Revue Internationale des Sciences de Gestion
ISSN: 2665-7473
Volume 4 : Numéro 2

Internal Audit Quality and Financial Performance: A systematic Literature Review Pointing to New Research Opportunities

Qualité d'Audit Interne et Performance Financière : Une Revue de la Littérature Systématique Indiquant de Nouvelles Pistes de Recherche

EL GHARBAOUI Bouteïna
Doctorante
École Nationale de Commerce et de Gestion de Tanger (ENCGT)
Université Abdelmalek Essaâdi
Laboratoire de recherche Management, Stratégie et Gouvernance (MASRAG)
Tanger - Maroc
Bouteina.elgharbaoui@gmail.com

CHRAIBI Abdeslam
Enseignant chercheur
École Nationale de Commerce et de Gestion de Tanger (ENCGT)
Université Abdelmalek Essaâdi
Laboratoire de recherche Management, Stratégie et Gouvernance (MASRAG)
Tanger - Maroc
Abchraibi1@yahoo.fr

Date de soumission : 13/03/2021

Date d'acceptation : 30/04/2021

Pour citer cet article :

EL GHARBAOUI B. & CHRAIBI A. (2021) «Internal Audit Quality and Financial Performance : A systematic Literature Review Pointing to New Research Opportunities », Revue Internationale des Sciences de Gestion « Volume 4 : Numéro 2 » pp : 794- 820.

Résumé

L'audit interne est depuis longtemps considéré comme un allié du management stratégique. Il donne aux décideurs et aux gestionnaires des informations et des recommandations leur permettant d'initier des actions pour améliorer la performance de l'organisation. Au cours de ces dernières années, l'évolution de l'audit interne a abouti à la création d'un nouveau concept ; il s'agit du concept de la qualité d'audit interne. Le présent article a pour objectif de comprendre le lien entre la qualité d'audit interne et la performance financière et d'en donner un aperçu à travers les recherches universitaires antérieures. Pour ce faire, une revue systématique de la littérature a été réalisée sur la base d'un échantillon de 37 articles scientifiques et thèses de doctorat sélectionnés à partir de plusieurs bases de données et publiés entre 2009 – 2020. Les résultats de cette synthèse montrent que la qualité d'audit interne et la performance financière sont deux domaines de recherche très débattus qui se caractérisent par une hétérogénéité des théories et des méthodes, avec un besoin évident de constituer un modèle universel intégrant les deux concepts. Cet article met également en évidence les insuffisances existantes dans la littérature tout en proposant des pistes pour les recherches futures dans ces domaines.

Mots clés : Qualité d'audit interne ; Qualité de détection ; Qualité de révélation ; Performance financière ; Revue Systématique.

Abstract

Internal auditing has been considered for a long time as an ally of strategic management. It provides decision-makers and managers valuable information and recommendations that enable them to initiate actions to improve the organization's performance. In the recent years, the evolution of internal auditing has led to the creation of a new concept; it is the concept of internal audit quality. The main objectives of this paper are to understand the relationship between internal audit quality and financial performance and to provide insight into this relationship through previous academic research. For this purpose, a systematic literature review was conducted based on a sample of 37 scientific articles and doctoral dissertations selected from several databases and published between 2009 - 2020. The results of this synthesis show that internal audit quality and financial performance are two widely debated research areas of research that are characterized by heterogeneity of theories and methods, with a clear need to build a universal model integrating both concepts. This article also highlights the existing shortcomings in the literature while proposing avenues for future research in these areas.

Keywords: Internal audit quality; Detection quality; Revelation quality; Financial performance; Systematic review.

Introduction

The role of internal audit function has changed due to shifts in international corporate practices. It improves the organization's operations as it is an independent activity helping a firm achieve its goals by using a well-organized approach to manage their risk, internal control and governance efficiency and effectiveness (Stewart and Subramaniam, 2010), as the ultimate goal of internal audit is to achieve better returns for the organization in shape of improved firm performance (Saud, 2012). Many researchers have analyzed the link between the internal audit function and corporate financial performance. Identification of ways to improve firm's efficacy and help in reducing overhead can be possible by an effective internal audit, because an effective internal audit can also safeguard the firm by potential losses which can impact the financial performance of the firm (Subhi and Stanišić, 2016). An effective and efficient internal audit function helps to achieve an increased level of shareholders value (Awdat, 2015). However, an effective internal audit function has a direct relationship with improving financial performance of the firm (Feizizadeh, 2012). Effective and perceived qualities that are usually designated as apparent quality, are necessary for auditing to produce beneficial effects. The operations of an organization are well developed by the quality of internal audit as the financial reports of a firm reflect the attributes of the internal auditors. Furthermore, a higher internal audit quality is able to better constrain earnings management, and in turn enhance the quality of financial reports (Ching, Teh, San & Hoe, 2015).

The quality of internal auditing and its impact on financial performance is much debated but little understood. Despite more than two decades of research, there remains little consensus on this causal relationship. So, the question we will try to answer in our article is where does the literature stand regarding the link between internal audit quality and financial performance? Addressing the nature of this relationship represents a challenging research question that allows us to develop our reasoning and demonstrate the value of our research both theoretically and practically. The main objective of this article is to carry out a systematic review by identifying and synthesizing the academic literature on this subject in order to create a genesis that can help the scientific community. It also aims to give a new insight into the concept of internal audit quality by highlighting its new influencing factors, while emphasizing its relation with financial performance. As a result, a sample of 41 scientific articles and doctoral dissertations was identified through keyword searches in several databases and analyzed using descriptive statistics. Therefore, this systematic analysis will allow us to shed additional light on the different variables studied by the researchers in order to show theoretical and practical gaps that can serve as leads to the scientific community for their future research.

The plan of this article is structured in six sections. The first section presents a conceptual framework of the key concepts of our research in order to reconcile the different definitions found in the literature. The second section presents the concepts of internal audit quality evaluation and the theoretical framework. In the third section, we review the existing literature on internal audit quality and financial performance, focusing on the research methods used by the researchers in their work, and presenting the results of their studies. The fourth section explains the methodological choice used to examine the research question while focusing on the sample of articles selected to study the connection. Then, in the fifth section, we discuss and analyze the results of our systematic literature review in terms of the contexts studied, research methodologies employed, metrics used and the types of connections found. Finally, the last section will be used to propose guidelines for future research.

1. Conceptual framework

Before discussing the theoretical development of the key concepts in this paper, we will start by defining them. The concepts to be defined are: internal audit quality and financial performance.

1.1. Internal audit quality

There is not a universally agreed definition of internal audit quality. The most widely used and closest definition is De Angelo's (1981). According to De Angelo (1981), internal audit quality is defined as the market's assessment of the joint probability that an auditor will simultaneously discover a material misstatement or irregularity in the accounting system of the client company, and will mention and disclose that misstatement or irregularity. Also, Okaro et al. (2015) as Adeyemi and Fagbemi (2010) , argue that internal audit quality is the joint probability, as assessed by the market, that a given auditor will simultaneously discover a deficiency in the client's accounting system and report that deficiency, meaning that the auditor has both the technical competence to detect any material errors during the audit process and the independence to ensure that material errors and omissions are corrected or disclosed in the auditor's report. However, it would appear that the quality of internal auditing is enhanced when internal auditors are competent and independent. It is also the ability on an internal audit function to provide useful findings and recommendations that would help increase senior management interaction with these recommendations (Ed-Douadi & Bakour, 2020).

