.5%) of the total respondents, while those who have work experience between 11-15 years represent (27.1%). 21% are those with work experience above 15 years, and employees with work experience less than 5 years represent (15.5%). This indicates that the highest percentage of respondents are auditors who have practical experience between 5 - 15 years in the field of auditing in ministries.

Table 8: Number of years of experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	28	15.5	15.5	15.5
	Between 5-10 years	66	36.5	36.5	51.9
	Between 11-15 years	49	27.1	27.1	79.0
	Above 15 years	38	21.0	21.0	100.0
	Total	181	100.0	100.0	

4.4 Descriptive analysis

This section presents the research variables' descriptive analysis. These variables represent the internal audit functions (independence, competence, and size) and their relationship to (organizational performance). These variables are measured on a five-point Likert scale (strongly agree=5, agree=4, neutral=3, disagree=2, strongly disagree=1). The research variables were linked to ordinal values and statistical tests were performed using the SPSS program. Descriptive statistics were performed by calculating the mean and standard deviation for each variable. The table below shows the average grade and mean average score for each category on the Likert scale.

Table 9: five Likert scale gap width

Categories	Mean Average
Strongly Agree	4.21-5.00
Agree	3.40-4.20
Neutral	2.61-3.40
Disagree	1.81-2.60
Strongly Disagree	1.00-1.80

4.4.1 Descriptive Statistics of internal audit independence

The table below shows the mean and standard deviation of internal audit independence. The four elements were questioned to analyze the independence of internal audit departments, of which a number of 181 responses were received. The mean of the four items of internal audit independence is 3.5 (corresponding values of agreeing between 3.40-4.20) with an average standard deviation of 1.4, which indicates that internal audit departments have sufficient independence.

Table 10: Descriptive Statistics of internal audit independence

	N	Minimum	Maximum	Mean	Std. Deviation
Internal auditors carry out audits on activities and operations undertaken by the top management.	181	1	5	3.70	1.442
Internal auditors are not influenced by any internal pressure, they carry out audits, and give findings, and recommendations without fear.	181	1	5	3.41	1.426
The independence and authority of internal auditors are adequately protected.	181	1	5	3.29	1.447
Internal auditors can carry out audits on operations, information, or financial records.	181	1	5	3.59	1.437
Valid N (listwise)	181	1	5	3.5	1.4

4.4.2 Descriptive Statistics of internal audit competence

The table below shows the mean and standard deviation of internal audit competence. The four elements were questioned to analyze the competence of internal audit departments, of which a number of 181 responses were received. The mean of the four items of internal audit independence is 3.97 (corresponding values of agree, between 3.40-4.20) with an average standard deviation of 1.08, which indicates that internal audit departments have sufficient competence.

Table 11: Descriptive Statistics of internal audit competence

	N	Minimum	Maximum	Mean	Std. Deviation
Internal auditors are able to use modern technologies and technology-based audit techniques.	181	1	5	4.03	1.090
Internal auditors are able to use control assessment and risk analysis techniques.	179	1	5	3.87	1.098
Internal auditors can analyze and understand the ministry's processes.	181	1	5	4.04	1.029
Internal auditors can detect fraud and counterfeiting.	181	1	5	3.92	1.093
Valid N (listwise)	179	1	5	3.97	1.08

4.4.3 Descriptive Statistics of internal audit size

The table below shows the mean and standard deviation of internal audit size. The four items were questioned to analyze the internal audit size, of which a number of 181 responses were received. The mean of the four items of internal audit size is 3.56 (corresponding values of agree, between 3.40-4.20) with an average standard deviation of 1.34, which indicates that internal audit departments have enough auditors.

Table 12: Descriptive Statistics of internal audit size

	N	Minimum	Maximum	Mean	Std. Deviation
The internal audit department has an appropriate number of employees to perform efficiently.	181	1	5	3.18	1.395
Members of the internal audit department are optimally employed.	181	1	5	3.64	1.299
In case of a shortage in the number of employees in the internal audit department, the senior management was contacted.	181	1	5	3.39	1.397
The performance of the internal audit department improves when there are enough auditors.	181	1	5	4.05	1.301
Valid N (listwise)	181	1	5	3.56	1.34

4.4.4 Descriptive Statistics of organizational performance

The table below shows the mean and standard deviation of organizational performance. The four elements were questioned to analyze the ministry's organizational performance, of which a number of 181 responses were received. The mean of the four items of internal audit independence is 4.18 (corresponding values of agree, between 3.40-4.20) with an average standard deviation of 1.01, which indicates that internal audit functions **impacts** organizational performance.

Table 13: Descriptive Statistics of organizational performance

	N	Minimum	Maximum	Mean	Std. Deviation
Internal audit functions utilize for assessing the internal control system.	181	1	5	4.24	1.047
The internal audit procedures aid performance evaluation and review.	181	1	5	4.09	.993
Internal auditing procedures enhance organizational performance.	181	1	5	4.19	1.033
Internal audit functions help managers and officials in ministries to work efficiently for successful performance.	181	1	5	4.22	.969
Valid N (listwise)	181	1	5	4.18	1.01

4.5 Discriminate Validity

The table below shows the components of the correlation matrix, where it is noticed that all values of P-value are less than 0.05, and all values of Pearson correlation are above 0.450, indicating that there is a significant relationship between independent and dependent variables, thus, the discriminative validity of these variables has been established.

Table 14: Correlation Matrix

		Internal audit independence	Internal audit Competence	Size	Performance
Internal audit independence	Pearson Correlation	1	.504**	.594**	.450**
	Sig. (2-tailed)		.000	.000	.000
	N	181	181	181	181
Internal audit Competence	Pearson Correlation	.504**	1	.516**	.646**
	Sig. (2-tailed)	.000		.000	.000
	N	181	181	181	181
Size	Pearson Correlation	.594**	.516**	1	.458**
	Sig. (2-tailed)	.000	.000		.000
	N	181	181	181	181
Performance	Pearson Correlation	.450**	.646**	.458**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	181	181	181	181
**. Correlation is significant at the 0.01 level (2-tailed).					

4.6 Normality Test

The table and diagrams below show the results of the normality test. The most common normality test statistical method is the Shapiro-Wilk test and the Kolmogorov-Smirnov test. The Shapiro-Wilk test shows the secondary data sets (eg, $n < 0.05$), while the Kolmogorov-Smirnov test shows the overall samples (>100). After analyzing the data, it was found that the significant value of all variables is less than 0.05, which indicates that the data are normally distributed.

Table 15: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Internal audit independence	.106	181	.000	.935	181	.000
Internal audit Competence	.158	181	.000	.908	181	.000
Size	.132	181	.000	.908	181	.000
Performance	.176	181	.000	.841	181	.000
a. Lilliefors Significance Correction						

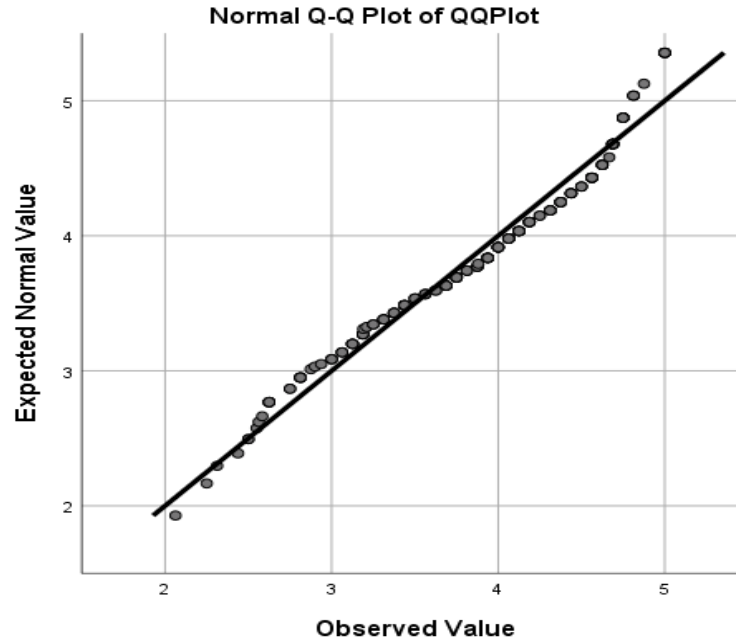


Figure 2: Normality Test

The above figure graphical method of normal Q-Q plots confirms the normality test, which indicates that the data are normally distributed

4.7 Reliability Test

Table 13 shows the reliability test of the study variables. The reliability of the variables was measured using Cronbach's alpha value. Based on the results that were reached through the analyses conducted using the SPSS program, the data reflect the variables; The Cronbach value for all variables was above 80%, indicating the reliability of each variable.

