Volume and Issues Obtainable at Center for Sustainability Research and Consultancy

Sustainable Business and Society in Emerging Economies
ISSN: 2708-2504 & ISSN (E): 2708-2172
Volume 6: Issue 2 June 2024
Journal homepage: www.publishing.globalcsrc.org/sbsee

Influence of Management Input on Effectiveness of Sacco's Internal Audit in Western Kenya

***Achola John,** MBA Finance Candidate, Department of Accounting and Finance, School of Business and Economics, Masinde Muliro University of Science and Technology, Kenya
Maniangi Musiega, Department of Accounting and Finance, School of Business and Economics, Masinde Muliro University of Science and Technology, Kenya
Fredrick Kiongera, Department of Accounting and Finance, School of Business and Economics, Masinde Muliro University of Science and Technology, Kenya

Corresponding author's email address: gmaniagi@mmust.ac.ke

ARTICLE DETAILS

History
Revised format: May 2024
Available Online: Jun 2024

Keywords
Management Input,
Internal Audit,
Saccos.

JEL Classification
M4, M42

ABSTRACT

Purpose: Examination of management input on effectiveness of Saccos internal audit in Western Kenya.
Methodology/Approach: Employing causal design for cause and effect association, a target of 129 staffs in 15 DT-SACCOS was identified of which stratified sampling led to 97. Researcher designed structured questions in questionnaire that formed basis for data gathering.
Findings: Results indicated that management input had a significant effect on effectiveness of Saccos internal audit in Western Kenya as indicated by p value and t values.
Implications: The study recommended that the management should enhance their input by availing finances on time. This basically improves performance of Saccos.

Recommended citation: John, A., Musiega, M., and Kiongera, F. (2024). Influence of Management Input on Effectiveness of Sacco's Internal Audit in Western Kenya. *Sustainable Business and Society in Emerging Economies, 6* (2), 307-316.
DOI: https://doi.org/10.26710/sbsee.v6i2.3088

Introduction

Management input attributes to the extent to which the leadership and management of these SACCOS actively endorse, facilitate, and participate in internal audit processes to enhance overall organizational performance and governance. Assessing and enhancing the efficacy of a company's leadership, risk assessment, and control procedures is the primary responsibility of the functionality of the internal audit (Mpakaniye (2022). Internal audits aim to offer assurance and insights across a wider range of an organization's operations, in contrast to external audits that concentrate on internal audit independence. This includes assessing the efficiency of internal processes, identifying areas of potential risk with policies and regulations and assessing the reliability of financial information (Anh, Thi, Quang & Thi, 2020).

According to Afzal (2023), firm executives are highly concerned about internal audit effectiveness in enhancing governance processes. In the United States, the internal audit function is increasingly recognized as basic element of corporate leadership. Regulators have heightened value of internal audit, and organizations are investing more resources in this function. The dynamic nature of the U.S. business environment necessitates a comprehensive and agile approach to risk management, and functionality of internal audit as instrumental in ensuring that organizations can adapt to emerging risks effectively. In United States internal audit are often involved in assessing ease of internal controls, management of risks and ethical practices for organizations by providing independent and subjective evaluations on internal auditing functions (Al-Kake & Ahmed, 2019).

Regarding internal auditing in Ghana, Alhassan, Erasmus, and Fred (2018) examined how respondents saw the influence of characteristics such as competency, size, relationships, necessary input from management for internal auditing functions, and the performance of independent internal auditors. Findings indicate that the efficiency of internal audits is mostly linked to the level of assistance provided by management. The internal audit effectiveness relies on several factors, including the scale of the department, the expertise of auditors, the autonomy of the audit members and the collaboration.

In Kenya, there has been considerable apprehension regarding the efficiency of internal auditing. The skill of internal audit groups in Kenyan government ministries had a substantial boost. The functionality of internal audits in Kenyan government agencies has been greatly affected (Maina, 2018). The individual conducted a study on the influence of input of management on the quality of audits, examined the effect of manager efficiency on audit efficiency and evaluated the impact of audit on firm effectiveness. Nevertheless, the research concluded that the primary factor of utmost significance was the staff's capability and leadership, closely followed by a inputive management.

