

Problems of Internal Auditing in the Educational Sector: A Field Study at the Private university in Erbil – Iraq	العنوان:
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# **Problems of Internal Auditing in the Educational Sector**

**(A Field study at the private university in Erbil – Iraq)**

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## **ABSTRACT**

Internal auditing is an important part of internal control. The auditing function is carried out by the staffs working within the unit who are assisted by the administration to assist them in finalizing the control processes that they cannot complete themselves, The Search problem Weak scientific and practical efficiency of internal auditing, Requires study There are significant differences between the problem of scientific and practical efficiency of the internal auditor and the problem of the location in the organizational structure and independence, In the end, the researcher conducting the most important results The results of the field survey conducted by the researcher from AL-Mustansiriya University and its colleges, which provided departments and divisions for internal auditing, showed that there is a clear shortage in the number of internal auditors working in those departments and divisions and insufficient to cover audits. The number of internal auditors is not matched with the number of internal auditors required. In some colleges, auditing functions are usually conducted by a single examiner.

## **Research Methodology**

### **1- Introduction**

Internal auditing is an important part of internal control. The auditing function is carried out by the staffs working within the unit who are assisted by the administration to assist them in finalizing the control processes that they cannot complete themselves, either due to lack of time or perhaps lack of experience in various areas. Thus undertook to complete such operations to specialists in those area and despite the need for management to external auditing this does not dispense with the existence of internal audit.

### **2- Research problem:**

The internal auditing bodies represent an effective supervisory department to assist the administration in maintaining the public money. Despite the significance of the internal auditing of the individual and society, especially in the Kurdistan Region, the interest in the internal auditing has not been at the level of ambition. The failure to identify strengths and weaknesses in the internal control and auditing bodies, an open question to them is able to identify the most important problems specific to this research, which are:

- 1- Weak scientific and practical efficiency of internal auditing.
- 2- There are no domestic standards for internal auditing to suit working conditions.
- 3- Lack of interest in the usage of advanced technology in work by the internal auditor.

### **3- Research Objectives:**

A study of its importance will be provided by the internal auditing and auditing bodies at the Lebanese and French universities. The research aims to achieve the following:

- 1- Evaluation of the work of the internal auditing bodies at the Lebanese and French Universities and its affiliated colleges using the appropriate means.
- 2- Proposal for the development of a guide to local standards for internal auditing that is appropriate to the internal auditor's working conditions.

### **4- Research importance:**

The significance of the research are as follows:

- 1- Research highlights the latest and most important developments in the theoretical concepts of internal auditing.
- 2- Research contributes to the development of the theoretical aspects of internal auditing through its openness to other sciences (administrative, statistical)

### **5- Hypotheses Study:**

The study is based on the following hypotheses.

- 1- There are significant differences between the problem of scientific and practical efficiency of the internal auditor and the problem of the location in the organizational structure and independence.
- 2- There are significant differences between the problem of scientific and practical efficiency of the internal auditor and the problem of incentives granted to the internal auditor.
- 3- There are significant differences between the problem of scientific and practical efficiency of the internal auditor and the problem of communication between the internal and external auditor.

### **Literature Review:**

According to Derby, 1999, in his Presentation of some studies on internal auditing and some related problems, the role of internal auditing in applications of flexible systems is discussed meticulously.

This theoretical study reveals the concept of internal auditing like its objectives, its benefits, its purposes, reports on internal auditing and the procedures to be followed in monitoring and auditing the automated systems. The study assumes that the use of the electronic calculator by the internal auditor and the professional staff can play a key role in providing the effort. The study concludes that the use of the electronic systems has affected the issues of the operation of the accounting data and forms and the methods of control in preparing them. And its primary ways to review the use of electronic systems does not affect near or far from the goals of accounting systems or on the objectives of the auditing process or on the basic characteristics of accounting data or generally accepted accounting principles or generally accepted auditing standards.