1.2. Financial performance

The financial dimension of performance has long been seen as the benchmark for corporate performance and evaluation. According to Hansen and Mowen (2005), corporate performance is very critical to management, as it is a result that has been achieved by an individual or group of individuals in an organization in relation to their authority and responsibility to achieve the objective legally, not against the law, and in a moral and ethical manner. Performance is therefore the ability of an organization to obtain and manage resources in many different ways in order to develop a competitive advantage. Sogbossi Bocco (2010) has defined financial performance as the survival of the company or its ability to achieve its objectives. Guerard (2006) has also defined it as achieving good profitability, satisfactory growth, and the creation of shareholder value.

2. Internal audit quality: Evaluation concepts and related theories

2.1. Evaluation concepts

As mentioned at the conceptual framework level, the quality of internal auditing is defined definitively by De Angelo (1981). Citron and Taffler (1992) have clarified that an audit report is considered to be of quality if it is the result of a technically competent and independent audit process. There has thus been a consensus among several authors, including Knapp (1991), Flint (1988) and Moizer (1997), on this dual approach to delineate internal audit quality by distinguishing between the quality of detection (competence) and the quality of disclosure (independence) of the auditor. The distinction between these two concepts in assessing the quality of internal auditing has implications for the approach to internal auditing and the value of the auditor's opinion. It is therefore essential to discuss and define these two concepts in this article.

2.1.1. Quality of detection (Auditor’s competency)

According to Arens et al (2012), competency is knowledge and skills necessary to accomplish tasks that define one’s job. In the internal audit area, competency consists on the development of specialized expertise that enhances the quality of internal auditing. It comprises internal audit experience, skills, knowledge and professional proficiency (Mahzan and Hassan, 2015). The auditor’s competency has often been viewed as a guarantee of the auditor’s ability of detection. It is also one of the most essential elements in determining internal audit quality. The institute of internal auditors (IIA), as a prominent standards setter of internal audit highlights the importance of having essential knowledge, skills, experience and professional qualification by internal auditors to operate more effectively (Bello, Ayoib and Zalina, 2017).

2.1.2. Quality of revelation (Auditor's independence)

Independence has no single meaning and interpretation across the people; hence the concept is subject to ambiguity and uncertainty (Wines, 2012). Independence refers to the concept of being free from any management influence while auditors perform internal audit activities and issue audit report (Cooper et al., 2009). Internal audit independence represents one of the most critical factors for achieving internal audit quality, it's the essence of auditing (Chun, 2007). It is seen as a key driver of the internal audit function (Alzeban and Gwilliams, 2014). An internal auditor must be independent otherwise, the integrity of the auditor's opinions, recommendations and conclusions may be suspected or biased. So, the auditor's independence is necessary and important for the effective achievement of the function of internal audit. It is also fundamental to the reliability of auditor's reports. Those reports would not be credible, and investors and creditors would have little confidence in them, if auditors were not independent both in fact and appearance. The independence is mainly obtained from two characteristics; the organizational status and the objectivity of the auditor. In fact, independence exists when and where auditors are able to act with a total objectivity, integrity, impartiality and free from any conflict of interest.

2.2. Related theories

There are numerous theories developed trying to explain why internal audit exists. Internal audit has its roots in a theoretical basis that encompasses various explanations for its creation. This part provides an overview of the main theories related to the essence of internal auditing that has been used widely in literature.

2.2.1. Agency theory

The origin of the agency theory is attributed to Jensen and Meckling (1976). Jensen and Meckling (1976), states that in this theory, agents have more information than principals and this information asymmetry adversely affects the principals' ability to monitor whether or not their interests are being properly served by the agents. In another words, it analyzes contracts by which an entity (the principal) calls upon another person (the agent) to perform, on its behalf, any task involving a delegation of decision-making authority to the agent, which is called the agency relationship (Bidiasse, 2017). Thus, an agency relationship occurs when a company hands over the management of its own interests to another individual. Despite this theory, the modernization of firms and their complexity has changed power relations. For the larger the size of the entity, the more decentralized the decisions are, so that the owner (the principal) no longer has direct contact with the management of his company. This is how internal audit regains its theoretical foundation, because the internal auditor as a representative of the principal helps with the information he provides, to give the principal the opportunity to act and decide with full knowledge of the facts. However, as a consequence of information asymmetries between principals and agents opposite motives, principal may lack trust in their agents and may consequently need to put in place mechanisms, such as internal audit, to strengthen this trust. Therefore, the agency theory aims to the establishment of a governance approach leading to an adjustment to the interests of the principal, and it also helps to explain the importance of internal audit quality.

2.2.2. Transaction cost theory

Transaction cost theory is based on the work of Coase (1937) and Williamson (1985). Research on transaction cost theory maintains that a transaction, the basic unit of analysis, will tend to be organized by the structural arrangement (i.e., governance structure) that can execute the transaction most efficiently (Williamson, 1985). For these theoreticians, in comparison to the market the firm appears to be the organizational form that allows savings on transactional costs. Indeed, what distinguishes firms from markets is the ability of firms to internalize some transactions and realize them at a lower cost (Bertin, 2007). Through this theory, we can perceive that it consists of a transactional approach that aims to minimize transaction costs so that the contractual relationships within a firm can be maintained. To do so, Williamson suggested internalization to avoid the loss of the minimum value in relation to the optimum (Pesqueux, 2007). It is therefore quite logical to consider internal audit as a mechanism leading to the evaluation of management with regards to shareholders' concerns. Also, companies regardless of their size have begun to internalize their statutory audit work through internal audit services in order to reduce the so-called high costs of statutory auditors. And if we add that at time happened the economic crisis of 1929, it was thus with a perspective of savings and cost reduction that the internal audit function happened to be a good alternative.

3. Internal audit quality and financial performance: fundamental insights from literature review

The academic literature on the relationship between internal audit quality and financial performance has contributed to the emergence, the growing and the evolving of knowledge about internal audit quality assessment concepts and their impact on the financial performance of companies where audit practitioners operate. Hundreds of studies in various contexts have been published especially after the awareness raising of the role of the internal audit function and its importance for each company. The above authors attempted to study internal audit quality and its proxies and their relation with firm financial performance. The studies cover different aspects of the internal audit quality in literature such as competency, independency, quality of audit work, size of internal audit… and focus mainly on its relation, its impact and its role in improving the performance of the organization. Moreover, we will present in this paragraph the scientific articles and doctoral dissertations that have explored the relationship between internal audit quality and financial performance.

The first publication that we have found in this subject is by Hutchinson and Zain (2009). Theses authors focused on the relation between internal audit quality and firm performance in association with growth opportunities and audit committee effectiveness. The study was conducted among sixty Malaysian Companies. The analysis revealed a significative positive relation between internal audit quality and firm performance. Along the same lines, Kiabel (2012) has examined the link between internal audit and performance of state-owned enterprises. The author aimed to assess the impact of internal audit on the financial performance of Nigerian state-owned companies. The results of the study showed that internal audit has a significant positive relationship with financial performance. The author strongly recommended the establishment of an internal audit department in companies where it does not exist. Also, from the literature emerges the study of Ondieki (2013) on the effect of internal audit on financial performance of commercial banks in Kenya. Internal audit was measured in terms of internal audit standards, professional competence of internal auditors, internal control, and independence of internal audit (internal audit quality proxies). The survey was conducted with the senior managers in the finance department of commercial banks. The study concluded that the independent variables characterizing internal auditing quality have a significant positive relation with the financial performance of commercial banks.