Prior research has investigated antecedents of internal audits. According to Huy and Hung (2022) and Mwanza (2022), internal audit effectiveness is a contingent upon firm performance. The key function of an auditing internally is to enable consulting and auditing service that is impartial and unbiased, with the intention of ensuring the completion of organizational tasks and generating additional value.

It is imperative to fortify internal auditing, risk management, and other controls of organizations (Faiteh & Aasri, 2022). The identification of potential hazards and the development of control and governance procedures are both facilitated by the practice of risk management, which is essential for the efficient conduct of internal auditing. In order to accomplish this, it is essential to have a team of experienced professionals, independence, and input from management (Choudhary & Trivedi, 2023).

Statement of the Problem

Failure of SACCOs in Nairobi County is concerning (Gatimu, 2022). The primary causes of this include fraud, mismanagement, and unlawful activities, which have brought attention to concerns about the quality of audits by regulatory agencies (Serem, Fwamba, & Benedict, 2020). Within the local context, the SACCOs Subsector has had controversies arising from financial audits. According to Yegon (2021), SASRA revoked a total of 7 operating licenses of SACCOS between 2014 and 2017. The regulatory authority has declined the yearly financial reports for some saccos. The primary basis for this rejection is the SACCOs' failure to adhere to International Financial Regulation Standards (IFRS).

While there has been some progress in financial state of deposit accepting SACCOs in Nairobi County, there is a lack of study on the efficiency of internal audits, which is not widely discussed.

Empirical journals investigating auditing in businesses have yielded varied results, with less or no major research available to definitively input the role of internal audits. In their study, Saputra, Winarningsih, and Puspitasari (2020) investigated and quantified the extent of influence exerted by several factors on the efficacy of public sector internal audit in Indonesia. Nevertheless, the backing of top leadership does not immediately exert success of internal audit. Abdullah and Mustafa (2020) discovered a lack of substantial independence of internal audit efficiency.

Nyaga, Kiragu, and Riro (2018) recommend conducting additional studies that specifically investigate various variables that impact the performance of internal audits. Hence, the research investigated the impact of management input on effectiveness of Saccos internal audit in Western Kenya.

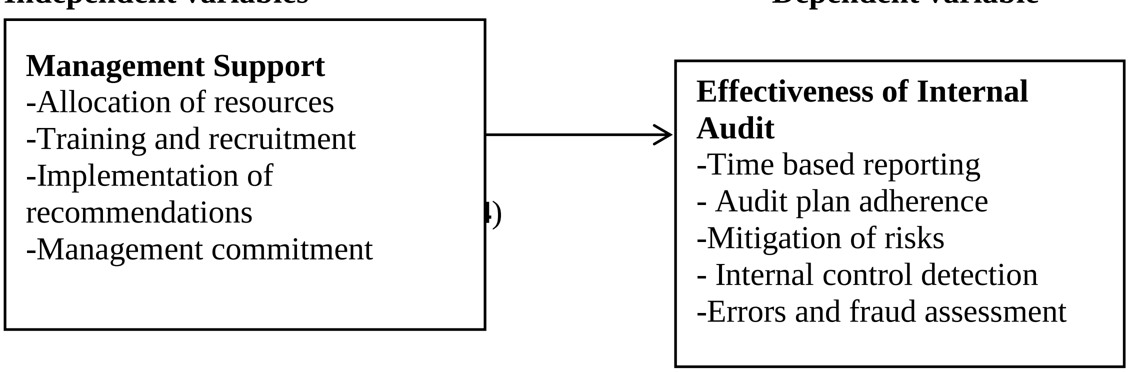
Objectives of the Study
To determine management input influence on internal audit effectiveness of Saccos in Western Kenya

Research Hypothesis
H_{01}: Management input has no significant influence on internal audit effectiveness of Saccos in Western Kenya.

Theoretical Approach
RBV hypothesis can be attributed to Birger Wernerfelt, who authored an essay titled "A Resource-Based View of the Firm" in 1984 (Dionysus & Arifin, 2020). These authors emphasized the significance of firm resources and their impact on firm performance (Chatterjee, Chaudhuri, Vrontis & Thrassou, 2023). The RBV theory posits that firms should prioritize the maximization of their internal resources to generate and dominate future possibilities, rather than focusing on achieving strategic fit with the external environment (Lubis, 2022). The core proposition of the theory is that for a corporation to consistently outperform its competitors, it must obtain and resources (Nagano, 2019).