Davis, 2008, while examining the interrelationship between the financial management structure and the internal audit function of the Ministry of Defense, the study was conducted in the United States by applying to the Department of Defense in the Marine Section and the Air Force Section iterates the relationship between the function of the auditor (external auditor) and the internal auditing function in both the Marine and Air Force departments. The study shows that these two functions are considered important control systems for limited resources in the Ministry of Defense. The study highlights the tasks undertaken by the internal auditor and the external auditor, where the internal auditor performs the preliminary examination of the operations of the organization as a whole.

The research work, Importance of satisfactory practice for internal auditors by Kalbers et.al, 1995, that was carried out at the main centers of the organizations located in the Great Lakes Region of the United States. These include 13 organizations, which include: 5 industrial companies, 3 banks, 2 public utilities, 1 insurance company, 1 real estate and 1 governmental organization. The study focused on the support of auditors by the Institute of

Internal Auditors as well as professional literature (such as bulletins and advertisements) for the purpose of adopting professional positions that facilitate the achievement of the objectives of auditors and professional organizations interested in this profession.

After presenting the research, the most important aspects of these studies can be clarified. The study contributes to the internal and external problems of internal auditing and its impact analysis. The researcher benefits from the theoretical and practical aspects of the previous studies in order to determine their direction in a way that does not generate repetition, as was their specificity through the selected research sample and the majority of previous studies that have been concerned with the internal auditing took place during the last two decades of the twentieth century.

### **The second topic: the theoretical side**

#### **1. Concept of Internal Auditing**

“Activity independent objective consultant is designed for the purpose of adding value and improving the operational processes of the organization. It helps the organization to accomplish (achieve) its objectives through the use of structured entrance to evaluate and improve the effectiveness of management in the face of risk and the imposition of censorship and the provisions of operations” Arens, Alvin, 2000, p:3.

#### **2. The Role of the Internal Auditing in the Organization**

The widening gap between the senior management level and the lower levels of the organization made it necessary to develop a series of regulatory systems to ensure proper implementation of the business. Internal auditor completes all of these activities to submit his personal report for each of these systems, there is no substitute for the role of internal audit in this regard as it helps the internal auditing department to provide protection for the assets of the unit and keep accounting records reliable and perform operations efficiently and this represents the main goals Accounting and administrative control. Boynton, William, 2001, p: 5.

#### **3. Standards of the Internal Auditing**

The independence of the internal auditing body must be maintained for the activities that it conducts its audit so that the system can perform its work freely and objectively. The provision of independence allows internal auditors to conduct a fair and impartial assessment of the activities being audited. This standard includes two main aspects:

**1.1 Location in the organizational structure:** The internal audit body is part of the unit and therefore cannot be completely independent of it. The machine must be linked to the highest level of management in the unit, in order to give it the

opportunity to communicate directly with senior management away from any pressures or interference from departments and other departments.

**1.2 Objectivity:** The internal audit system must be objective in its performance of the auditing operations, i.e., it uses full impartiality and logical in carrying out its auditing functions, and its governance in auditing cases is not affected by the opinions of others in the tasks assigned to its members from time to time and not to allow them to carry out the tasks and work of other departments or sections and verify the results of internal audit before writing the report.

**Work efficiency:**

The internal auditing staff should have the scientific competence and practical experience to perform the internal audit processes and have the knowledge and skill necessary to accomplish the tasks required from them while maintaining the good human relations with the members of the organization and it is necessary to have continuous training programs to increase efficiency and improve their level of professional care. David, Fred, 2001, p:34.

**Work area:**

The internal audit function should be extended to include audit of operations (operational audit), by examining and evaluating the adequacy and effectiveness of the accounting system and internal control procedures of the entity in order to protect the property and resources of the unit against any undesirable behavior. The efficiency of the usage of available resources must be ascertained and the internal auditing function should be tasked with the review of processes and programs in order to verify the extent to which achieved results are in line with established objectives and the extent to which programs are implemented as planned. Harcourt, 2001, p: 9.