Table 16: Reliability Test

Variables	No of response	No of items	Cronbach Alpha
Internal audit independence	181	4	0.811
Internal audit Competence	181	4	0.834
Internal audit Size	181	4	0.817
Organizational Performance	181	4	0.883

4.8 Hypotheses Testing

The purpose of the hypothesis testing process is to determine the possibility of rejecting the null hypothesis (H_0) to support the alternative hypothesis (H_1). (2018, Uma)

4.8.1 Model Summary

Table 14 presents the value of R, the adjusted R squared, and the standard error of the estimation that shows the fit of the regression model with the input data. It is clear that the value of R is the total effect of the model, which is here (66.5%). This indicates the existence of a close correlation between the variables. The relative variance value (44.2%) also indicates the correlation of the independent variables with the dependent variable. In addition, the adjusted R-square value of the overall model is (43.3%) indicating an impact of internal audit functions on organizational performance.

Table 17: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665 ^a	.442	.433	.70271
a. Predictors: (Constant), Size, Competence, Independence				

4.8.2 Anova

The values of ANOVA show the statistical significance of independent variables for dependent variables $F(3, 177) = 46.758$, $p < 0.05$. Therefore, the Sig value indicates that the model is significant for further analysis as the value of Sig is less than 5%.

Table 18: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.269	3	23.090	46.758	.000b
	Residual	87.404	177	.494		
	Total	156.673	180			
a. Dependent Variable: Performance						
b. Predictors: (Constant), Size, Independence, Competence						

4.8.3 Coefficients

Unstandardized coefficients show that the variation in the dependent variable is caused by independent variables. Table 16 shows that the sig (P-value) of Internal audit independence, Internal audit competence, and Internal audit size is less than (5%), which indicates that there is a significant relationship between independent variables and dependent variable (organizational performance), thus the null hypotheses are rejected.

Table 19: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.		
	B	Std. Error	Beta				
1	(Constant)	1.007	.282		3.573	.000	
	Independence	.206	.058		.243	3.538	.001
	Competence	.294	.082		.259	3.592	.000
	Size	.343	.086		.296	4.008	.000

a. Dependent Variable: Performance

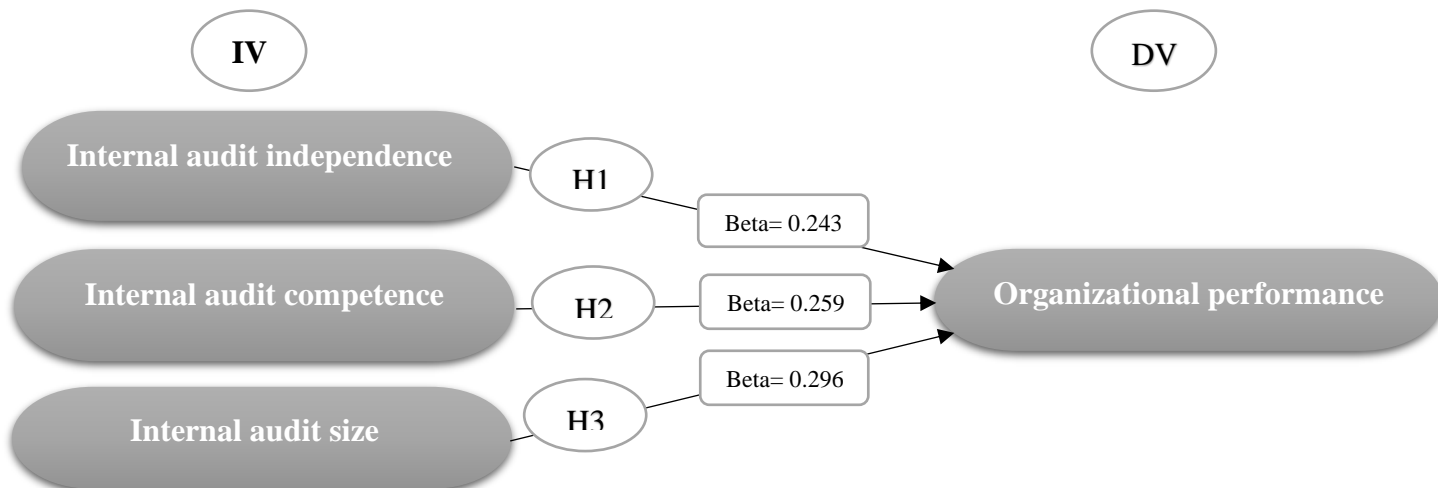


Figure 3: a conceptual framework (Coefficients)

Figure3 shows that beta values, for internal audit independence are (0.243), for Internal audit competence (0.259), and for Internal audit size (0.296).

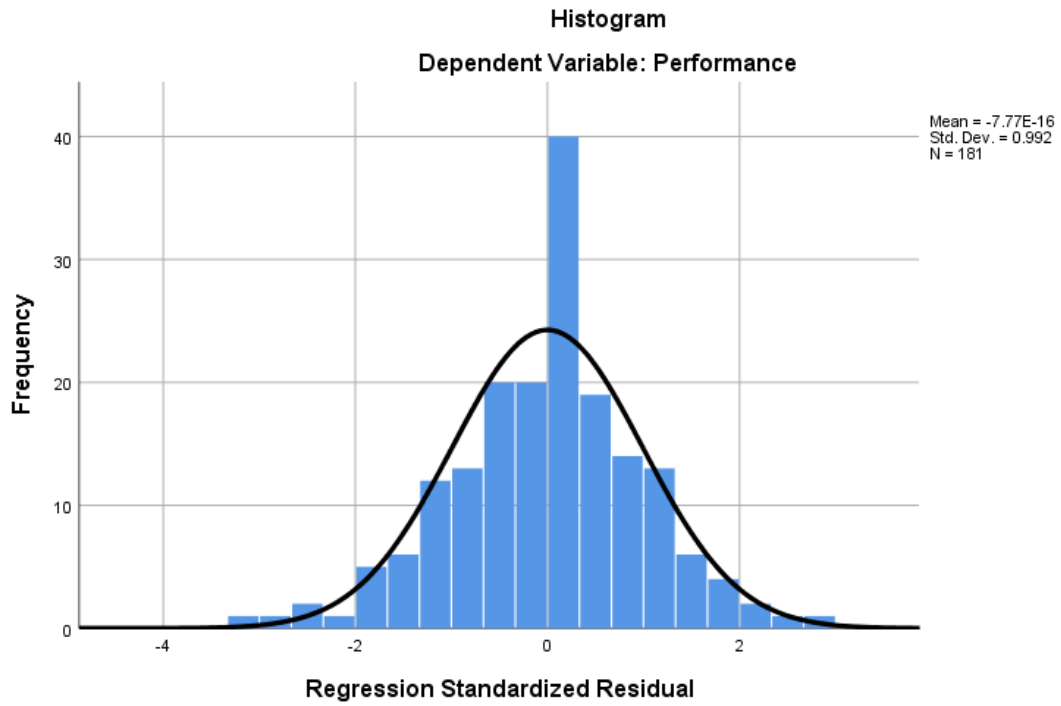


Figure 4: Coefficients^a

Figure 4 confirmed the regression test.