Opponents of this theory state that the resource-based strategy's efficacy is highly dependent on the external circumstances of the firm, and that the strategy yields better results in less predictable external environments (Gibson, Gibson & Webster, 2021). Some have said that being valuable, rare, unique, and non-substitutable the four pillars of the theory isn't enough to keep a business ahead of the competition for the long haul (Beamish & Chakravarty, 2021). Business risk management, regulatory compliance and overall governance are three areas where an organization's performance may be greatly improved by a skilled internal audit staff items that reduce the general income, though important they reduce growth pertain of a firm.

Conceptual Review
Independent variables **Dependent variable**



Empirical Review

Singh, Ravindran, Ganesan, and Haron (2021) examined the factors associated with the effectiveness of internal audits. This paper investigates the relationship between the efficacy and caliber of internal audits of multinational firms in Malaysia. The data was analyzed using Smart PLS Software 3.0 via the technique of structural equation modeling. The findings suggest that the efficacy of internal audits is correlated with criteria such as managerial endorsement, interdepartmental collaboration, and the input and acceptance of the auditees.

Sarhan, Ntim, and Al-Najjar (2019) examined audit report governance and found there exists a notable association between the level of governance quality at the national level and the choice to engage a Big 4 auditor, as well as the provision of elevated audit fees. Our research findings indicate that the quality of external audits in Middle Eastern and North African (MENA) nations is directly affected by the quality of governance at both the business and country level. Therefore, it can be inferred that the quality of governance and the quality of external audits collaborate to protect the interests of stakeholders by guaranteeing a better level of audit quality. The robustness of our findings persists even after considering various measures and endogeneities.

Mpakaniye and Delphine (2022) analyzed antecedent of internal audit on effectiveness of public firms in Rwanda. They specifically conducted a case study on RSSB. The study sample comprised 305 employees of RSSB. In their 2020 study, Abdullah and Mustafa sought to identify the elements influencing the efficacy of internal audits (IAE) in Iraq's Kurdistan region. Fifteen college directors and fifteen internal audit managers from the University of Duhok were surveyed to gather data. There are three main components that have been examined in relation to IAE using multiple regression analysis. Both college directors and internal auditors saw that management input affected how efficient they thought internal auditing was inside the IAE framework. The availability of knowledgeable and skilled workers, in addition to an adequate distribution of resources, are essential for effective management assistance.

Nugroho Uzliawati and Taqi (2021) considered management input as a moderating factor and set out to investigate the effects of audit quality, auditor skill, and the scale of internal audits on the effectiveness of these processes. Institutional theory conform to and be in harmony with the pre-existing cultural norms and practices. Internal auditors employed by SOEs in the financial and insurance industries were the focus of the research. The data used were 62 participants' main records gathered using the snowball sampling technique. Findings point to a correlation between auditor skill and audit quality. Furthermore, the amount of assistance given by management affects how effective internal audits are, which in turn affects audit quality.

Yanti, Sari, Ghazali, and Astrina (2022) investigated the impact of managerial input, competency, organizational culture, and professional ethics on the efficacy of internal audits in State-Owned Enterprises (BUMN) situated in Palembang City. Associative research is the research methodology employed. All of the data utilized are original, primary sources. A total of 32 individuals from Palembang City's State-Owned Enterprises (BUMN) internal audit department participated in the study. Questionnaires and interviews are the main tools for gathering information. In order to decipher the data, the study employed a quantitative analytic methodology. This study's findings indicate that organizational culture, auditor competency, management buy-in, and professional ethics have a significant role in determining internal audit effectiveness. Ratmono and Darsono (2022) examined Indonesian local government entities to find out what makes their internal audit function work or not. A total of one hundred thirty-seven people were considered for the study. According to the statistical tests, the internal audit function is more effective when auditors are independent, competent, and have the backing of upper management. Knowledge and managerial input still matter much when it comes to internal auditing efficacy, even in this cooperative partnership.