Specioza (2013) explored the topic of Internal Audit and Local Government Performance in Uganda in the case of Scheema District Local Government. The study showed a positive significant relationship between internal audit and financial performance in Scheema local government. Most of the respondents stated that the presence of internal audit ensures accountability of local government employees for the efficient and proper management of public resources, and thus improves the financial performance of the government. The study also highlighted by the calculated Pearson's value, which is 1, thus showing a positive relationship between internal audit and financial performance. Additionally, Bett (2014) analyzed the relationship between the effectiveness of the internal audit function and financial performance of listed companies in Nairobi. The independent variables studied are; professional competence of internal auditors, quality of work of the internal audit department, organizational independence of the internal audit department, organizational independence of the internal audit department, career development of the internal audit staff, top management support for the internal audit department and firm size. The dependent variables studied here were return on assets (ROA), return on investment (ROI), and return on equity (ROE). The study concluded that all the proxies of internal audit quality have a positive influence on the financial performance of companies listed on the Nairobi Stock Exchange.

Ziaee (2014) studied the effect of internal audit quality on the performance of listed companies in Tehran Stock Exchange. The main respondents were the financial managers of the listed companies in TSE. The results of the study revealed that the quality of internal auditing has a positive impact on financial performance. Farouk and Hassan (2014) provided deeper and more current insights into the impact of internal audit quality on the financial performance of listed cement companies in Nigeria. The authors measured internal audit quality by internal auditor independence and internal audit department size, and financial performance by net profit margin. The findings of the study showed that both auditor independence and the size of the internal audit department had a positive impact on the financial performance of the companies studied. However, auditor independence has more influence than the size of the internal audit department on financial performance.

Ejoh and Ejom (2014) analyzed the effect of internal audit function on the performance of tertiary institutions in Nigeria. Data was collected using a questionnaire, interview guide, and review of available documents and records of Cross River State College institution. The study revealed that the internal audit department is not adequately staffed, does not perform its duties with a higher degree of autonomy and independence from management. The study also revealed that there is a gap in the audit model. The study further revealed that the internal audit function does not have a significant effect on the financial performance of Cross River State College of Education. The survey recommends competency profiling in the institution's internal audit unit that should be based on what the College expects from internal audit and the appropriate number of staff needed to perform the work. The study of Al-Matari et al (2014) explored the effect of internal audit on corporate performance. In this study, the authors attempted to model the relationship between internal audit and performance by considering their characteristic. The variables selected for internal auditing are the professional qualification of the head of internal auditing, the size of the internal auditing department, the experience of internal auditors and the qualification of internal auditors. The study provided a comprehensive overview of the relationship between internal audit and performance. The results of the study showed that internal auditing and performance are highly correlated. The study also revealed that the internal audit department is essential as it is an important element for the proper functioning of the accounting system. It also concluded that the performance of the companies studied is the result of the effectiveness of internal auditing because the financial reports reflect the quality of internal auditing.

Muhammad (2015) was interested in the effects of internal audit function and internal control systems on financial performance of a higher education institution in Pakistan. The independent variables in this study are; control environment, internal audit, and control activities. The dependent variables are; liquidity, accountability and Reporting. This study concluded that there is a significant positive relationship between internal audit and financial performance, and a negative relationship between control environment and control activities and financial performance. Alwala and Biraori (2015) conducted their research on internal audit independence and stock market performance of companies listed on the Nairobi Stock Exchange. The study adopted a descriptive approach and selected a sample of 60 companies. The results of the study indicate that there is a statistically significant positive correlation between internal auditor independence and stock market performance. The study also indicated that companies listed on the Nairobi Stock Exchange have implemented adaptive and effective corporate governance practices that provide internal audit activities with sufficient independence for the audit department to be effective. Internal auditing improves corporate performance to attract investors to the stock market.

The study conducted by Awdat (2015) in Jordan explored the impact of the internal audit function on improving the financial performance of Jordanian commercial banks. The study was conducted with 65 internal auditors working in Jordanian banks. The study showed that the internal audit function improves financial performance through the quality and effective and efficient management of this function, and also through a good evaluation of the risk management process by the internal auditors. The results of the study showed that the quality of internal auditing has a positive impact on the financial performance of Jordanian banks.

Furthermore, Alala and Paul (2016) conducted a study on the impact of internal audit on financial performance in the public health sector in Kenya. The authors adopted a case study of Matungu Hospital and targeted a population of 120 respondents with a sample of 40 respondents that represented 30% of the total target population. The results of the study established that there was a statistically significant positive relationship between internal audit and financial performance at Matungu Hospital. Additionally, the study results revealed that delays in government procurement, poor government policy, and weak internal control systems explain the difficulties encountered in Matungu Hospital's financial performance.

Alaswad and Stanišić (2016) examined the role of internal audit in the performance of Libyan financial organizations. The independent variable of internal audit was measured by the size of the audit committee, the qualification of the internal auditor, and the experience of the internal auditor. While the dependent variable; financial performance, was measured by return on assets (ROA). The financial data was extracted from the financial reports of the companies in the study from the period of 2013 to 2015. The results of the study revealed that the qualification of the internal auditor and the experience of the internal auditor positively influence financial performance, but the size of the internal audit committee had zero influence on financial performance. Thumbi (2016) attempted to analyze the link between internal audit function and financial performance in medium-sized manufacturing firms in Nairobi County. The findings of the study revealed that the internal audit function has a positive significant effect on financial performance. According to the results, the independent variables of internal auditing which are; internal auditing standards, independence of internal auditing, professional competence, and internal control, have a positive relationship with the financial performance of the studied firms. The study also showed that companies that invested in effective internal control systems had better financial performance than those with weak internal control systems. And from the results, it appeared that the companies studied that adhered to integrity, ethical values, risk assessment, control activities, monitoring, and information and communication technologies, recorded high financial performance. This study also exposed that internal audit control activities have a significant positive relationship with the financial performance indicators included in this study.

Chiggai (2016) has investigated the effect of internal audit practices on organizational performance. The purpose of this study was to determine whether the control environment, risk assessment, internal audit, and control activities influence the performance of regulatory agencies in Kenya. The results of the study showed that all the independent variables studied have a significant positive impact on the performance. In addition, the study recommended that internal control should be viable as it is valuable in ensuring asset protection and a favorable trading climate. Chatiwong et al. (2016) aimed to investigate the proactive internal audit strategy and corporate performance based on empirical evidence from Thai listed companies. This study indicates that proactive internal audit strategy, integration of internal control system, participatory internal audit, comprehensive business risk assessment, and application of advanced internal audit technology have a significant impact on performance, except outsourcing the use of internal audit. In addition, fraud prevention competence, superior operational excellence, transparency of business practices, and stakeholder credibility have a very positive effect on stakeholder credibility and company performance. Furthermore, this study also demonstrates that stakeholder credibility has a significant positive impact on company's performance.

Dahir and Omar (2016) reviewed the effects of internal audit practice on organizational performance of money transfer companies in Mogadishu. Internal audit independence, internal audit quality, internal control system, and audit risk were the internal audit characteristics selected as independent variables. The results of the study showed that there is a significant positive relationship between internal audit and the performance of the companies studied. Albkour and Chaudhary (2017) explored in Jordan the effect of internal audit on organizational performance of Jordanian banks. The results of the study revealed that internal audit has a significant positive impact on the financial performance of the banks in the study sample.