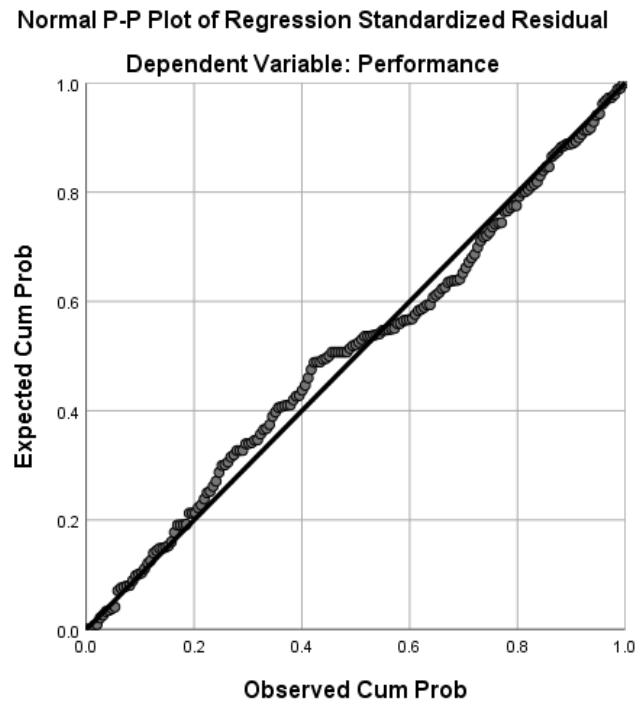


Figure 5: P-P Plot

Figure 5 shows the regression test.

H1: There is a significant relationship between internal audit independence and organizational performance.

The hypothesis states that there is a positive relationship between internal audit independence and organizational performance. The results in table 16 show that the P-value is 0.001, which is less than 5%. This indicates a significant relationship between internal auditing independence and organizational performance, and this invalidates the null hypothesis (H0), which states that there is no relationship between the two variables. This is supported by previous studies as indicated by (Babatunde et al., 2019) who found that there was a positive relationship between the internal audit functions and the positive performance of the organization. Moreover, internal audit functions represented particularly by independence directly affect the organization's performance. Also, there is a positive relationship between internal audit and sales in economic institutions, as the independence of internal audit makes the employees of the audit department characterized by integrity and honesty. (Alfadhli et al., 2018)

H2: There is a significant relationship between internal audit competency and organizational performance.

The hypothesis states that there is a positive relationship between internal audit competence and organizational performance. The results in table 16 shows that the P-value is less than 5%. This indicates the significant relationship between internal auditing independence and organizational performance, and this invalidates the null hypothesis (H0), which states that there is no relationship between the two variables. This is supported by previous studies where (N. Rashid et al., 2018) indicated that there was a strong influence and relationship between internal audit standards and sales in National Cement Company - Libya and that the more internal audit employees have sufficient experience in internal audit standards and adhere to them, the greater the impact on sales positively. Thus internal audit competence significantly affects sales performance. There is a direct relationship between the competency of the internal audit department's employees and the performance of zakat institutions in Malaysia. The competency of the internal audit department's employees is represented in the presence of employees with a mixed background experience, good experience, qualifications, and training that the employee gets during the audit work. (Shamsuddin et al., 2017)

H3: There is a significant relationship between internal audit size and organizational performance.

The hypothesis states that there is a positive relationship between internal audit size and organizational performance, as indicated by the results of the analysis of the selected sample, where the results in table 16 shows that the P-value less than 5%. This indicates the significant relationship between internal auditing size and organizational performance, and this invalidates the null hypothesis (H0), which states that there is no relationship between the two variables. This is supported by previous studies where (Alzeban, 2020) indicated that there was a positive relationship between the size of the internal audit team and the positive corporate performance, indicating that internal audit improved organizational performance and helped organizations achieve their goals and that the relationship between internal audit and company performance was a positive one. The size of the internal audit team is the main driver of the positive performance of the company, and the interaction between the internal audit and the audit committee enhances the company's performance. The internal audit department plays important role in zakat institutions in Malaysia. As there is an important relationship between the number of employees of the internal audit department and the positive performance of institutions. For example, the increase in the number of employees of the internal audit department, especially those with experience in financial auditing, has a positive impact on the overall performance of zakat institutions. (Shamsuddin et al., 2017)

4.9 Summary of the Findings

In the table below, a summary of the results from the data collected after analysis in the SPSS program, based on which the hypotheses of the study were tested.

Table 20: Summary of the Findings

Research Hypotheses	Significance of the test	Remark
H1: There is a significant positive relationship between internal audit independence and organizational performance.	There is a positive relationship between internal audit independence and organizational performance	The null hypothesis is rejected, whereas the H1 hypothesis is accepted, as there is a positive relationship between the two variables.
H2: There is a significant positive relationship between internal audit competency and organizational performance.	There is a positive relationship between internal audit competence and organizational performance	The null hypothesis is rejected, whereas the H1 hypothesis is accepted, as there is a positive relationship between the two variables.
H3: There is a significant positive relationship between internal audit size and organizational performance.	There is a positive relationship between internal audit size and organizational performance	The null hypothesis is rejected, whereas the H1 hypothesis is accepted, as there is a positive relationship between the two variables.

Chapter five: Conclusion and recommendations

5.1 Introduction

This chapter will present the general conclusion of the study, which was reached through the previous studies that were reviewed, in addition to the results of the questionnaire that were analyzed using the SPSS program. The chapter will also present the most important recommendations, in addition to discussing the limitations of the study and the possible future research.

5.2 Conclusion

Internal audit is an integral part of the essence of the ministry/government unit and a dynamic and integrated process that adapts continuously to the changes facing the ministry/government organizations. It is also an integral part of the basic management processes, which are planning, implementing, and controlling. Therefore, it permeates the structure of the ministry/ government organizations. Government has a series of actions that permeate the activities and procedures that occur continuously during operational processes and are spread and rooted through the way the administration manages that government ministry/ government unit (INTOSAI GOV 9100, 2016).

The Omani government has paid great attention to an oversight in general, which is translated through its vision for the year 2040. The researcher also focused in this study on the internal auditing functions and their impact on organizational performance in ministries/government units in the Sultanate of Oman. This was examined through previous studies and the results of the questionnaire that was distributed to internal audit units in the ministries. The effect of three independent variables representing the internal audit functions (independence, competence, size) on the dependent variable (organizational performance) was studied. The results of the research indicated that there is a positive relationship between internal audit functions and organizational performance, which indicates an influence between those variables.

The results confirm that an integrated internal audit team in terms of competence and an appropriate number of auditors will perform its tasks and responsibilities better. Internal audit units in government institutions, managers, and employees in those units must have a high level of competence that enables them to understand the work

procedures within the ministries in order to achieve the general objectives of internal audits. On other hand, the results confirm that independence of internal audit allows internal auditors to carry out internal audit responsibilities in a neutral and unbiased manner, enabling them to submit their reports primarily to the controlled unit without pressure and they conduct audits and provide findings and recommendations without fear.