Joshi (2020) sought to determine the factors that impact of auditing in Indian publicly traded corporations. There was a random selection of 300 publicly traded companies. All organizations' heads of accounts, as well as their chief audit department officers, internal audit managers, and auditors, were sent questionnaires by regular mail. A total of 28.3% of people were able to react. Using the multiple regression method, we were able to collect the data and show that all three factors had a substantial impact. Planning based on risk, using big data and analytics, and how often the internal auditor (IA) meets with the audit committee (AC) are the three components in question. An evaluation of IA's efficacy accounts for 42.8% of its variation. An internal auditor's proficiency in risk assessment and Big Data/Analytics should be prioritized, according to the research. Their ability to provide outstanding service to the AC members, the board of directors, and auditors would be greatly enhanced by this.

Methodology

Research Design: This research used a causal design in conjunction with a descriptive survey methodology. The primary goal of a descriptive survey is to characterize a population in regard to relevant factors, with the secondary objective of determining the nature of the relationships between these variables (Essendi, 2013).

Population: Fifteen SACCOs in Kenya that accept deposits made up the study's population (SASRA, 2020) hence targets 129.

Sampling: The goal of sampling is to obtain a statistically valid representation of a population's features by picking a subset of that population's members or items at random (Fancera, 2023). Krejcie and Morgan formulae. Stratified random sampling was used to select 97 from 129.

Data collection: A standardized questionnaire administered. Research greatly benefits from the utilization of questionnaires.

Data Analysis: Analyzed at a significance level of 0.05 the descriptive statistics (frequencies, percentages and averages) as well as inferential statistics (correlation and regressions) were applied. The results were put out as tables and models

Discussions

A sum of 97 tools administered and 74 were successfully thus a response rate of 76.3%. According to Richard (2005), a minimum of 70% was considered both desirable and doable.

Table 1: Management input and Internal audit effectiveness

No	Management input	S Agree	Agree	FAgree	Disagree	SDisagree	Mean	S.D
1	Leaders empower others for commitments.	37.8 (28)	41.9 (31)	14.9 (11)	1.4 (1)	4.1 (3)	4.08	0.98
2	The management promptly implements remedial measures in response to suggestions made by internal audits.	40.5 (30)	29.7 (22)	9.5 (7)	16.2 (12)	4.1 (3)	3.86	1.23
3	Senior management has responded to internal audit reports in a reasonable manner.	36.5 (27)	35.1 (26)	12.2 (9)	10.8 (8)	5.4 (4)	3.86	1.19
4	In order to help IA become more proficient and up to speed with the profession, management offers training.	35.1 (26)	37.8 (28)	13.5 (10)	9.5 (7)	4.1 (3)	3.91	1.11
5	Management acts quickly in corrections depending on recommendations from internal audits.	32.4 (24)	48.6 (36)	8.1 (6)	6.8 (5)	4.1 (3)	3.99	1.03
6	Senior management knows the requirements and fundamental resources of internal audits.	37.8 (28)	37.8 (28)	8.1 (6)	12.2 (9)	4.1 (3)	3.93	1.15

7	The department of internal audits has enough personnel to effectively handle their duties.	41.9 (31)	29.7 (22)	13.5 (10)	10.8 (8)	4.1 (3)	3.95	1.17
8	The management is dedicated on fortifying the internal audit division.	35.1 (26)	44.6 (33)	10.8 (8)	5.4 (4)	4.1 (3)	4.01	1.027
9	Internal audit receives help from senior management to carry out its obligations.	36.5 (27)	40.5 (30)	13.5 (10)	4.1 (3)	5.4 (4)	3.99	1.079
10	When making decisions, management consults the internal auditor's advice, critiques	44.6 (33)	29.7 (22)	9.5 (7)	12.2 (9)	4.1 (3)	3.99	1.188

Source: Primary Data (2024)

Statement that leaders empowers others for commitments, the management promptly implements remedial measures in response to suggestions made by internal audits, senior management has responded to internal audit reports in a reasonable manner, in order to help IA become more proficient and up to speed with the profession, management offers training and whether management acts quickly in corrections depending on recommendations from internal audits were well agreed on. Furthermore senior management knows the requirements and fundamental resources of internal audits, the department of internal audits has enough personnel to effectively handle their duties, the management is dedicated on fortifying the internal audit division, internal audit receives help from senior management to carry out its obligations as well as when making decisions, management consults the internal auditor's advice, critiques were all agreed on. The study hence indicated that all statements on management support variables affect effectiveness of audit team reporting. The reflection of STD values at 1.0 and above is a reflection of management input on performance.