Kwabena (2017) analyzed the effects of internal audit quality on financial performance of companies listed on the Nairobi Stock Exchange. This research concluded that the quality of work of internal auditors had a remarkable and significant impact on the financial performance of the companies studied. The independent variables studied were: the professional competence of the internal auditors, the independence of the internal auditors, the quality of the work of the internal auditors, and the support provided by the top management to the internal auditors. The dependent variable was return on assets (ROA). The independent variables showed that they all have a significant positive influence on financial performance (ROA). Bello et al (2017) explored the relationship between internal audit quality and organizational performance in public universities. The independent variables measuring internal audit quality are internal audit competence and internal auditor independence. The dependent variable here is performance. The results of the study revealed that there is a significant positive relationship between the competence of the internal auditor and performance, while the direct relationship between the independence of internal auditors and performance is negative, this last relationship was also tested through a moderator variable which is the support of senior management and gave that there is a significant positive relationship through the moderator effect. Thus, the conclusion of the study showed a strong correlation between the various dimensions of internal audit quality and performance, and that optimal performance in Nigerian federal universities is achievable when the dimensions of internal audit quality are functional.

Ogbodo (2017) examined the impact of audit quality on the financial performance of Nigerian banks. The main objective of this study is to determine the impact of internal audit quality on return on assets (ROA), cash generation, and operating profit margin ratios. The results of the study showed that while audit quality had a significant positive effect on return on assets and operating profit margin, it had no effect on the banks' cash generation ratio. The study recommends the institutionalization of strong corporate governance principles in banks that will ensure corporate self-regulation and avoid ethical misconduct. Alflahat (2017) analyzed the impact of internal audit on organizational performance in Jordanian companies. The independent variable was internal audit and the independent variable was performance. The data analysis revealed that internal auditing has a significant positive impact on the performance of the companies studied.

Muchiri and Jagongo (2017) conducted a study on internal Audit and Performance of Public Institutions in Kenya. The objectives that guided this research are based on the effect of the competence and independence of the internal auditor, and the independence of the audit committee on the return on investment. The researchers used a case study research design as the data was collected from a single public institution, namely the Kenya Meat Commission (KMC). The results showed that the relationship between internal audit characteristics and financial performance was not significant. In other words, internal auditing does not impact return on investment. The authors recommended that KMC's internal auditors should be more competent and independent. Mahachi (2018) determined the impact of internal Audit Effectiveness on Organizational Performance of NGOs. This study showed that the effectiveness of internal auditing significantly promotes the performance of NGOs. The findings confirmed that management support, independence, and internal auditor competencies enhance internal audit effectiveness.

Newman and Comfort (2018) explored the internal Audit Value Creation and its Impact on Firm Performance. The objective of this study was to examine the potential value creation of an effective and quality internal audit function within an organization, and also to investigate its impact on its financial performance. The findings revealed that the internal audit function is positively associated with the financial performance of the organization, as its assurance and advisory role was found to add value. Also, the size of the internal audit department, the competence and experience of the internal auditors, which represent the characteristics of internal auditing, were tested against the performance of the company and it was found that internal auditing had a positive relationship with performance. It was concluded from this study that top management should ensure that its internal audit function is fully resourced and supported, and that it should actively engage the internal audit function in assurance and consulting engagements, as internal auditors have extensive operational knowledge and both roles have proven to improve firm performance.

Talab et al (2018) attempted to study the internal audit function, shareholder structure and corporate performance in Iraq. These authors examined the influence of corporate governance mechanisms on the performance of listed companies in Iraq. And more specifically, the study examined the effect of internal audit function, government ownership and private ownership on the performance of the organization. The result obtained from the linear regression of the study revealed a significant positive relationship between internal audit and performance. This implies that listed companies that have established an internal audit department are performing very well due to such a control mechanism that is considered strong. The findings of this study have helped decision makers and managers of listed companies in Iraq to understand the importance of the internal audit function and to establish it for those that do not have it. According to Sarens and Abdolmohammadi (2011), the positive relationship between the internal audit function and corporate performance reinforces the hypothesis that this function plays an important role in reducing the information asymmetry between owners and managers. Also in the same framework, Carey et al. pointed out that internal audit is "a monitoring mechanism that reduces agency costs and improves corporate performance.

Ezejiofor and Erhirhie (2018) examined the effect of audit quality on financial performance of deposit money banks in Nigeria. Internal audit quality was measured by the size of the audit committee and the independence of the audit committee. Financial performance was measured by return on equity (ROE). The results of this study revealed that the quality of internal audit has a significant positive effect on the financial performance of the banks studied. Based on this, the authors recommended that these banks recruit more internal auditors with professional skills and experience in order to increase the size of the internal audit department. Ogbodo and Akabuogu (2018) conducted a study on the effect of audit quality on financial performance of listed banks in Nigeria. Specifically, the authors examined the effect of internal audit department size on return on assets (ROA), the impact of audit committee independence on return on equity (ROE), and the impact of audit committee size on profit margin of Nigerian banks. However, three research questions and hypotheses were formulated in line with the objectives of this study. The results of the study showed that the size of the internal audit department has positive significant effects on return on assets, also, the independence of the audit committee has positive significant effect on return on equity. Also, the size of the audit committee also has a positive significant impact on the profit margin. On this basis, the authors concluded that all entities that want to improve should definitely pay attention to the quality and effectiveness of their internal audit department.

Bello et al (2018) analyzed the dimensions of internal audit quality and organizational performance. The authors used the competence and independence of internal auditors, and the size of the internal audit department as a proxy for internal audit quality. The results of the study revealed that internal audit quality has a significant and positive influence on performance. The authors recommended that more emphasis be placed on internal auditor competence, internal auditor independence, and the size of the internal audit department, and that more mechanisms be put in place to maintain these elements to improve the performance and effectiveness of the internal audit function. Mburunga et al (2019) conducted a study on internal auditor independence and financial performance of banks listed on the Nairobi Stock Exchange. This study based its investigation on the influence of internal auditor independence on the financial performance of banks listed on the Nairobi Stock Exchange. It was based on agency and market power theory. Internal auditor independence was measured by the budget allocated to the internal audit department and financial performance by return on assets (ROA). The survey concluded that the internal audit budget that determines the independence of internal auditors has a significant influence on the financial performance of publicly traded banks. In this sense, Beekes and Brown (2006) in their paper *Do the best managed Australian companies disclose better information?* confirmed that financial companies listed on the Australian stock exchange that adopted corporate governance characterized by independent internal auditors had better financial performance than those that rejected the recommendations of internal auditors and whose auditors were not fully independent.

Akande (2019) analyzed the effect of internal audit on financial performance of commercial banks. And more specifically, this study aimed at detecting the level of internal audit function of these commercial banks operating in Nigeria, and its effect on their financial performance. The study revealed that frauds were all revealed by internal auditors, which directly impacts financial performance. Also, that internal auditing standards and related services positively influence performance.