5.3 Recommendation

This study presents academic contributions to current research on internal audit functions and their impact on organizational performance. The advanced quantitative data analysis used in this research will allow future researchers to explain the contribution of this research and to understand the importance of internal audit functions on the performance of organizations. The study recommends that empowering internal audit units through providing an appropriate number of qualified and competent auditors and granting independence, will contribute to improving performance, achieving the goals set by the government, improving ministries' performance, enabling auditing, and making it the most important pillar, which will result in achieving the general goals of vision 2040. Moreover, empowering internal audit units in government units through granting power to them and providing them with competencies so that these units play a vital role in implementing their policies and carrying out their responsibilities, which will reflect positively on the performance of ministries.

5.4 Study Limitation

This study experienced a range of limitations, the most important of which is the Coronavirus 2019 (COVID-19) pandemic. It was a stressful experience as continuous lockdowns have been imposed across the country. However, this limitation will not significantly affect the results. Data were collected using the electronic questionnaire, and all responses were received electronically through the use of Google Forms.

This study also measures whether the internal audit functions improve the performance of government units by using respondents' perceptions to reach objective measures that would increase the accuracy of the results of this study. Through the auditors, conduct a self-assessment of their practices related to the various audit procedures when answering the questionnaire. Thus, the most accurate measurement would be by using

the actual practice of each different audit procedure. However, it will not have a significant impact on the final results; This was avoided by setting different and varied standards in the questionnaire that focus on the auditors' actual practice of audit procedures in the government units.

The researcher also faced weak responses received and weak participation in the questionnaire by several auditors, due to their fear of confidentiality of data and the possibility of publishing such data. However, it was confirmed that this data will be used for scientific research purposes and will remain confidential.

5.5 Future Research

Through the findings and assessment of the impact of internal audit functions on organizational performance, this study opens new horizons and opportunities for future research. It would be interesting to further research the impact of internal audit functions in other countries to assess and determine whether the findings of this study are a local issue or a global phenomenon. The results of this study and the results of the prior studies are consistent with each other and will help decision-makers to start making improvements in the internal audit units in line with the requirements of the next stage. It will be interesting to investigate how audit functions in general, whether internal or external, affect the performance of auditors. The study can also provide valuable insights for external auditors on assessing the performance of the organization by reviewing the powers granted to the internal audit units in those institutions through the evaluation of internal audit functions. This will reduce the workload of external auditors. In addition, further research can be conducted on the impact of other factors (such as management support, and auditors' integrity) on the performance of the internal audit. Finally, future research can follow up on the results of this study, and verify the results of this study by combining the results of this study and previous studies to arrive at a perception that could add significant value to the internal audit literature.

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Appendix

Appendix (1): literature review

No	Authors & location	Variables		Methodology	Results
		IV	DV		
1	(Amil et al., 2020) Kenya	Management support Independence of internal auditors Technical competence of internal auditors	Performance of internal audit function	The study used both qualitative and quantitative strategies and relied on a questionnaire to collect data.	The result of the study showed that there is a significant relationship between the three IV (management support, independence of internal auditors, and technical competence of internal auditors) and DV (Performance of internal audit function). It recommends allowing more support for the internal audit team to develop their skills, and the processes of internal audit should be fully automated.
2	(Alzeban, 2020) UAE & KSA	internal audit independence internal audit competency internal audit size audit committee characteristics (MeV)	firm performance	It is a quantitative study and data collected from questionnaires and annual reports of 119 companies in the Kingdom of Saudi Arabia and the United Arab Emirates.	The results of this study indicate that the independence of the audit committee and the experience of members in the field of accounting and auditing mediate the effects of the independence and size of the internal audit on the performance of the company. Results of the study also provided evidence that internal audit improves organizational performance and helps organizations achieve their goals, and that the relationship between internal audit and the performance of the company is mediated through the independence of the audit committee and its expertise. In addition, they indicate that the audit committee's independence and expertise are the main drivers of the company's performance and that the interaction between the internal audit and the audit committee enhances the company's performance.
3	(Chen, Lin, Lu, & Zhou, 2020) China	Internal audit quality (Competence & Independence)	Firm Operational Efficiency	In a quantitative study, the researcher distributed the questionnaire to the listed companies in China.	The study concluded that the quality of the internal audit function is positively related to the operational efficiency of the company. The efficiency of the internal audit function also improves the operational efficiency of the company. In addition, with effective corporate governance at the company level and strong institutions at the country level, the quality of the internal audit function greatly improves the operational efficiency of the company. Also, enhancing the quality of the company's internal control improves the company's operational efficiency.
4	(Saputra, Winarningsih, & Puspitasari, 2020) Indonesia	Top management support Competence (MaV) Independence (MaV)	Effectiveness of Internal Audit	This study uses quantitative research methods by distributing a questionnaire.	The results of this study showed that independence and competence had a positive impact on the effectiveness of internal auditing and that supporting senior management indirectly through efficiency and independence had a positive effect on the effectiveness of internal auditing. This study also revealed that an internal audit will be more effective in carrying out its duties and functions through support from top management for its efficiency and independence.

No	Authors & location	Variables		Methodology	Results
		IV	DV		
5	(Omwono & Wanyama, 2021) Kenya	Internal audit functions Risk management Budgetary controls Financial accountability	Financial performance	This study is descriptive cross-sectional research. The study used a questionnaire as a tool for data collection. Quantitative analysis was used in data analysis.	The study concluded that the internal audit function affects the financial performance of the company. This study recommends companies practice internal auditing that will improve their financial performance; Also, companies should always adhere to the internal audit function positively as their functions and procedures are continuously monitored in the daily operation of the activities of the organization.
6	(Hazaea, Tabash, Khatib, Zhu, & Al-Kuhali, 2020) Yemen	Independence of internal auditors and following the IA standards. Governance principles implemented. Size of IA and frequency of meetings of internal auditors.	financial performance	The study uses a quantitative research design by distributing a questionnaire.	The results of the study showed that the application of internal auditing standards, the independence of internal auditors, and quality governance greatly affected the financial performance of banking institutions, while the size of the internal audit committees and their meetings, had a minor impact on the performance of banking institutions. Moreover, the results of the study show that the use of automated internal audits affects improving financial performance in banking institutions.
7	(Boamah, 2020) Namibia	Internal audit practices. Corporate governance practices.	Performance of state-owned enterprises	A study is a mixed approach that uses quantitative research methods and qualitative.	The study concluded that the internal audit function plays an effective role in governance practices, as it has a direct impact on the sustainability of the state-owned enterprise's performance. The study confirmed that internal auditing symbolizes efficiency, integrity, transparency, and quality, as well as an obstacle to unethical business activities. The study found that both the board and management rely on internal audits to provide new ideas to ensure risk reduction, and for assurance, consulting, and value creation.
8	(Babatunde, Busayo, & Ajayi-owoeye, 2019) Nigeria	Internal Audit Functions Internal Audit Procedures	Organization Performance	The study used a descriptive research design; it employed quantitative research tools through distributing a questionnaire.	The study concluded that there is a positive relationship between the functions of internal audits and the performance of the organization. Also, there is a positive relationship between internal audit procedures and the performance of the organization. Therefore, the study recommended that the internal audit organization improve performance.
9	(Gamayuni, 2018) Indonesia	Internal Audit Function effectiveness. Accrual Based Implementation of Government Accounting Standard.	Financial Reporting Quality	The study uses a quantitative research design, its used preliminary data with questionnaires as a tool.	The effectiveness of the internal audit function has proved to be a positive and significant impact on the quality of financial reports. An effective internal audit function can improve the quality of financial reporting. The dimensions that reflect the effectiveness of the internal audit function are planning, communication, approval, resource management, policies and procedures, coordination and reporting to leadership, program development, quality control, and follow-up on public complaints. The implementation of accrual-