Table 3: Management input and Internal audit effectiveness

Model Summary

Model	R	R^2	Adj R^2	Std. Err Est
1	$.554^a$	.306	.297	.76140

a. Management input

ANOVA[a]

Model	Sum^2	Df	$Mean^2$	F	Sign.
Regression value	18.441	1	18.441	31.811	$.000^b$
Residual value	41.740	72	.580		
Total	60.182	73			

a. Internal audit effectiveness

b. Management input

Coefficients[a]

Model		Unstd Coeff		Stand Coef	t value	Sign.
		B	Std. Error	Beta		
1	(Constant)	1.937	.366		5.287	.000
	Management input	.507	.090	.554	5.640	.000

a. Internal audit effectiveness

Source: Primary Data (2024)

An R^2 of 0.306 show that the effectiveness of internal audits in Western Kenyan saccos is provide that management assistance is at 30.6% of 31.811, P<0.05. Deposit Taking Saccos in Western Kenya, managerial input is a useful predictor of the efficacy of internal audits.

$$Y=1.937+0.507 \text{ Management input.}$$

According to Suleiman, Hamad, and Yussuf (2021), the Ministry of Finance Zanzibar's internal audit services are more effective when management is on board with them. This finding is in line with the outcomes. Abrar (2020) also found that management input, in the form of money, responses to audit findings, and staff training, is a critical factor influencing the efficacy of internal audits. According to Dyhati and Wahyudi (2022), the efficacy of internal audits is directly affected by management's input. Input from upper management has a negligible impact on the efficiency of internal audits, according to Mohammed & Mohammed (2021). The survey also found that internal auditors in Ghana are not being helped by the current regulatory environment. According to Saputra, Winarningsih, and Puspitasari (2020), there is no substantial influence of direct input from senior management.

Conclusion

Management assistance had a substantial influence on the performance of internal audits in Saccos located in Western Kenya. Enhanced managerial input would lead to a substantial improvement in the effectiveness of internal audits for Saccos in Western Kenya. The substantial impact of management input indicates that organizational leadership has a pivotal role in determining the efficacy of internal audit procedures. Therefore, it is crucial to cultivate a culture of input and collaboration between management and internal audit teams in order to maximize audit results.

Recommendations

A supportive management through financial rewards and constructive organizational support makes audit team sustainable. This could involve regular meetings between internal audit and management to discuss audit results and develop action plans for improvement through provision of need resources.

References

Abdullah, A. Y., & Mustafa, A. S. (2020). Factors impact on internal audit effectiveness: The case of Duhok University in Kurdistan-Iraq. *International Business and Accounting Research Journal*, *4*(2), 89-94.

Abrar, A. (2020). *Assessment of internal audit effectiveness in Ethiopian shipping and logistics service enterprise* (Doctoral dissertation, St. Mary's University).

Afzal, M. (2023). Evaluation of Factors Contributing to the Effectiveness of Internal Audit Quality in Pakistani Commercial Banks. *International Journal of Financial Studies*, *11*(4), 129.

Ahmed, A. A. K., & Sarea, A. M. (2019). Factors influencing internal shariah audit effectiveness: evidence from Bahrain. *International Journal of Financial Research*, *10*(6), 196-210.

Ahmet, O. N. A. Y. (2021). Factors affecting the internal audit effectiveness: A research of the Turkish private sector organizations. *Ege Academic Review*, *21*(1), 1-15.

Aidi, A., Sayuthi, S., Susanto, I., Junaidi, A., & Abdurohim, A. (2022). The Effect of Competencies and Independence Internal Auditors on Internal Audit Quality: The Theoretical Review Approach. *Ilomata International Journal of Tax and Accounting*, *3*(1), 103-116.