**Audit process:**

Any planning audit should include the process, the examination and the evaluation of the information available in order to ensure that it is sufficient, appropriate and useful and serve the auditing process and then communicate the results of the auditing to the regulators through the report prepared by the internal auditor. The report will normally include the purpose, scope and results of the audit after which the implementation of the results will be monitored and the adequacy of actions taken in this regard will be monitored. Larsen, E. John, 2002, p: 87.

**Standards of Ethics Et al. Larsen, E. John:**

1. The members of the internal audit body shall act in accordance with the laws in force.
2. The members of the Internal Audit Service shall not participate in any illegal activity or perform any act that harms the internal audit function or the unit in which the Authority operates.
3. The members of the internal audit body must respect and contribute to the objectives of the unit.

4. Members of the Internal Audit Service shall not accept anything of value or service of any kind in order to influence the results of their work.
- 5 The members of the internal audit body must disclose all documented facts that have been discovered and are reported to the director of the device.
6. The members of the internal audit system must act rationally with the information they obtain when carrying out their audit duties and not use confidential information for personal gain, which is contrary to the law and the interest of the unit.

#### **Communication and Coordination between Internal and External Auditing Work:**

The efforts of both the internal auditing and the external auditor should be coordinated in order to minimize duplication of work as much as possible. The means of coordination include periodic meetings to discuss issues of mutual interest. The convening of these meetings leads to increased effectiveness of communication between them. Review and evaluate internal auditing programs and working papers must be regularized and to rely on them to the extent they find appropriate as well as the right to access their respective reports to take advantage of them in the follow-up required correction and planning for future audit work. Finally, coordination between them avoids duplication in work and reduces the costs of the audit. Enthoven, Adolf J. H, 2008, p:54.

#### **Evaluation of Internal Auditing Work from External Auditing:**

When the external auditor has a tendency to use a particular work of the internal auditing function as a basis for modifying the nature, timing and extent of the external auditor's auditing procedures, he / she must evaluate and test this work to confirm its adequacy for audit purposes by examining the internal audit worksheets to ensure that: Hughes, Johns, 2009.

1. Adequate audit scope and programs for the purposes of the external auditor.
2. The integrity of the planning of the work of the internal audit and the availability of adequate supervision of assistants and the examination and documentation of their work.

#### **Problems of internal auditing and external auditing:**

In general, the Audit Committee of the Board of Directors is the highest administrative authority responsible for the Internal Audit Department. The Audit Committee shall consist of at least three members, but not more than six members of the Board of Directors. Each members of the committee shall have two categories: independence and full knowledge of the financial matters known and included in the instructions applied by the Board of Directors, provided that at least one member is an expert in expressing the financial opinion. Hooper, James, 2012, p: 87

The committee meets at least four times a year with the authority to hold additional meetings in case of emergency. It may invite its members from the administration, auditors and others to attend meetings because they provide important information on the subject of the meeting. To implement its agendas, which are prepared and prepared for the benefit of all its members.

The Committee carries out the following responsibilities for the internal audit system Seiler, Robert E, 2004, p: 45.

1. Examine the charters, plans, activities, staff and organizational structure of the internal auditing function with the management and the Internal Audit Manager.
2. Ensure that there are no unjustified restrictions or limitations on the appointment, replacement or dismissal of the Internal Audit Manager.
3. Examine the effectiveness of the internal audit function, including compliance with internal audit standards issued by the Institute of Internal Auditors

The internal audit responsibilities should be clearly defined by the administration in the unit and the internal auditor shall have access to all records prepared by the personnel working in the unit on the subject under examination and the auditor should be free to examination and evaluation of the policies, plans, procedures and records of the unit. The purpose of the responsibility and authority granted to the internal audit bodies is the formal recognition by the senior management of the unit of the authority of this body, as confirmed by the Institute's internal auditing standards For internal auditors, Penno, Mark, 2003, p:24.