No	Authors & location	Variables		Methodology	Results
		IV	DV		
					based government accounting standards (SAP) has not had a significant impact on the quality of financial reporting.
10	(Li, Dai, Gershberg, & Vasarhelyi, 2018) China	Technological: (IT complexity & Technological competence). Organizational: (Management support & size). Environmental: (Professional help & Standards) Application & Feature level usage (MoV)	Performance	The study uses a quantitative research design, by distributing a questionnaire	The results indicate that use at the application level is affected by administrative support, technological efficiency, and standards, while professional assistance, technological efficiency, and use at the application level drive used at the feature level. Finally, all of the uses of the audit analysis work on the application level and at the level of features to improve the performance of the internal audit process.
11	(Jiang, André, & Richard, 2018) Australia	IAF quality: (competence & independence)	Organizational: (Firm complexity & Board monitoring incentives & Audit committee diligence & CEO power). Environmental: (industry competition) Control: (IAF requirements in corporate governance codes).	The study uses a quantitative research design, Using an international sample developed through matching proprietary data from an internal auditor survey with public data from World-scope.	Regarding organizational factors, there is a positive relationship between the quality of IAF and the complexity of the company and assure that a complex company has a higher demand for oversight and advice, and therefore, there is a greater need for formal controls. Additionally, the quality of the IAF is positively related to the seriousness of board oversight and auditing but is negatively related to the CEO's authority, suggesting that the IAF quality is influenced by other factors in corporate governance. Regarding environmental factors, the IAF quality is positively linked to industrial competition, which means that the company's incentive to acquire high-quality IAF is strengthened when faced with greater environmental uncertainty. Moreover, the quality of IAF has a largely positive relationship with our self-generated index of IAF requirements listed in national corporate governance laws, indicating that strong corporate governance codes in the home country play a role in promoting the development of IAF.
12	(Alhassan, 2018) Ghana	Internal audit dimensions: (Professional competence, Internal controls, Internal audit standards, and Independence of internal audit)	Effective Financial Management	The study used a correlational research design, which is quantitative research by employing a questionnaire.	The results of the study showed that the internal audit determinants, the independence of the internal audit, internal controls, professional competence, and internal audit standards have a significant impact on effective financial management.
13	(Bello, Ahmad, & Yusuf, 2018) Nigeria	Internal audit quality (internal audit competency, internal audit independence, and internal audit size) Top management support (MoV)	Organizational performance	Quantitative research design using a questionnaire	Results of the study showed that the quality of internal audit dimensions affects the performance of the Nigerian federal universities. It is therefore recommended to give review the quality of the internal dimensions important that including internal audit efficiency and independence of the internal audit and the size of the internal audit and more attention to the mechanism by which to

No	Authors & location	Variables		Methodology	Results
		IV	DV		
					preserve these qualities and use them for more efficient internal audit service.
14	(Alfadhli, Rashid, & Yaakub, 2018) Libya	Internal audit Quality of internal audit	sales	Quantitative research design using a questionnaire	The study showed that there is a positive relationship between internal audits and the quality of internal audits and sales in economic institutions and that the audit department staff are characterized by integrity and honesty. Internal audit prominent role in decision making by the beneficiaries, and the presence of a special section to check the sales organization checks the invoices with the goods and monitors sales by an independent person.
15	(Rashid, Alfadhli, Yaakub, Afthanorhan, & Abdullah, 2018) Libya	Internal audit standards	sales	The quantitative research design used both arithmetic standard deviation and multiple regression for questionnaire analysis.	The study showed that there is the effect of a positive relationship between internal auditing standards and sales in the Civil Cement Company - Libya and that the internal audit staff have sufficient experience in internal auditing standards and adhere to them. Internal audit's prominent role in the decision-making process by the beneficiaries.
16	(Terinte et al., 2017) Romania and Poland	Internal audit function	Firm Performance	The study methodology is based on principal components analysis and linear regression estimation	The results indicate that the Independent Internal Audit has a beneficial effect on the company's performance in listed and unlisted companies. Thus, increasing the independence of the Internal Audit Committee could lead to higher resources for the company management, which is reflected in the increase in overall performance. Can committee more independent internal audit lead to the highest performance in companies from Romania and Poland
17	(Shamsuddin, Mustaffha, & Johari, 2017) Malaysia	Internal audit function	Firm Performance	In a qualitative study, data was collected by interviews	In conclusion, the internal audit department plays important role in zakat institutions. The internal audit department to inform the appropriate structure at a reasonable level of independence. It also has a mixed background of experienced staff and good experience. However, there is room for improvement. For example, increasing the number of staff, particularly experienced staff in the financial audit.
18	(Endaya & Hanefah, 2016) Libya	Internal audit characteristics: (objectivity, relationship between internal auditor and auditees, effective communication, proficiency and due professional care, and training and development) Senior management support. (MoV)	Internal audit effectiveness	Quantitative study based on standard and moderated multiple regression by using a questionnaire.	The results reveal that the characteristics of the internal auditor have a significant impact on the effectiveness of the internal audit and that support for senior management has a moderate impact.

No	Authors & location	Variables		Methodology	Results
		IV	DV		
19	(Abbott, Daugherty, Parker, & Peters, 2016) USA	Internal audit functions: (Independence and Competence)	Financial reporting quality	A quantitative study using a questionnaire.	The results provide evidence harmonious with the hypothesis that the coexistence of both competency and independence is a necessary precedent for effective internal audit functions to monitor financial reporting.
20	(Changwony & rotich, 2015) Kenya	Internal audit function: (internal audit positioning, internal audit independence, risk identification, internal audit staffing)	Effective corporate governance	The quantitative study adopted a descriptive research design through distributing the questionnaire.	The study finds a positive relationship between the development and the important function of effective internal audit and corporate governance within the commercial banks in Kenya. The internal audit function relationships, particularly with the committee of the board of directors and senior management, concerning support and lines of appropriate reports, are crucial in contributing to the role of internal audit in the effectiveness of corporate governance.
21	(Lenz, Sarens, & D'Silva, 2014) Germany	Internal audit functions' characteristics	Internal audit effectiveness	A quantitative study using a questionnaire.	The study concludes that the distinguishing characteristics related to the effectiveness of the internal audit. This study indicates the effectiveness of internal audits may help audit chiefs who wish to increase the effectiveness of internal audits by setting out the basics. Moreover, pay adequate attention to the qualification and continuous learning of internal audit staff, and benefit from technology key; take advantage of the appropriate interaction with senior management and audit committee.
22	(Lin, Pizzini, Vargus, & Bardhan, 2012) USA	Internal audit functions (competence, investment, and objectivity) Internal audit activities (Follow-up, coordination, and Fieldwork QA, IA Grade, Financial Focus)	Material weakness disclosure	A quantitative study using questionnaire tools to collect primary data.	The results of the study show that material weakness checks are negatively related to the level of education of the internal audit function and the extent to which the internal audit function integrates quality assurance techniques in fieldwork, audit reports related to financial reports, and monitors predetermined control correction problems. The timing of the work of Section 404 and the nature of follow-up indicate that these aspects of the quality of the internal audit function help to prevent material weaknesses. We find that material is positively linked to the exercise of the internal audit function for auditing classifications and the coordination of the external auditor, indicating that these activities increase the effectiveness of compliance processes.
23	(Christopher, Sarens, & Leung, 2009) Australia	Internal audit function (independence)	Management. Audit committee.	A quantitative study using questionnaire impairment disclosure retools.	Threats of the relationship with management, using the internal audit function as a starting point for other situations; obtaining the approval of the CEO or CFO on the budget of the internal audit function and providing inputs to the internal audit plan; and considering the internal auditor a partner, especially when combined with other indirect threats. Threats of the relationship with the audit committee, audit chief executives who do not report functional reports to the audit committee; the audit committee that