Aikins, A. E., Mensah, J. V., & Kumi-Kyereme, A. (2022). Investigating the conditions under which internal auditing is carried out in selected local governments in the Central Region of Ghana. *Asian Journal of Accounting Research*, *7*(3), 320-331.

Alqudah, H., Amran, N. A., Hassan, H., Lutfi, A., Alessa, N., & Almaiah, M. A. (2023). Examining the critical factors of internal audit effectiveness from internal auditors' perspective: Moderating role of extrinsic rewards. *Heliyon*.

Ashfaq, K., Rehman, S. U., Haq, M. U., & Usman, M. (2021). Factors influencing stakeholder's judgment on internal audit function's effectiveness and reliance. *Journal of Internal audit independence and Accounting*.

Barkhordar, K., Nazemi, A., & Namazi, N. R. (2021). Investigating Factors Influencing the

Internal Audit Effectiveness and Evaluating Internal Audit Role in Risk Management and Internal audit competences of Keshavarzi Bank. *Journal of Professional Auditing Research*, *1*(2), 8-35.

Beamish, P. W., & Chakravarty, D. (2021). Using the resource-based view in multinational enterprise research. *Journal of Management*, *47*(7), 1861-1877.

Chatterjee, S., Chaudhuri, R., Vrontis, D., & Thrassou, A. (2023). Revisiting the resource-based view (RBV) theory: from cross-functional capabilities perspective in post COVID-19 period. *Journal of Strategic Marketing*, 1-16.

Conteh, S. (2021). Empirical review on factors that determine an internal audit effectiveness. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, *4*(3), 5019-5033.

Čular, M., Slapničar, S., & Vuko, T. (2020). The effect of internal auditors' engagement in risk management consulting on external auditors' reliance decision. *European Accounting Review*, *29*(5), 999-1020.

Dionysus, R., & Arifin, A. Z. (2020). Strategic orientation on internal audit effectiveness: The Resource based view theory approach. *Jurnal Akuntansi*, *24*(1), 136-153.

Dyhati, A. S., & Wahyudi, T. (2022). The effect of integrity, objectivity and management input on the effectiveness of internal audit of the government sector in the COVID-19 pandemic condition.

Dzomira, S. (2020). Corporate governance and internal audit effectiveness of audit committee and Internal audit functions in an emerging economy's public sector. *Indian Journal of Corporate Governance*, *13*(1), 85-98.

Erasmus, L., & Coetzee, P. (2018). Drivers of stakeholders' view of internal audit effectiveness: Management versus audit committee. *Managerial Auditing Journal*, *33*(1), 90-114.

Eshetu, G. (2023). Quality Assurance Initiative and Organizational Internal audit effectiveness: The Case of Ethiopian Standard Agency, Addis Ababa Ethiopia. *Addis Ababa Ethiopia (November 10, 2023)*.

Faiteh, A., & Aasri, M. R. (2022). Internal Audit and Added Value: What is the Relationship? Literature Review. *Universal Journal of Accounting and Finance*, *10*(3), 666-675.

Ganji, H., Hosayni, S. R., Roozban, M., Mohamad Zadeh, S., & Nami Fard Tehrani, N. (2023). Antecedents and Consequences of Internal Audit Effectiveness and Internal Audit Quality. *Judgment and Decision Making in Accounting and Auditing*, *2*(5), 107-138.

Gaol, L. L. (2022). Work Experience in Moderating the Independence, Competence, and Motivation of Internal Auditors on the Effectiveness of Internal audit competence. *JFBA: Journal of Financial and Behavioural Accounting*, *2*(1), 1-14.

Gaosong, Q., & Leping, Y. (2021). Measurement of internal audit effectiveness: construction of index system and empirical analysis. *Microprocessors and Microsystems*, 101986.

Gatimu, E. M. (2022). *Effect of Management Practices on Non-Performing Loans in Deposit Taking Savings and Credit Cooperatives in Kenya-Management Perspective* (Doctoral dissertation, JKUAT-COHRED).

Gebre, S. (2018). Factors Influencing Effectiveness of Internal Audit in Public Sector Offices in East Shewa, Ethiopia. *Addis Ababa: Addis Ababa University*.