### **External problems**

1. Communications between internal and external auditors:

Communication is the basic and common element in all administrative processes and aims through the exchange of information, ideas, facts, and even emotions among individuals at different levels to influence their behavior by modifying or changing. It provides them with information and understanding both of which are necessary for the productivity and spirit involved. If the function of the administration is to implement the general policy of the state, the process of communication is the most important means of executive and it is impossible to imagine the administration of its duties without the use of communications The types of communication can be divided according to two different viewpoints, the first consideration is to consider the unit as an independent entity, the second consider it as part of a community consisting of several units, Hick, Willard, 2009, p:98.

2. Downlink:

It is considered one of the most used in the units in which data and information are transferred between individuals in the unit from the top administrative levels to the minimum administrative levels.

3. Rising communication:

Information is transferred from the minimum levels of organization up to management as a means by which staff can communicate with senior level managers in the unit and express their opinions and ideas and sense of participation and individual value within the unit. Loeb, Stephen E, 2005, p: 65.



#### 4. Horizontal communication:

It is used when communication across lines of organizational units at the same administrative level, whether formal or informal, and messages transmitted at this level relate to organizational activities, information sharing and problem solving.

Although the internal auditor performs management services, this does not preclude the presence of an external auditor. In order to be assured of the correctness of the audit, the audit should have been carried out by a separate and independent auditor who would audit the operations carried out by the unit. The external auditor is accountable to the community and to the unit that checks its work at the same time. However, what is important to clarify is that the existence of the coordination and cooperation between the internal auditor and the external auditor is important. The internal auditor shall be considered as an integral part of the external auditor or in the unit to serve and assist him. Each of the internal and external auditors shall have limits, terms of reference and experience of a particular type. In addition, the external auditor shall have the authority to audit the work of the auditor and the senior staff in the unit, Lafollette,, 2004. P: 32

### **Practical Analysis of Questionnaire Results**

Preliminary presentation and analysis of the questionnaire responses: This section includes a preliminary presentation and analysis of the results obtained from the responses of the sample members on the questionnaire distributed to them, which included several axes. After the study, data were entered into the SPSS program of the paragraphs of the questionnaire, in addition to the extraction percentage of the average weights according to the scale used that consisting of five (5) degrees of (1-5).

So that the upper limit given to the scale (5) corresponds to the answer given to (fully agree) and the minimum given to the scale (1) is proportional to the answer given to (I do not agree at all), then the standard deviation of each of the resolution paragraphs. The average mean for the total internal problems (4) divided by (80%) of the area of the scale used, i.e., the arithmetic mean here is about the weight given to answer (agree) in the scale. And the following is an analysis of the results for each area and focus of the areas and areas of the questionnaire as well T:

These three axes are the main dimensions by which the effect of the internal problems can be measured on the internal auditor. The mean averages of individuals' answers to the internal problems (3.87) (77%) of the scale used, which is close to agreement.

In reviewing the main axes of these problems, we note that the problem of the scientific and practical competence of the internal auditor is ranked first, as shown in Table (1), where the mean averages (4.11), i.e., (82%) followed by the problem of incentives granted to the internal auditor where the average The average of the

responses of the sample (3.49) and the percentage (70%) of the area of the scale used was average (4.07) and 81%.

**Table (1)**  
**The arithmetic average of internal problem axes**

the hub	SMA	percentage
The scientific and practical competence of the internal auditor	4.11	%82
Incentives granted to the internal auditor	4.07	%81
Location in organizational structure and independence	3.49	%70

Regarding the problem of the scientific and practical competence of the internal auditor, this problem included (7) paragraphs as shown in Table (2).