No	Authors & location	Variables		Methodology	Results
		IV	DV		
					does not bear the sole responsibility for appointing, dismissing, and evaluating audit executive heads; and the absence of all members of the audit committee or at least one qualified member in accounting.
24	(Arena & Azzone, 2009) Italia	Resources and competencies of an IA team. Processes and activities: (Involvement of IA in risk management). Organizational role: (level of interaction between IA and AC)	IA Effectiveness	Quantitative study, data was collected based on questionnaire tools.	The results showed that IA effectiveness is influenced by IA team characteristics, audit activities and processes, and organizational roles. IA effectiveness increases when the number of internal auditors and employees grows, the CAE is affiliated with IIA, the firm tack over self-assessment techniques to control the risk, and the AC is involved in the internal auditors' activities.
25	(Prawitt, Smith, & Wood, 2009)	Internal audit (Competence and objectivity)	Earning management	A quantitative study using questionnaire tools.	The results showed that the quality of internal audit functions is negatively related to earning management. Thus, firms with high-quality internal audit functions are linked to likely to miss analyst earnings expectations. Results also indicate that the internal audit functions play an important role in the quality of the financial numbers that are reported externally.
26	(Coram, Ferguson, & Moroney, 2008) Australia and New Zealand	Internal audit function	level of misappropriation of assets fraud	A quantitative study using questionnaire tools.	The results showed that organizations, which have internal audit functions, are more able than ones that do not have such a function to detect and report fraud themselves. These results indicate that internal audit adds value by improving the monitoring environment within organizations for detecting and reporting fraud. Maintaining the internal audit function within the organization is more effective than fully outsourcing this function.
27	(Zain, Subramaniam, & Stewart, 2006) Malaysia	Audit committee characteristics: (Composition: Independence and Financial knowledge and experience. Interaction activities: Frequency of meetings, Involvement in CIA dismissal, and Reviewing IA program and processes). Internal audit function characteristics: (Unit size and internal audit staff expertise).	Internal auditors' assessment of their contribution to financial statement audits	Quantitative study, data was collected based on questionnaire tools.	The results indicate that the most effective audit committees and well-resourced internal audit units tend to be positively linked to the internal auditors' assessment of their contribution to the external audit.
28	(Sarens & De Beelde, 2006) US and Belgian	Internal auditors role	Risk management	Qualitative and descriptive research	The results indicated that the role of internal auditors in risk management is very specific in time and country and can change rapidly, especially in new corporate governance regulations.

No	Authors & location	Variables		Methodology	Results
		IV	DV		
29	(Al-Twajry, Brierley, & Gwilliam, 2004) KSA	Internal and external audit functions (independence, objectivity, expertise, scope of work, and effectiveness)	Level of co-operation and co-ordination between directors of internal audit departments, and external audit firms	A study is a mixed approach that uses quantitative research methods and qualitative.	The results showed that there are threats to the internal audit includes, including independence and scope of work and the small size of many internal audit departments, there is limited cooperation between internal auditors and external auditors. The external auditors suggested that competence, objectivity, and experience were significant factors influencing the accreditation decision. External auditors saw that the internal audit function in many Saudi companies lacked independence and professionalism from management, which negatively affected their work and reliability.
30	(Al-Twajry, Brierley, & Gwilliam, 2003) KSA	Appropriate corporate environment. Top management support. Quality internal audit staff. Quality internal audit work.	Effectiveness of internal audit	A study is a mixed approach that uses quantitative research methods and qualitative.	The study concluded that internal audit departments are not well developed in the KSA. Whereas internal audit departments operate in an environment that lacks adequate resources and qualified personnel, there are restrictions on their independence, and they focus on compliance auditing rather than performance auditing. From this standpoint, internal auditing in the corporate sector in the KSA is ineffective in all four areas, and it does not give added value to companies.
31	(Goodwin & Yeo, 2001) Singapore	Audit committee. A management training ground.	Internal audit independence and objectivity.	Quantitative study, data was collected based on questionnaire tools.	The results indicated a strong relationship between the audit committee and the internal audit function, with an increased level of interaction when the audit committee consisted of only independent board members. It was also found that the use of the internal audit function as a ground for management training is widespread in Singapore.

Appendix (2): List of reviewers' decision

No	Factors	Questions	Reviewer decisions						Questions after modification
			Academics			Internal auditors			
			1	2	3	4	5	6	
1		Internal audit department report directly to the top management. يقدم قسم التدقيق الداخلي تقاريره مباشرة إلى الإدارة العليا.	Accept	Accept	I advise you to keep the original items without any modification	Accept	Accept	هل يقدم التدقيق الداخلي تقاريره مباشرة إلى الإدارة العليا	1.1 Internal audit department report directly to the top management. يقدم قسم التدقيق الداخلي تقاريره مباشرة إلى الإدارة العليا.
2		Internal auditors are not influenced by any pressure and they carry out audits and give findings and recommendations without fear. لا يتأثر المدققون الداخليون بأي ضغط أثناء إجراء عمليات التدقيق ويقدمون النتائج والتوصيات دون خوف.	Accept	Internal auditors are not influenced by any internal pressure, they carry out audits, give findings, and recommendations without fear.	Idem	Accept	ليس في كل الأحوال هذا يعتمد تقبل الإدارة العليا لتقرير المدقق ومدى مراعاتهم لطبيعة عمل المدقق الداخلي	هل يصادف المدقق الضغط أثناء عملية التدقيق والفحص؟	2.1 Internal auditors are not influenced by any internal pressure, they carry out audits, and give findings, and recommendations without fear. لا يتأثر المدققون الداخليون بأي ضغط داخلي، فهم يقومون بإجراء عمليات التدقيق وتقديم النتائج والتوصيات دون خوف.
3	Internal audit Independence	Internal auditors carry out audits on activities and operations undertaken by the top management. يقوم المدققون الداخليون بمراجعة الأنشطة والعمليات التي تقوم بها الإدارة العليا.	Accept	Accept	Idem	Accept	Accept	هل للمدقق الصلاحية في تدقيق عمليات وأنشطة الإدارة العليا	3.1 Internal auditors carry out audits on activities and operations undertaken by the top management. يقوم المدققون الداخليون بمراجعة الأنشطة والعمليات التي تقوم بها الإدارة العليا.
4		Internal auditors are not restricted to accessing any operations, information and financial records. يستطيع المدققين الداخليين الإطلاع على العمليات أو المعلومات أو سجلات مالية.	من مهام المدققين الداخليين	Internal auditors can carry out audits on operations, information, or financial records.	Idem	Change the word used	Accept	Accept	4.1 Internal auditors can carry out audits on operations, information, or financial records. يمكن أن المدققين الداخليين تنفيذ عمليات التدقيق على جميع العمليات والسجلات المالية دون أي قيود.
5		The independence and authority of internal auditors are adequately protected. هناك حماية كافية لاستقلالية وسلطة المدققين الداخليين.	Accept	Accept	Idem	There are adequately protection and independence for	عموما لا توجد حماية المدقق يستمد استقلاله من رئيس الوحدة إذا وقف في صف المدقق	Accept	5.1 The independence and authority of internal auditors are adequately protected. هناك حماية كافية لاستقلالية وسلطة المدققين الداخليين.