Gibson, C. B., Gibson, S. C., & Webster, Q. (2021). Expanding our resources: Including community in the resource-based view of the firm. *Journal of Management*, *47*(7), 1878-1898.

Gitonga, M. K. (2021). *Effect Of Internal Audit Characteristics On Audit Effectiveness In Semi Autonomous Government Agencies Of Kenya* (Doctoral dissertation, KCA University).

Hamza Mohammad, A. A. (2020). *Factors affecting internal audit effectiveness Jordanian public sector: Moderating effect of task complexity* (Doctoral dissertation, Universiti Utara Malaysia).

Ismail, F. K. M., & Zubairi, A. M. B. (2022). Item Objective Congruence Analysis for Multidimensional Items: Content Validation of a Reading Test in Sri Lankan

University. *English Language Teaching*, *15*(1), 106-117.

Jachi, M., & Yona, L. (2019). The impact of professional competence and staffing of internal audit function on transparency and accountability. Case of Zimbabwe local authorities. *Research Journal of Finance and Accounting*, *10*(8), 149-164.

Joshi, P. L., & Marthandan, G. (2023). Influencing factors for internal audit effectiveness in the Indian context. *Afro-Asian Journal of Finance and Accounting*, *13*(2), 253-276.

Kadim, J. R., Sabti, Y. M., Ali, G., Khdair, W. A., & Shaltag, K. H. (2021). The Impact of the Professional Competence of the Internal Auditor in Improving the Quality of Accounting: Analytical Study. *South Asian Journal of Social Sciences and Humanities*, *2*(5), 85-99.

Khalid, A. A., & Sarea, A. M. (2021). Independence and effectiveness in internal Shariah audit with insights drawn from Islamic agency theory. *International Journal of Law and Management*, *63*(3), 332-346.

Khalid, A. A., Hussin, M. Y. M., Sarea, A., & Shaarani, A. Z. B. M. (2021). Development of Effective Internal Shariah Audit Framework using Islamic Agency Theory. *Asian Economic and Financial Review*, *11*(8), 682.

Lihuan, Z. (2022). Factors Affecting Internal Audit Effectiveness: A Research in China SMES. *Academic Journal of Business & Management*, *4*(15), 118-124.

Lowe, N. K. (2019). What is a pilot study?. *Journal of Obstetric, Gynecologic & Neonatal Nursing*, *48*(2), 117-118.

Lubis, N. W. (2022). Resource based view (RBV) in improving company strategic capacity. *Research Horizon*, *2*(6), 587-596.

Miller, D. (2019). The resource-based view of the firm. In *Oxford Research Encyclopedia of Business and Management*.

Mohammed, Z. M., & Mohammed, M. M. (2021). The Impact of Top Management Input and Regulatory Regime on Effectiveness of Internal Audit Function. *ADRRI Journal of Arts and Social Sciences*, *18*(3 (6) October-December), 96-121.

Mohapatra, P., & MV, N. K. (2021). Accounting Scandal at Tesco. *IUP Journal of Accounting Research & Audit Practices*, *20*(4).

Mpakaniye, D. J. P. (2022). Effect of competency internal audit staff on internal audit effectiveness in Rwanda’s public organization. *Available at SSRN 4074112*.

Musah, A. (2018). Determinants of internal audit effectiveness in State-Owned Enterprises (SOEs) in Ghana. In *Determinants of internal audit effectiveness in state-owned enterprises (SOEs) in Ghana: Musah, Alhassan*.

Muslikan; Masengi, Evi Elvira; Dilapanga, Abdul Rahman. (2022). The Influence of Objectivity and Independence on Internal Audit Internal audit effectiveness at the Regional Supervision Inspectorate of the North Sulawesi Regional Police. *Technium Soc. Sci. J.*, *38*, 39.

Nyaga, K., Kiragu, D. N. U., & Riro, G. K. (2018). Influence of internal audit independence on internal audit effectiveness in the kirinyaga county government, Kenya.

Nyerere, J. K. (2022). *Risk-Based Internal Audit, Corporate Governance and Financial Internal audit effectiveness of Deposit taking Cooperative Societies in Nairobi Metropolis, Kenya* (Doctoral dissertation, University of Embu).