**Table (2)**  
**The arithmetic mean of the indicators of scientific and practical efficiency**

Paragraphs	SMA	percentage	standard deviation
1. The weakness of the scientific qualifications required by the internal audit function.	3.90	%78	3.54
2. There is a shortage of workers in the internal audit system experience	4.20	%84	4.42
3. Inadequate competence with the nature of the internal audit function	3.85	%77	3.67
4. A description of the vacant posts in the Internal Audit Service is not specified in terms of qualifications and other conditions.	4.55	%91	5.79
5. The lack of specialized technicians because the scope of work of the auditor is limited to accounting operations	4.40	%88	4.80
6. Lack of interest in holding seminars, training courses and education for workers in the internal audit system.	4.00	%80	4.36
7. There is weakness in continuing education through access to everything that is modern through magazines and specialized books.	3.85	%77	3.56

We found that the most problematic paragraphs for the auditor were the lack of tests for applicants to fill the internal auditor's job. The average of the respondents' answers was 4.55% and 91% of the area used in terms of qualifications and other conditions. The arithmetical mean of the answers for this paragraph (4.40) was 88% and there was a lack of experience of the internal auditing staff with an average of (4.20) (84%), where the mean of the responses of the sample for this paragraph (4) and by (80%) i.e., the average of the arithmetic mean here is about the weight given to the answer in the scale and then the paragraph of the internal audit system suffers from the weakness of the auditor's academic qualifications. The mean of the answers is 3.90% by 78%. The lack of interest in holding training courses for the employees of the internal auditing system came in the last two paragraphs. The average of them was (3.85) and 77%. This is due to the adequacy of certain competencies with the position occupied by the auditor, Director of Audit and has years of experience and has long sessions. Training for auditors in a variety of ways in order to develop and increase the expertise of those auditors who have specializations that do not suit their job.

In spite of the fact that the paragraph of incompatibility with the nature of the function of internal auditing at the lowest level of importance within the answers to the paragraphs of this axis but it was observed through the study of the reality of the case of members of the research sample the existence of the functions far from qualifying the employee to fill the post of auditor.

In general, this problem suffers from most of the structures and services of the state. This was confirmed by the Office of Financial Supervision in the annual report for the year 2000 in paragraph (2) of the requirements of the supervisory work as stated in the provisions of the siege imposed by the country. The management of public funds and the increase in their rates at the level of ministries, despite the importance of addressing these deviations, it was noted the weakness of the oversight and internal auditing in most ministries and public administrations and do not give them the appropriate importance in terms of specialized cadres or methods of work and its requirements. It should be noted here that the standard deviation of the importance of each of the problems described in the previous table is relatively large, indicating that there is a wide disparity in the individual views of the participants in the answer to the importance or degree of existence of these problems.

As for the second pillar, the axis of the problem of incentives granted to the internal auditor, as this axis included (9) paragraphs as shown in Table (3).

**Table (3)**  
**The arithmetic average of the indicators for incentives granted to the internal auditor**

Paragraphs	SMA	percentage	standard deviation
1. There is no interest in placing a special organizational structure of your internal audit at the university / or college.	4.65	%93	6.88
2. There is a lack of clarity in defining the responsibilities of internal audit services.	4.70	%94	7.31
3. The independence of the internal audit system incomplete independence.	3.55	%71	3.24
4. There is no clear division of labor between individuals working within the internal audit system division	3.55	%71	2.00
5. Audit a link senior management affects the independence of the internal auditor does not provide objectivity in the work.	3.60	%72	3.87
7. Because of the experience of the internal auditor, it may sometimes cost to organize some accounting work.	4.65	%93	5.87
8. There is no switch for the tasks and functions between the members of the internal audit system from period to period.	3.55	%71	2.35

Note that the paragraph that represents the most problem for the auditor within this axis is the absence of additional points to give incentives to the auditors and their equality with the rest of the citizens, where the arithmetic mean of the answers (4.70) and by (94%), that is, the arithmetic mean here about the weight given to answer (And the positive incentives help to increase and improve the work. Each of these paragraphs obtained an average of (4.65) percentage (93%),) of the measurement area used, and the rate of that measurement can be explained. Each members of the research sample has the following indicator:

The collective incentive clause was used to develop the spirit of cooperation among the working group. It achieved an average of (4.50) or (90%), while the arithmetic average of the paragraph on the internal leakage of the internal audit staff (3.90). The average of the arithmetic mean here is about to approach the weight given to the answer (agreed) in the scale. The internal auditor's performance decreases with the nature of his salary, allowances and incentives. He reached an average of (3.60) and

(72%). The salaries of each members of the research sample is measured according to the following index:

The use of the university / college method of granting moral incentives to distinguish between the efforts of working personnel and the use of the method of negative incentives is a deterrent work of the internal auditor and help the negative incentives to delay the implementation of the work required to be completed. These three paragraphs ranked last within this axis. Each of them (3.55) by (71%) of the area of the scale used, through the results of answers on this axis, we note that the incentives obtained by the internal auditors in the educational sector is not enough for them and represent a problem experienced by the internal auditing by analyzing the results of answer T, which ranged mostly between the weight given to the answer (totally agree) and (agree) or approaching it.

While the axis of the problem of location in the organizational structure and independence, came in third place for the field of internal problems, where this axis included (9) paragraphs as shown in Table (4).

Paragraphs	SMA	Percentage	standard deviation
1. The incentives obtained by the internal auditor are insufficient and not commensurate with his efforts in the work.	4.00	%80	4.18
2. There is no equity in the granting of incentives like other sections of the university / college.	3.25	%65	2.00
3. The Unit uses the method of granting moral incentives to distinguish between the efforts of the working individuals.	3.90	%78	3.74
4. The performance of the internal auditor is reduced in proportion to the nature of his salary, allowances and incentives.	3.55	%71	3.54
5. Granting negative incentives is a deterrent to the internal auditor.	3.20	%64	3.81
6. Positive incentives help to increase and improve work.	2.70	%54	2.12

It is clear that the problem that emerged within this axis is the lack of attention to the establishment of an organizational structure for the internal auditing system. The arithmetic mean is about the weight given to the answer in the scale. The arithmetic mean is (4) and 80%. The answers were based on an average of (3.95), (79%), and the

internal auditing system suffers from a lack of independence. With an average of (3.90) and (78%), followed by the paragraph that there is no change of functions and functions between Mints. The calculation of the internal auditing system was calculated from one point to the other with an average of (3.70) and a percentage of (74%). Of the area of the measurement used, while the paragraphs on the failure to put the responsibilities of the internal auditing bodies, and the impact on the independence of the auditor through the association with the senior management, and weak use of the reports of the internal auditor by the administration, obtained averages ranging from (3.25), (3.20), (3.15) and (65%), (64%), (63%), respectively. The paragraph on the relationship of the Audit Authority (54), indicating that the relationship between the internal auditing system and the other sections can be set as a cooperative relationship.

### **I. Theoretical Conclusions:**

1. Increasing interest in the concept of internal auditing and its transition from the narrow concept that focuses on internal audit exists to serve the administration only to the broader concept that it helps the organization as a whole in achieving its objectives, as evidenced by the latest definition issued by the Institute of Internal Auditors (IIA)
2. The Institute of Internal Auditors in the United States is interested in developing the theoretical concepts of internal auditing since its inception in 1941, recognizing internal auditing as a profession and despite the existence of this institute and other institutes in Western countries that deal with internal auditing. However, such interest is not available in Arab countries either through considering the establishment of an institute for internal auditors or even the recognition of internal auditing as a profession, but only the interest of some Arab researchers and some professional organizations in defining a modern concept of internal auditing, including those of the Arab Society of Certified Public Accountants.