Elewa and El-Haddad (2019) have investigated the effect of internal audit quality on corporate performance: a panel data approach. These authors used the financial statements of non-financial firms listed under EGX 100. The independent variables are internal auditor experience and auditor independence. The dependent variables are return on assets (ROA) and return on equity (ROE). Consistent with the results of the random-effects model, internal auditor independence and experience have a non-significant impact on the firm's ROA and ROE. Bengrich and El Ghadouia (2020) have recently conducted a study on the influence of internal audit on the overall performance of companies in the Souss Massa region in Morocco. These authors measured the internal audit by the qualification of the head of internal audit, the size of the internal audit, the experience of the internal auditor and the qualification (competence) of the internal auditor. However, they analyzed overall performance by considering economic and financial performance, social performance, and environmental performance. The results of the study showed a significant positive effect between internal audit and economic and financial performance, as well as social performance, and a negative effect between internal audit and environmental performance. The authors concluded that economic and financial performance is well explained by the characteristics of internal audit. Boubakary (2020) conducted a research on internal audit and the performance of public and Para public enterprises in Cameroon. The results of the study showed that internal auditing, through characteristics such as the size of the internal audit department, the competence, experience and independence of the internal auditor, has a positive and significant influence on the financial performance of the sample studied. The authors concluded their study on the importance of establishing internal audit with auditors with the above-mentioned profile in order to improve financial performance and obtain added value.

Enekwe et al (2020) reviewed the effect of internal audit quality on the financial performance of listed manufacturing companies in Nigeria. In this study, the authors examined the effect of internal auditor and audit committee independence on return on assets (ROA). The results of the study showed that internal audit quality influenced positively and significantly the financial performance. Hazaea et al (2020) conducted an empirical study on the impact of internal audit quality on the financial performance of Yemeni commercial banks. The authors measured internal audit quality by internal auditor independence, compliance with internal auditing standards, implementation of governance principles, size of the internal audit department, and frequency of audit committee meetings. The results of the study revealed that the quality of internal auditing has a positive and significant impact on financial performance.

Through this paragraph, we have sought to place each study in the context of its contribution. We were able to explore all the studies, old and recent, related to our research problem. A review of the systematic literature allowed us to see which areas were not studied and to identify new research avenues. The statistical results of the studies cited above are divergent, as they sometimes support one theory and sometimes another. This divergence in results is mainly due to the measures used of internal audit quality (unidimensional or multidimensional, perceptual or secondary) and financial performance (accounting or stock market), and also to the different methodologies used by the authors (correlation analysis of variables, regression...), as well as to whether or not control variables were taken into account to explore the relationship. However, the majority of the results confirm a positive relationship between internal audit quality and financial performance.

4. Research methodology

The present study mobilizes the methodology of systematic literature review. We discuss forty-one scientific articles and doctoral dissertations published in 2009 – 2020. We have defined the period (2009 - 2020) because it represents the phase when the concept of internal audit quality began to be increasingly debated. To identify the studies about internal audit quality and financial performance, we searched for published research papers and articles on several databases such as Google Scholar, Research Gate, Emerald Insight... We also searched through these databases using several keywords such as “Internal Audit”, “Internal audit Quality”, “Financial Performance”, and with combining sometimes these concepts together “Internal Audit Quality and Financial Performance” (Tab. 2). We reviewed over than 70 studies, but only discussed and analyzed by descriptive statistics forty-one which we believed have provided interesting findings.

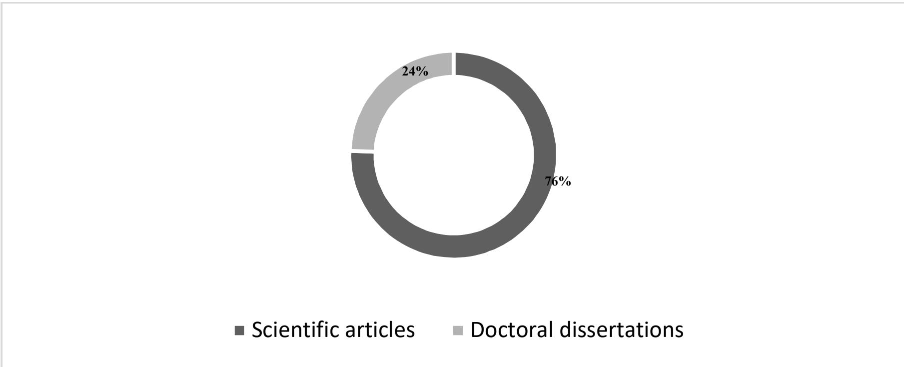
Table N°1: Overview of the databases and keywords selected for the systematic review

Databases	**Key-words**
Academia	Internal audit; internal audit quality; internal audit effectiveness; internal audit caracteristics; factors influencing internal audit quality; internal audit quality metrics; firm performance; financial performance; key performance indicators; impact of internal audit quality on financial performance; internal audit effectiveness and financial performance.
Google Scholar	
Research Gate	
Emerald Insight	
Cairn	
Jstor	

Source : Authors.

More specifically, we selected twenty-eight scientific articles (76%) and nine doctoral dissertations (24%). The following figure (Fig.1) shows the distribution of our literature review by scientific articles and doctoral theses.

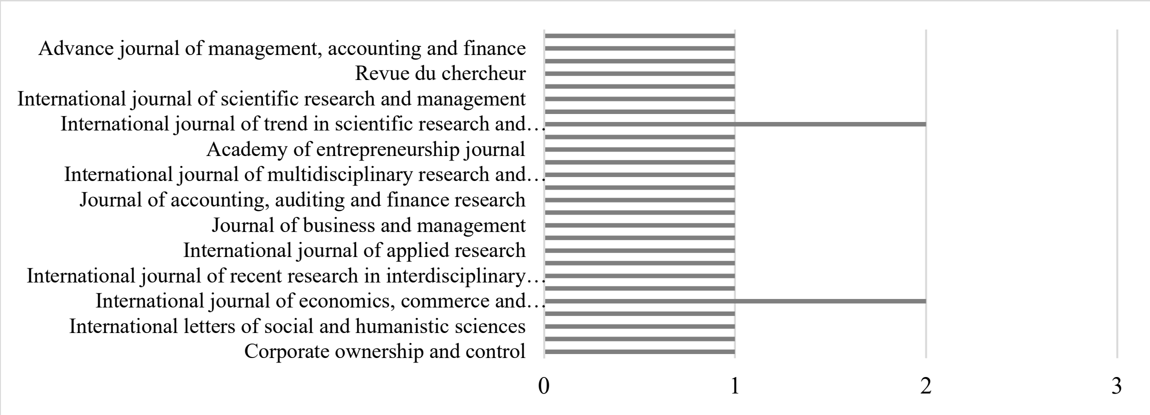
Figure N°1: Distribution of the literature review



Source: Authors.

The articles we selected for our study are published in internationally renowned journals such as the International Journal of Auditing (IJA), Auditing: A Journal of Practice and Theory (AJPT), Academy of Entrepreneurship Journal (AEJ), International Journal of Scientific Research and Management (IJSRM), International Journal of Economics, Commerce and Management (IJECM), Research Journal of Finance and Accounting (RJFA), Journal of Accounting, Auditing and Finance Research (JAAFR), etc. The following figure (Fig.2) highlights the distribution of the articles selected in our study by journal of publication.

Figure N°2: Distribution of selected articles by journal of publication



Source : Authors.