Omundi, R. M. (2023). *The Adequacy of Kenya’s bank resolution framework in managing bank failures* (Doctoral dissertation, Strathmore University).

Poltak, H., Sudarma, M., & Purwanti, L. (2019). The determinants of the effectiveness of internal audits with management input as the moderating variable. *International Journal of Multicultural and Multireligious Understanding*, *6*(1), 33-51.

Przybylska, J. M., & Kańduła, S. (2019). In Search of the Theory of Internal Audit. *Torun Business Review*, *18*(3), 1-16.

Raimo, N., Vitolla, F., Marrone, A., & Rubino, M. (2021). Do audit committee attributes influence integrated reporting quality? An agency theory viewpoint. *Business Strategy and the Environment*, *30*(1), 522-534.

Ratmono, D., & Darsono, D. (2022). Effectiveness of internal audit in local governments: The moderating role of internal and external auditors' relations. *Accounting*, *8*(2), 177-186.

Saidin, S. Z. (2022). The relationship between risk management and internal audit effectiveness at local government level. *Journal of Social and Development Sciences*, *3*(12), 198.

Saputra, K. R., Winarningsih, S., & Puspitasari, E. (2020). The effect of top management input on the effectiveness of public sector internal audit in indonesia with competence and independence as intervening variables. *MBIA*, *19*(3), 243-257.

Shonhadji, N., & Maulidi, A. (2022). Is it suitable for your local governments? A contingency theory-based analysis on the use of Internal audit competence in thwarting white-collar crime. *Journal of Financial Crime*, *29*(2), 770-786.

Singh, K. S. D., Ravindran, S., Ganesan, Y., Abbasi, G. A., & Haron, H. (2021). Antecedents and internal audit quality implications of internal audit effectiveness. *International Journal of Business Science & Applied Management (IJBSAM)*, *16*(2), 1-21.

Siregar, F. A. H., Rizki, I. H., Siregar, H. D. U., Lubis, N. O., & Siregar, D. A. S. (2022). Analysis Of The Effect Of Competence And Integrity On The Quality Of Internal Audit Results In Medan City. *Journal of Economics, Finance And Management Studies*, *5*(08), 2137-2144.

Solomon, W. (2019). Factors affecting internal audit effectiveness: in the case of ethiopian private commercial banks.

Suh, I., Masli, A., & Sweeney, J. T. (2021). Do management training grounds reduce internal auditor objectivity and external auditor reliance? The influence of family firms. *Journal of Business Ethics*, *173*, 205-227.

Sulanjana, R. A., & Puspitasari, R. (2018). The Effect Of Competence And Independence Of Internal Auditors Toward Internal Audit Internal audit effectiveness Quality At Head Office Of BJB Syariah Bank. *South East Asia Journal of Contemporary Business, Economics and Law*, *16*(2).

Widagdo, A. K. (2018). The Effect of Internal Auditor Independence on Effectiveness of Government Internal Audit: Group Cohesiveness As An Intervening Variable (Case Study At The Regional Inspectorates At Java Island). *Jurnal Akuntansi*, *22*(1).

Yanti, D., Sari, D. M., Ghazali, R., Djuniar, L., & Astrina, F. (2022). Management input, competence, organizational culture and professional ethics on internal audit effectiveness. *International Journal of Multidisciplinary Research and Analysis*, *5*(04).

Yegon, L. C. (2021). *Extent of adoption of corporate governance principles by Deposit-Taking SACCOs in Kenya and the effect on financial internal audit effectiveness* (Doctoral dissertation, Strathmore University).

Yudianto, I., Mulyani, S., Fahmi, M., & Winarningsih, S. (2021). The influence of enterprise risk management implementation and internal audit quality on universities' internal audit effectiveness in Indonesia. *Journal of Southwest Jiaotong University*, *56*(2).

Yusof, N. A. Z. M., Haron, H., Ismail, I., & Chye, O. H. (2019). Independence of internal audit unit influence the internal audit capability of Malaysian public sector organizations. *KnE Social Sciences*, 1230-1253.

Zahra, S. A. (2021). The resource-based view, resourcefulness, and resource management in startup firms: A proposed research agenda. *Journal of Management*, *47*(7), 1841-1860.