### **II. Conclusions on the practical side:**

1. The results of the field survey conducted by the researcher from Mustansiriyah University and its colleges, which provided departments and divisions for internal auditing, showed that there is a clear shortage in the number of internal auditors working in those departments and divisions and insufficient to cover audits. The number of internal auditors is not matched with the number of internal auditors required. In some colleges, auditing functions are usually conducted by a single examiner.
2. There is a clear lack of scientific qualification for the staff of the internal audit services. The results of the field examination proved that the highest scientific qualification carried by the auditing staff is the bachelor's degree and this was limited to some audit managers in some colleges and some newly appointed to work in this field. The percentage of those who hold this qualification is 31.25%, while the highest

percentage was given to those who hold post-preparatory diploma, which amounted to 37.5%.

3. There are non-accounting specialties in the Presidency of the University and in some of its faculties, including the Diploma of Insurance, Bachelor of Mathematics, Economics and Marketing, where 25% Of the actual number of internal auditors. Such competencies are used to fill the shortfall in the number of auditors and sometimes a small number of newly hired and contract employees are hired to fill this shortfall.

4. The internal audit organs operating at the head of the university and its colleges suffer from leakage of staff with high qualifications or those who have experience and practical ability. The staff attribute this to inadequate salaries, weak incentive systems, or lack thereof for those newly recruited or working individuals. In general, we note the weakness of incentive systems granted to educational staff in relation to other sectors, which are not commensurate with current living conditions.

5. Lack of internal audit bodies to the existence of standards that are appropriate to the Iraqi environment, as well as there were no specific rules for the behavior of the internal auditor, leading to a tendency towards diligence and self - conduct by audit personnel without the existence of controls determine the tasks assigned to them, which can refer to it when needed.

The weakness of the competent professional bodies in Iraq (the Accounting Standards Board) in developing and issuing internal audit evidence, the IASB paid close attention to the external auditor by issuing its own evidence that a large part of the work of the external auditor depends on the results of the work reached by the internal auditor.

The second topic

#### **Recommendations:**

1. It is preferred to have an Arab professional organization for internal auditing, which may have the status of an institute, association or union, which is interested in organizing matters of internal auditing to improve its level for the betterment and could be the establishment of an Iraqi professional organization concerned with internal auditing, which includes all the internal auditors working in different sectors of the state, in order to organize their work, as is the case for the external auditor, or increase the effectiveness of the role of the Association of Accountants and Auditors in this area.

2. It is preferable that the departments and divisions of internal auditing at the university and its colleges be supported by sufficient numbers of auditors to suit the size of the work to be accomplished, preferably those with accounting competencies, or those who have previously worked in financial management and permanent staff, Auditors in those divisions and sections.

3. Raising the degree of scientific qualification for the employees of the internal auditing system by appointing some of the holders of high academic qualifications such as master's and doctorate in departments and divisions of internal auditing at the

university and its faculties. The lack of scientific qualification makes the auditing process a routine work. And creativity in the scope of work or methods used.

4. The outputs of the audits depend mainly on the human inputs that exercise these operations, which are supposed to be available in terms of the appropriate qualities and competencies. So it is preferable to replace some of the competencies that do not fit with the function of internal auditing at the university or its faculties accounting responsibilities and assign those competencies to work in the departments in the university or its faculties.

5. To re-examine and evaluate the incentive system currently applied in the university and its faculties, which includes the internal auditing bodies, for the purpose of developing it to achieve a balance between these incentives and the effort exerted in the work to attract employees to work in these devices, usually to work in the private sector, or sectors of the state other than the educational sector.

6. Working on the establishment of standards for internal audit of the Iraqi environment and seek to be issued by the relevant authorities, in addition to seeking to develop and issue specific rules of conduct for the internal auditor and it is necessary to be devoted part of the attention of the competent bodies (the Board of Accounting Standards) to develop and issue evidence in accordance with the standards and codes of conduct to be complied with by the internal auditor. Appendix 3 presents a proposal for the development of a manual for internal audit, including standards for internal auditing and ethical standards, which have been developed after adaptation to Iraqi environmental conditions, has the obligation to issue a binding obligation at the time of issue, through directing external control bodies to observe the auditor's compliance with them.

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