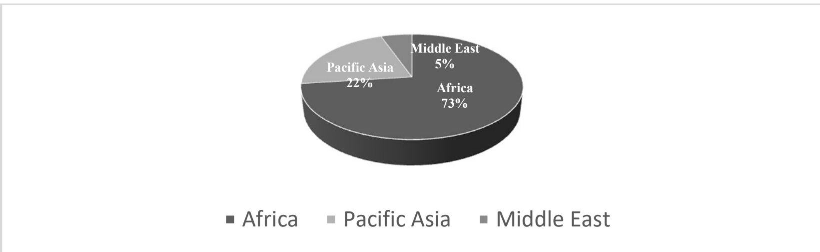
5. Presentation and discussion of the findings

The analysis of the articles developed in our systematic review leads us to identify some of the issues facing research on the link between internal audit quality and financial performance. It consists of identifying the different existing research streams, evaluating the choice of methods and having an overall view of the different research models as well as future research avenues. In this paragraph, we will analyze the studies identified in our literature review in terms of contexts explored, methods used, signs of connection found, and measures used.

5.1. Contexts investigated (2009 – 2020)

Several contexts were identified in the studies conducted between 2009 and 2020, such as Africa, the Middle East, and Asia-Pacific. The majority of the studies (73%) were conducted in Africa, which demonstrates the growing interest in these countries in internal audit quality, and also the need for these countries to understand the impact of internal audit quality on financial performance. The Middle East and Asia-Pacific accounted for 5% and 22% of the studies found, respectively. The place of Morocco in Africa in these studies remains minimal. Only one study was identified, by Bengrich and El Ghadouia (2020).

Figure N°3: Distribution of selected articles by contexts investigated



Source : Authors.

5.2. Research methodologies employed in previous studies (2009 – 2020)

With regard to the choice of research methods, we observed that all the scientific articles and doctoral theses found are empirical studies and represent 100% of our sample. This orientation is explained in principle by the ease of operationalizing the concept of internal audit quality and financial performance. In these empirical studies, we noted (Tab.3) a predominance of quantitative approaches. Indeed, the quantitative approach based on mathematical modeling is present in 97% of the literature we have mobilized. However, we found that only 3% of the authors used a qualitative approach based on case studies. Furthermore, this analysis revealed that none of the selected studies adopted a mixed approach (qualitative and quantitative).

Table N°2: Overview on the methodologies employed in previous studies

Methodological approaches	*Articles*	*Doctoral dissertations*
Quantitative approach	28	08
Qualitative approach	0	01

Source : Authors.

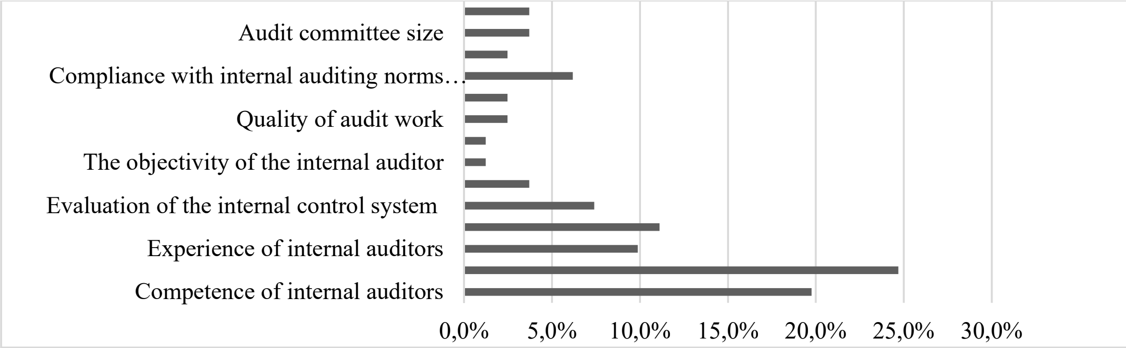
5.3. Metrics employed in previous studies (2009 – 2020)

In this paragraph, we will highlight the most commonly used metrics to measure internal audit quality as well as financial performance in the studies we gathered in our systematic review of the literature.

5.3.1. Internal Audit Quality Metrics

The indicators most commonly used to measure internal audit quality are (Fig.4); the independence of the internal auditor, which was used in 20 of the 37 studies we identified (a frequency of 24,7%), and the competence of the internal auditor, which was used in 16 studies (a frequency of 19,8%). We can thus say that the majority of empirical studies focused on these two indicators. We also find other metrics such as the size of the internal audit department, the evaluation of the internal control system, the experience of the internal auditor, compliance with internal auditing norms and standards, the independence of the audit committee, and the quality of the internal audit work, the qualifications of the head of internal audit, the assessment of the risk management system, the size of the audit committee, the control environment, the control activities, the authority of the internal auditor, and the objectivity of the internal auditor.

Figure N°4: Internal audit quality metrics employed in previous studies

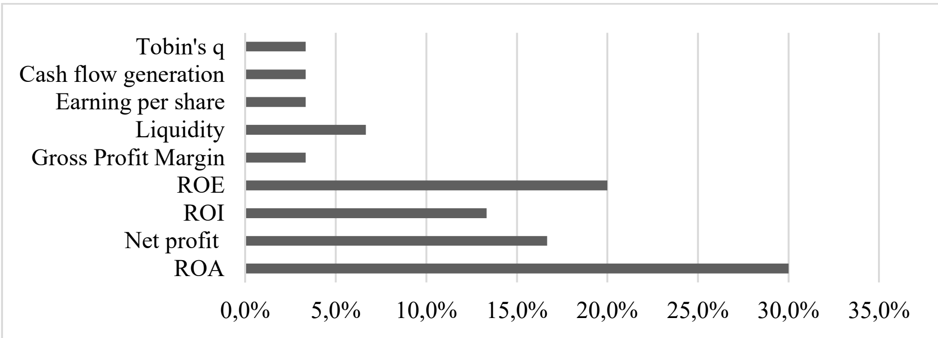


Source : Authors.

5.3.2. Financial performance Metrics

There is a large number of metrics for measuring financial performance. In this section, we have identified 13 indicators used in these studies (Fig.4). The most frequently used metrics are; ROA (30%), ROI (13,3%), ROE (20%), gross profit margin (3,3%), net profit margin (16,7%), liquidity (6,7%), cash flow generation (3,3%), EPS (3,3%) and Tobin's Q (3,3%). Since the 2000s, return on investment, return on equity, and return on assets have been the most widely used metrics to measure the impact of internal audit quality on financial performance.

Figure N°5: Financial performance metrics employed in previous studies

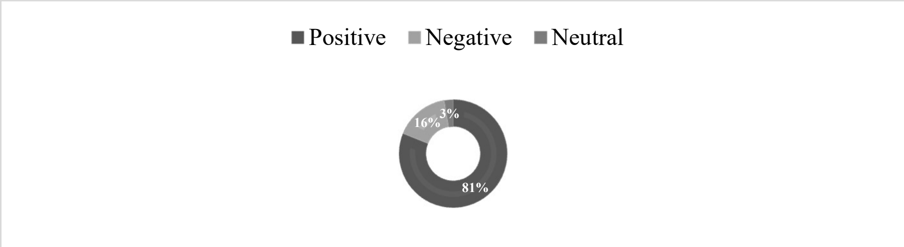


Source : Authors.