No	Factors	Questions	Reviewer decisions						Questions after modification
			Academics			Internal auditors			
			1	2	3	4	5	6	
						audit members			
6	Internal audit competence	Internal auditors are able to use modern technologies and technology-based audit techniques. المدققون الداخليون قادرون على استخدام التقنيات الحديثة وتقنيات التدقيق القائمة على التقنية.	التي تساعدهم في إنجاز أعمالهم	Accept	Idem	Accept	Accept	Accept	1.2 Internal auditors are able to use modern technologies and technology-based audit techniques. المدققون الداخليون قادرون على استخدام التقنيات الحديثة وتقنيات التدقيق القائمة على التكنولوجيا.
7		Internal auditors are able to analyze and understand regulatory controls. المدققون الداخليون قادرون على تحليل وفهم الضوابط التنظيمية.	Accept	Accept	Idem	التشريعات	Accept	Accept	2.2 Internal auditors are able to analyze and understand regulatory controls. المدققون الداخليون قادرون على تحليل وفهم التشريعات التنظيمية.
8		Internal auditors are able to use control assessment and risk analysis techniques. المدققون الداخليون قادرون على استخدام تقنيات تقييم الرقابة وتحليل المخاطر.	Accept	Accept	Idem	Accept	Accept	Accept	3.2 Internal auditors are able to use control assessment and risk analysis techniques. المدققون الداخليون قادرون على استخدام تقنيات تقييم الرقابة وتحليل المخاطر.
9		Internal auditors are able to analyze the work procedures of the ministry. المدققون الداخليون قادرون على تحليل إجراءات العمل.	Accept	Internal auditors can analyze an organization's processes	Idem	Accept	Accept	Accept	4.2 Internal auditors can analyze the ministry's processes. يمكن للمدققين الداخليين تحليل العمليات وإجراءات العمل بالوزارة.

No	Factors	Questions	Reviewer decisions						Questions after modification
			Academics			Internal auditors			
			1	2	3	4	5	6	
10		Internal auditors are able to detecting fraud and forgery. المدققون الداخليون قادرون على الكشف عن الاحتيال والتزوير.	Accept	Internal auditors can detect fraud and counterfeiting.	Idem	Accept	Accept	هل لدى المدقق الكفاءة في اكتشاف التزوير والاحتيال	5.2 Internal auditors can detect fraud and counterfeiting. يمكن للمدققين الداخليين اكتشاف الاحتيال والتزوير.
11		The internal audit department is equipped with a sufficient number of employees to properly carry out its responsibilities. قسم التدقيق الداخلي مجهز بعدد كاف من الموظفين للقيام بمسؤولياته بشكل صحيح.	Accept	The internal audit department has the appropriate number of employees to perform efficiently	Idem	Accept	Accept	Accept	1.3 The internal audit department has the appropriate number of employees to perform efficiently. لدى قسم التدقيق الداخلي العدد المناسب من الموظفين لأداء مهامه بكفاءة.
12	Internal audit size	A number of employees in the internal audit department are being used effectively. يتم استخدام عدد الموظفين في قسم التدقيق الداخلي بشكل فعال.	Accept	Employees in the internal audit department are optimally employed	Idem	Member of internal audit department are used effectively	هذا يعتمد على حجم العمل بالمؤسسة وإذا تتضمن فروع أو جهات تابعة في عدة مناطق أخرى لتقييم ذلك	هل يوجد عدد كافٍ من الموظفين في اقسام التدقيق الداخلي	2.3 Member of internal audit department are optimally employed. يتم الاستفادة من المدققين بقسم التدقيق الداخلي بشكل فعال.
13		In the event of a shortage in the number of auditors, the senior management will be contacted. في حالة وجود نقص في عدد المراجعين يتم الاتصال بالإدارة العليا.	إعادة صياغة	In case of a shortage in the number of employees in the internal audit department, the senior management contacted	Idem	Accept	Accept	Accept	3.3 In case of a shortage in the number of employees in the internal audit department, the senior management is contacted. في حالة وجود نقص في عدد الموظفين في قسم التدقيق الداخلي، يتم الاتصال بالإدارة العليا.
14		Quality of internal audit work is higher when there are enough employees. تعتمد جودة أعمال التدقيق الداخلي على العدد كافٍ من الموظفين.	مهارة المدقق	The performance of the internal audit department improves when	Idem	Accept	أو بمعنى آخر في حالة انخفاض الإيرادات في المؤسسة نعم	هل عدد المدققين له علاقة بجودة عمل التدقيق؟	4.3 The performance of the internal audit department improves when there are enough auditors.

No	Factors	Questions	Reviewer decisions						Questions after modification
			Academics			Internal auditors			
			1	2	3	4	5	6	
				there are enough auditors			يتم اشعار الإدارة بذلك	يتحسن أداء قسم التدقيق الداخلي عندما يكون هناك عدد كافٍ من المدققين.	
15		Internal audit functions serve as a tool for assessing the internal control system. تعمل وظائف التدقيق الداخلي كأداة لتقييم نظام الرقابة الداخلية.	Accept	Internal audit functions utilize for assessing the internal control system.	Idem	Accept	Accept	Accept	1.4 Internal audit functions utilize for assessing the internal control system. تعمل وظائف التدقيق الداخلي كأداة لتقييم أنظمة الرقابة الداخلية.
16		The internal audit procedures aid performance evaluation and review. تساعد إجراءات التدقيق الداخلي على تقييم الأداء ومراجعته.	هل من مسؤوليات المدقق	Accept	Idem	Accept	Accept	هل تقارير التدقيق الداخلي تساعد في تقييم أداء المؤسسة	2.4 The internal audit procedures aid performance evaluation and review. تساعد إجراءات التدقيق الداخلي على تقييم الأداء ومراجعته.
17	Organization performance	Internal auditing procedures enhance organizational performance of the ministry. تعزز إجراءات التدقيق الداخلي الأداء التنظيمي للوزارة.	توحيد المصطلحات المستخدمة كالوزارة، الشركة المؤسسة	Accept	Idem	Accept	Accept	Accept	3.4 Internal auditing procedures enhances organizational performance of the ministry. تعزز إجراءات التدقيق الداخلي الأداء التنظيمي للوزارة.
18		Internal audit helps in improving the sustainable performance of the Ministry. التدقيق الداخلية يساعد في تحسين الأداء المستدام في الوزارة.	وحدة التدقيق الداخلي تساعد	Accept	Idem	Accept	Accept	Accept	4.4 Internal audit helps in improving the sustainable performance of the Ministry. التدقيق الداخلية يساعد في تحسين الأداء المستدام في الوزارة.
19		Internal audit functions help line managers and officials in ministries to work efficiently for successful performance. تساعد وظائف التدقيق الداخلي المديرين التنفيذيين والمسؤولين في الوزارات على العمل بكفاءة لتحقيق أداء ناجح.	Accept	Accept	Idem	Accept	Accept	هل وجود التدقيق الداخلي في المؤسسة يساعد المدراء والمسؤولين بتحقيق النجاح	5.4 Internal audit functions help line managers and officials in ministries to work efficiently for successful performance. تساعد وظائف التدقيق الداخلي المديرين التنفيذيين والمسؤولين في الوزارات على العمل بكفاءة لتحقيق أداء ناجح.



استبيان / questionnaire

The impact of internal audit functions on the organizational performance, a case study of the Ministries in the Sultanate of Oman

تأثير وظائف التدقيق الداخلي على الأداء التنظيمي للمنظمات دراسة حالة الوزارات في سلطنة عمان

أخي المشارك/ أختي المشاركة

يعتبر هذا الاستبيان ضمن متطلبات أطروحة الماجستير في إدارة الأعمال من جامعة الشرقية؛ حيث نجري بحثاً بعنوان: تأثير وظائف التدقيق الداخلي على الأداء التنظيمي للمنظمات دراسة حالة الوزارات في سلطنة عمان.

لا توجد هناك إجابات صحيحة أو خاطئة، سوف يتم التعامل مع إجاباتكم على هذا الاستبيان بمنتهى السرية، كما سيتم تحليل نتائج الاستبيان للأغراض الأكاديمية والعلمية فقط. سنساهم ردودكم بشكل فعّال جداً في هذا البحث الأكاديمي. لن تستغرق مشاركتك في الاستبيان أكثر من 5 دقائق. لذا نرجو التكرم بالإجابة على الاستبيان بصدق وموضوعية.