5.4. Types of connections found in previous studies (2009 – 2020)

Out of 37 relationships tested over the past twelve years, we note in Fig. 6 that in 81% of the studies, the authors found that internal audit quality positively and significantly impacts financial performance. Also, 16% of the study results stated that internal audit quality negatively influenced financial performance, and only 2% found that the relationship between internal audit quality and financial performance was neutral. The dominance of positive relationships is consistent with several works including Hutchinson & Zain (2009); Al-Matari et al. (2014); Enekwe et al. (2020).

Figure N°6: Types of connections found in previous studies



Source : Authors.

6. Guide to future researches

Based on the analysis of the selected articles, several areas of research are identified. This analysis may be relevant to both future research and practitioners, as it may provide useful information for understanding the concept of internal audit quality and its metrics, and facilitate both the appreciation of its importance in an organization and its impact on its financial performance. Our review of the literature showed that the majority of the research we selected are conducted using a quantitative approach. In general, these quantitative studies examine the impact of internal audit quality on financial performance in specific aspects through the use of specific indicators. Regarding the operationalization of internal audit quality, we find that the vast majority of previous quantitative studies only consider the quality of the auditor and ignore the quality of the internal audit work. Also, we noticed that for financial performance, the authors focused on its accounting indicators while omitting to consider its market-based indicators. However, we found only one study that adopted a qualitative approach. Qualitative studies in this area are still under-researched and there are several elements that can be explored through this approach. Qualitative studies remain essential to complement existing quantitative studies in this area by drawing on data from interviews and other related methods. Therefore, we suggest exploring how organizations can use the internal audit function to dynamically improve its financial performance by linking the quality of the internal auditor with the quality of the internal audit work. Similarly, it would also be interesting to examine how stakeholders perceive internal audit quality and how they can measure it. In this perspective, it may be particularly useful for researchers and practitioners to identify universal indicators of internal audit quality.

Conclusion

The purpose of this article is to provide a brief overview of the literature on the subject of the relationship between internal audit quality and financial performance. The motivation for this article stems from the perceived threat of relevance among the internal audit research community. For example, Lenz and Hahn (2015) noted that a reality check signals an ongoing questioning of the role and relevance of the internal audit function. Based on the discussion of the selected studies, these quantitative researches have furthered our understanding of the importance of internal audit quality and its impact on financial performance. Overall, most of the research discussed in this study reveals that internal audit quality, which is primarily measured by the competence (detection quality) and independence (disclosure quality) of the internal auditor, plays an important role in improving the financial performance of the organization. Overall, the findings of these studies are supported by the focus on performance improvement discussed by the researchers. However, in analyzing these studies, we noted some shortcomings. First, these 37 studies are generally suggested for more quantitative research on internal audit quality, largely driven by limited qualitative research to date. We found that additional qualitative research on internal audit quality is needed to strengthen its effects on financial performance. Qualitative research is needed because it will help researchers and practitioners better understand this topic. Finally, future researchers could consider a variety of methodological options other than the quantitative method, including promoting the value of qualitative methods in internal audit quality research. Also, the majority of these studies have focused on the competency and independence aspect of conceptualizing internal audit quality, whereas it would be interesting to further this research by mobilizing more indicators for this concept by opting for indicators that focus on the quality of internal audit work and other influencing factors. The main objective of this article was to try to bring together the most relevant empirical research and help highlight the importance of internal audit quality, as well as to assist and motivate further scientific research on internal audit quality and attempt to find evidence of the added value of internal auditing. Scientific research has much to contribute to better understand and improve the practice and outcomes of internal audit quality perception. In addition, our systematic review of the literature has certain limitations. We conducted a literature review in several scientific databases to select our scientific articles and doctoral theses, but this does not guarantee us a possible negligence threshold of relevant works in the studied domains. Indeed, some works could possibly contain other keywords different from those we used.

BIBLIOGRAPHIE

Adeyemi, S. B. & Fagbemi, T. O. (2010). Audit quality, corporate governance and firm characteristics in Nigeria. International journal of business and Management, 5(5).

Akande, B. M. (2019). Effect of internal audit in financial performance of commercial bank: a case study of united bank for Africa (Doctoral dissertation, University of Nigeria).

Alaswad, S. A. M., & Stanišić, M. (2016). Role of internal audit in performance of Libyan financial organizations. International Journal of Applied Research, 2(2), 352-356.
Alala, O. B., & Paul, O. (2016). Internal audit system on financial performance in public health sector in Kenya: a case study of Matungu Hospital. International journal of economics, commerce and management, 4(12).
Albkour, A.S.I. & Chaudhary, A. (2017). Effect of internal audit on organizational performance of Jordanian banks. International research journal of India, 2 (7).
Ali Alflahat, M. T. (2017). The impact of internal audit on organizational performance of selected Jordanian companies. International Journal of Multidisciplinary Research and Development, 4, 285-289.
Alzeban, A. & Gwilliams, D. (2014). Factors affecting the internal audit effectiveness: a survey of the Saudi public sector. Journal of international accounting, auditing and taxation, 23(2).
Arens, A. A., Elder, R. J. & Mark, B. (2012). Auditing and assurance services: an integrated approach. Boston: Prentice Hall.
Al-Matari, E. M., Al-Swidi, A., & Fadzil, F. H. B. (2014). The effect of the internal audit and firm performance: A proposed research framework. International Review of Management and Marketing, 4(1), 34.
Alwala, O. L., & Biraori, O. E. (2015). Internal audit independence and share performance of firms listed in the Nairobi stock exchange. International Journal of Recent Research in Interdisciplinary Sciences (IJRRIS), 2(1), 17-23.
Awdat, A. A. (2015). The impact of the internal audit function to improve the financial performance of commercial banks in Jordan. Research Journal of Finance and Accounting, 6(3), 217-225.
Beekes, W., & Brown, P. (2006). Do better-governed Australian firms make more informative disclosures? Journal of Business Finance & Accounting, 33(3-4), 422-450.
Bello, S. M., et al. (2017). Investigating the Relationship between internal audit Quality and Organizational Performance of Public Universities in Nigeria. Journal of Accounting, Auditing, and Finance Research, 5 (6), 1, 23.
Bello, S. M., Che Ahmad, A., & Mohamad Yusof, N. Z. (2018). Internal audit quality dimensions and organizational performance in Nigerian federal universities: the role of top management support. Journal of Business & Retail Management Research, 13(01), 156-170.
Bengrich, M., & El Ghadouia, M. (2020). Étude De L'influence De L'audit Interne Sur La Performance Globale Des Entreprises De La Région Souss Massa. Revue Internationale du Chercheur, 1(2), 98-116.
Bertin, E. & d'Organisation (2007). Audit interne : enjeux et pratiques à l'international. Éditions Eyrolles.
Bett, C. C. (2014). The relationship between effectiveness of internal audit function and financial performance of companies listed in Nairobi Securities Exchange (Doctoral dissertation, University of Nairobi).
Bidiasse, H. (2017). La théorie de l'agence et la concession des services publics : le cas des chemins de fer camerounais. Monde en développement, (1).
Boubakary, B. (2020). Audit Interne Et Performance Des Entreprises Publiques Et Parapubliques Au Cameroun. International Journal of Economics and Management Research, 1(2), 81-104.
Chatiwong, T., Ussahawanitichakit, P., & Janjarasjit, S. (2016). Proactive Internal Audit Strategy and Firm Performance: Empirical Evidence from Thai-Listed Firms. AU-GSB e-JOURNAL, 9(1), 3-3.

Ching, C. P., The, B. H., San, O. T. & Hoe, H. Y. (2015). The relationship among audit quality, earnings management, and financial performance of Malaysian public listed companies. International journal of economics & management, 9(1).
Chiggai, H. I. (2016). Effect of Internal Audit Practices on Organization Performance: a Case of Regulatory Bodies in Kenya (Doctoral dissertation, KCA University).
Chun, C. (2007). Functions and objectives of internal audit and their underlying conditions. Managerial auditing journal.
Cooper, B. J., Leung, P., Dellaportas, S., Ahmad, Z., & Taylor, D. (2009). Commitment to independence by internal auditors: the effects of role ambiguity and role conflict. Managerial auditing journal.
Citron, D. B. & Taffler, R. J. (1992). The audit report under going concern uncertainties: an empirical analysis. Accounting and business research, 22(88).
Dahir, A. A., & Omar, N. A. G. I. B. (2016). Effects of internal audit practice on organizational performance of remittance companies in Mogadishu-Somalia. Journal of Business Management, 2(9), 12-33.
Ed-Douadi, S. & Bakour, C. (2020). Facteurs affectant l'efficacité d'audit interne dans le secteur public : cas du secteur public Marocain. Revue du contrôle, de la comptabilité et de l'audit, 4(2).
Elewa, M. M., & El-Haddad, R. (2019). The effect of audit quality on firm performance: A panel data approach. International Journal of Accounting and Financial Reporting, 9(1), 229-244.
Ejoh, N. O., & Ejom, P. E. (2014). The effect of internal audit function on the financial performance of tertiary institutions in Nigeria. International Journal of Economics, Commerce and Management, 2(10), 1-14.
Enekwe, C., Nwoha, C., & Udeh, S. N. (2020). Effect of Audit Quality on Financial Performance of Listed Manufacturing Firms in Nigeria (2006-2016). Advance Journal of Management, Accounting and Finance, 5(1), 1-12.
Ezejiofor, R. A. & Erhirhie, F. E. (2018). Effect of audit quality on financial performance: evidence from deposit money banks in Nigeria. International journal of trend in scientific research and development, 2(6).
Farouk, M. A., & Hassan, S. U. (2014). Impact of audit quality and financial performance of quoted cement firms in Nigeria. International Journal of Accounting and Taxation, 2(2), 1-22.
Feizizadeh, A. (2012). A strengthening internal audit effectiveness. Indian journal of science and technology, 5(5).
Flint, D. (1988). Philosophy and principles of auditing. Macmillan education, London.
Hansen, D. R., & Mowen, M. M. (2005). Environmental cost management. Management accounting, 7.
Hazaea, S. A., Tabash, M. I., Khatib, S. F., Zhu, J., & Al-Kuhali, A. A. (2020). The Impact of Internal Audit Quality on Financial Performance of Yemeni Commercial Banks: An Empirical Investigation. The Journal of Asian Finance, Economics, And Business, 7(11), 867-875.
Hutchinson, M., & Mat Zain, M. (2009). Internal audit quality, audit committee independence, growth opportunities and firm performance. Corporate Ownership and Control, 7(2), 50.
Jensen, M. C. & Meckling, W. H. (1976). Theory of the firm: managerial behavior, agency costs and ownership structure. Journal of financial economics, 3(4).
Kiabel, B. D. (2012). Internal auditing and performance of government enterprises: a Nigerian study. Global Journal of Management and Business Research, 12(6).

Knapp, M. C. (1991). Factors that audit committee members use as surrogates for audit quality. Auditing, 10(1).
Kwabena, K. A. (2017). The Effects of Internal Audit Quality on Financial Performance of Firms Listed at The Nairobi Securities Exchange (Doctoral dissertation, University of Nairobi).
Lenz, R., & Hahn, U. (2015). A synthesis of empirical internal audit effectiveness literature pointing to new research opportunities. Managerial Auditing Journal.
Mahachi, G. L. (2018). Effectiveness of internal audit on organizational performance of NGOs: case study of Hivos Zimbabwe.
Mahzan, N. & Hassan, N. A. (2015). Internal audit of quality in SS environment: perceptions on critical factors effectiveness and impact on organizational performance. International journal of academic research in accounting, finance and management sciences, 5(1).
Mburunga, E. M., Walubuka, E., & Gichana, M. I. (2019). Internal Auditors' Independence and Financial Performance of Listed Banks at the Nairobi Securities Exchange. International Journal of Scientific Research and Management, 7(02).
Moizer, P. (1997). Auditor reputation: the international empirical evidence. International journal of auditing. 1(1).
Muchiri, N. W., & Jagongo, A. (2017). Internal auditing and financial performance of public institutions in Kenya: A case study of Kenya Meat Commission. African Journal of Business Management, 11(8), 168-174.
Muhammad, J. (2015). Effects of Internal Audit Function and Internal Control Systems on Financial Performance in an Institution of Higher Education in Pakistan: A Case Study of National Agriculture Education Accreditation Council (Doctoral dissertation, Al-Madinah international university).
Newman, W., & Comfort, M. (2018). Investigating the value creation of internal audit and its impact on company performance. Academy of Entrepreneurship Journal, 24(3), 1-21.
Ogbodo, O. C. (2017). The Effect of Audit Quality on Financial Performance of Nigerian Banks. NG-Journal of Social Development, 417(5443), 1-15.
Ogbodo, O. C., & Akabuogu, N. J. (2018). Effect of Audit Quality on the Financial Performance of Selected Banks in Nigeria. Journal of Trend in Scientific Research and Development, 3(1), 98-111.
Okaro, S. C., & Okafor, G. O. (2015), Cultural factors and audit quality – evidence from Nigeria. International journal of academic research in accounting, finance and management sciences, 5(2).
Ondieki, N. M. (2013). Effect of internal audit on financial performance of commercial banks in Kenya (Doctoral dissertation, University of Nairobi).
Pesqueux, Y. (2007). Gouvernance et privatisation. Presses universitaires de France.
Saud, S. (2012). Contribution of internal audit in the achievement of corporate goals, how internal audit contribute in goal achievements? A case of Sweden and Pakistan.
Sogbossi Bocco, B. (2010). Perception de la notion de performance par les dirigeants de petites entreprises en Afrique. La revue des sciences de gestion, 241(1).
Specioza, K. (2013). Internal auditing and performance of local governments in Uganda: a case of Scheema district local government (Doctoral dissertation, Bishop Stuart university).
Stewart, J. & Subramaniam, N. (2010). Internal audit independence and objectivity: emerging research opportunities. Managerial auditing journal, 25(4).
Subhi, A. M. & Stanišić, M. (2016). Role of internal audit in performance of Libyan financial organizations. International journal of applied research, 2(2).
Talab, H. R., et al. (2018). Internal audit function, ownership structure and firm performance in Iraq. Journal of Engineering and Applied Sciences, 13(8), 2098-2102.

Thumbi, J. N. (2016). The Relationship Between Internal Audit Function and Financial Performance of Mid-size Manufacturing Firms in Nairobi County, Kenya (Doctoral dissertation, University of Nairobi).
Williamson, O. E. (1985). The economic institutions of capitalism (New York, free press).
Wines, G. (2012). Auditor independence. Managerial auditing journal.
Ziaee, M. (2014). The effect of audit quality on the performance of listed companies in Tehran Stock Exchange. International Letters of Social and Humanistic Sciences, (10), 36-43.