نتقدم لكم بخالص الشكر على تعاونكم في إجراء هذا البحث.

The impact of internal audit functions on the organizational performance, a case study of the Ministries in the Sultanate of Oman

Dear Participating

This questionnaire is part of the requirements for the MBA thesis from A' sharquiyah University, about: The impact of internal audit functions on the organizational performance, a case study of the Ministries in the Sultanate of Oman.

There are no right or wrong answers, your answer to this survey will be treated with the utmost confidentiality, and the results of the survey will be analyzed for academic and scientific purposes only. Your responses will contribute very effectively to this academic research. Your participation in the survey will not take more than 5 minutes. Therefore, we kindly ask you to answer the questionnaire honestly and objectively.

We sincerely thank you for your cooperation in conducting this research.

First Section			
Demographical question		المعلومات الشخصية	
Gender		الجنس	
<input type="checkbox"/> Male	<input type="checkbox"/> Female	<input type="checkbox"/> أنثى	<input type="checkbox"/> ذكر
Level of Education		المستوى الدراسي	
<input type="checkbox"/> PHD	<input type="checkbox"/> MBA	<input type="checkbox"/> الماجستير	<input type="checkbox"/> الدكتوراه
<input type="checkbox"/> BSC	<input type="checkbox"/> General Diploma	<input type="checkbox"/> دبلوم عام	<input type="checkbox"/> البكالوريوس
Actual Administrative Position		المهام التي اضطلعت بها/ الوظيفة الحالية	
<input type="checkbox"/> General manager	<input type="checkbox"/> Manager	<input type="checkbox"/> مدير	<input type="checkbox"/> مدير عام
<input type="checkbox"/> Head of a department	<input type="checkbox"/> Auditor	<input type="checkbox"/> مدقق	<input type="checkbox"/> رئيس قسم
Number of years of experience		سنوات الخبرة	
<input type="checkbox"/> less than 5 years	<input type="checkbox"/> Between 5-10 years	<input type="checkbox"/> بين 5-10 سنوات	<input type="checkbox"/> أقل من 5 سنوات
<input type="checkbox"/> Between 11-15 years	<input type="checkbox"/> Above 15 years	<input type="checkbox"/> أكثر من 15	<input type="checkbox"/> بين 11-15 سنة

Second section: The following items are categorized by choosing the appropriate number on the rating scale.

In the following sections, you are kindly invited to read well the alternative and then to check (☑) the box that best represents your choice: (1) Strongly disagree, (2) Disagree, (3) Neutral, (4) Agree and (5) Strongly Agree.

فيما يلي، يرجى قراءة الخيارات المقدمة اليكم جيدا ثم وضع علامة (☑) في الخانة المناسبة والاختيار الأنسب لكم علماً بأن: (1) غير موافق على الإطلاق، (2) غير موافق، (3) محايد، (4) موافق، (5) موافق بشدة

First: Internal audit independence

Freedom from conditions that threaten the ability of the internal audit activity or the chief audit executive to carry out internal audit responsibilities in an unbiased manner; independence gives the internal auditors to make neutral and unbiased judgments.

أولاً: استقلالية التدقيق الداخلي
التحرر من الظروف التي تهدد قدرة نشاط التدقيق الداخلي أو الرئيس التنفيذي للتدقيق على القيام بمسؤوليات التدقيق الداخلي بطريقة غير منحازة؛ حيث تمنح الاستقلالية للمدققين الداخليين إصدار أحكام محايدة وغير متحيزة.

Alternatives	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	الخيارات
	1	2	3	4	5	
Internal auditors carry out audits on activities and operations undertaken by the top management.						يقوم المدققون الداخليون بمراجعة الأنشطة والعمليات التي تقوم بها الإدارة العليا.
Internal auditors are not influenced by any internal pressure, they carry out audits, and give findings, and recommendations without fear.						لا يتأثر المدققون الداخليون بأي ضغط داخلي، فهم يقومون بإجراء عمليات التدقيق وتقديم النتائج والتوصيات دون خوف.
The independence and authority of internal auditors are adequately protected.						هناك حماية كافية لاستقلالية وسلطة المدققين الداخليين.
Internal auditors can carry out audits on operations, information, or financial records.						يمكن أن المدققين الداخليين تنفيذ عمليات التدقيق على جميع العمليات والسجلات المالية دون أي قيود.

Second: Internal audit competence

Managers and employees who work in internal audit bodies must be at a level of competence that allows them to understand the importance of developing, implementing and maintaining internal controls to achieve the overall objectives of internal audit.

ثانياً: كفاءة التدقيق الداخلي
يجب أن يكون المديرين والموظفون الذين يعملون في هيئات التدقيق الداخلي على مستوى من الكفاءة يسمح لهم بفهم أهمية تطوير الضوابط الداخلية وتنفيذها والمحافظة عليها لتحقيق الأهداف العامة للتدقيق الداخلي.

Alternatives	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	الخيارات
	1	2	3	4	5	
Internal auditors are able to use modern technologies and technology-based audit techniques.						المدققون الداخليون قادرين على استخدام التقنيات الحديثة وتقنيات التدقيق القائمة على التكنولوجيا.
Internal auditors are able to use control assessment and risk analysis techniques.						المدققون الداخليون قادرين على استخدام تقنيات تقييم الرقابة وتحليل المخاطر.
Internal auditors can analyze the ministry's processes.						يمكن للمدققين الداخليين تحليل العمليات وإجراءات العمل بالوزارة.
Internal auditors can detect fraud and counterfeiting						يمكن للمدققين الداخليين اكتشاف الاحتيال والتزوير.

Thirdly: Internal audit size							ثالثاً: حجم فريق التدقيق الداخلي
Group of auditors interdependent concerning information, resources, knowledge and skills in order to achieve a common goal.							مجموعة المدققين الداخليين متوافقين فيما يتعلق بالمعلومات والموارد والمعرفة والمهارات من أجل تحقيق هدف مشترك.
Alternatives	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	الخيارات	
	1	2	3	4	5		
The internal audit department has the appropriate number of employees to perform efficiently.						لدى قسم التدقيق الداخلي العدد المناسب من الموظفين لأداء مهامه بكفاءة.	
Members of internal audit department are optimally employed.						يتم الاستفادة من المدققين بقسم التدقيق الداخلي بشكل فعال.	
In case of a shortage in the number of employees in the internal audit department, the senior management is contacted.						في حالة وجود نقص في عدد الموظفين في قسم التدقيق الداخلي، يتم الاتصال بالإدارة العليا.	
The performance of the internal audit department improves when there are enough auditors.						يتحسن أداء قسم التدقيق الداخلي عندما يكون هناك عدد كافٍ من المدققين.	
Fourthly: Organization performance							رابعاً: الأداء المؤسسي
The capability and ability of the organization to effectively utilize the available resources to achieve accomplishments that are in line with the specific objectives of the organization.							قدرة المنظمة على استخدام الموارد المتاحة بشكل فعال لتحقيق الإنجازات التي تتماشى مع الأهداف المحددة للمنظمة.
Alternatives	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	الخيارات	
	1	2	3	4	5		
Internal audit functions utilize for assessing the internal control system.						تعمل وظائف التدقيق الداخلي كأداة لتقييم أنظمة الرقابة الداخلية.	
The internal audit procedures aid performance evaluation and review.						تساعد إجراءات التدقيق الداخلي على تقييم الأداء ومراجعته.	
Internal auditing procedures enhances organizational performance of the ministry.						تعزز إجراءات التدقيق الداخلي الأداء التنظيمي للوزارة.	
Internal audit functions help line managers and officials in ministries to work efficiently for successful performance.						تساعد وظائف التدقيق الداخلي المديرين التنفيذيين والمسؤولين في الوزارات على العمل بكفاءة لتحقيق أداء ناجح.	