



## **An Evaluation of Objectivity and Competence of Internal Audit Departments in Sudanese Government Units**

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### **ABSTRACT**

The purpose of this study is to evaluate objectivity and competence of internal audit departments in Sudanese government units across a sample of internal auditors of government units and external auditors responsible for auditing. 101 questionnaires were completed and used for the purpose of analysis to test six hypotheses (July - August 2017). The study results revealed that internal and external auditors' perceptions of objectivity were affected by internal audit departments reporting level as the majority of internal audit departments reporting level was the manager of the unit and influences of appointing and removing internal audit directors. Regarding competence, it was found to be dissatisfactory due to rare opportunities of training in auditing and internal auditing, inexperienced staff and high turnover of internal auditors. However, the results of this paper will be of concern to government units in their attempt to improve objectivity and competence of internal audit functions.

**Keywords:** Objectivity, Competence, Government Units, Internal Auditing

**JEL Classifications:** G3, G34

### **1. INTRODUCTION**

Previously the nature of internal auditing was radically different from internal audit that existed prior to enactment of the Sarbanes Oxley Act. Formerly internal auditing was simply reporting on the integrity of the company financial reporting system. Lately, because of the financial scandals that took place in the past two decades, advocates for enhancing the quality of corporate governance championed the need effective internal controls. Internal auditing is an essential dimension of governance (Bostan and Grosu, 2010). There are certain principles that should be applied by internal auditors. They have to be independent, objective and competent regardless of the type of organization they are working in. Their professional ethics and values are presumably more important considerations that outweigh any intension to provide less internal controls.

A critical factor in internal audit function is internal audit effectiveness. Internal audit effectiveness is often highlighted when companies suffer losses because of the poor management of risk (Arena and Azzone, 2009). Internal audit effectiveness often received attention because of its predominance in corporate

governance. Internal audit functions include assessing the companies' risks and developing the necessary controls that remain relevant and ongoing throughout the whole process. Accordingly Internal auditing commentators put forward an increasing interest supporting the use of internal audit functions to assure effective corporate governance. The internal audit will operate largely if companies acknowledged the existence of internal audit functions and practically engage in assuring corporate governance. An internal auditor works behind the scenes and provide recommendations for the management to enhance corporate governance (Sterck and Bouckaert, 2006). The management in one hand must support these recommendations to attain audit effectiveness (Soh and Martinov-Bennie, 2011; Lenz and Hahn, 2015). In this way, companies will be relieved from concerns related to unprecedented risk that create a pressing need for strong safeguards.

An internal audit function's ability to provide useful audit findings and recommendations would help raise management's interest in its recommendations. The management support with resources and commitment to implement the internal audit recommendations is essential in attaining audit effectiveness. The organizational

position in which internal audit operates, i.e., the organizational status of the department, its internal organization and the policies and procedures should enable smooth audits that lead to reaching useful audit findings.

Furthermore, the level of cooperation of the internal auditing staff in government units impact on the effectiveness of audits. Therefore, internal audit effectiveness should be viewed as a dynamic process that is continuously shaped by the interactions among the two factors, objectivity and competence. It is worth noting that the role of internal auditing shifted from routine to a more effective service in which objectivity level is dependent on the independence of the internal audit departments.

## 2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The Institute of Internal Auditors (IIA, 1999a) defined internal auditing as “an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.” Later internal auditing was defined as an independent activity that add value and improve the organizations’ operations by improving control, risk management and corporate governance (IIA, 2004).

This definition signifies that internal audit has undergone a paradigm shift from an emphasis on accountability about the past to improving future outcomes to help auditees operate more effectively and efficiently (Nagy and Cenker, 2002; Stern, 1994; Goodwin, 2004; Hass et al., 2006; Mihret et al., 2010). Since the definition equally serves both the private and the public sectors (Goodwin, 2004), it is used in this study as a basis to analyses internal audit department in government units in terms of their objectivity and competence.

### 2.1. Auditors Objectivity

Internal auditor’s role is critical in assurance audits because it provides objective. This assurance function of internal audit has always been perceived of as an independent and continuing evaluation of the internal control system, providing appropriate assurance that the systems were adequate, effective, and could be relied upon. An internal auditor should perform his/her duties with an impartial, unbiased attitude and without conflict of interest (IIA, 2012, Section, 1120).

Objectivity is a very important attribute that internal auditors should work for. It is considered as the key element of the effectiveness of the internal audit function. Internal Auditing Standards and studies stressed the importance of both, the organizational independence of the internal audit function and the individual objectivity of internal auditors (Harrell et al., 1989; Bazerman et al., 1997; Goodwin and Yeo, 2001).

Internal auditor’s objectivity is a crucial for internal audit

effectiveness. Internal auditors are required display their objectivity in a way that assures the performance of their duties in an impartial attitude (IIA, 2012; IFAC, 2009). On the other hand previous studies focused on internal auditors objectivity and the effectiveness of internal control (Schneider, 2003; Stewart and Subramaniam, 2010; Endaya and Hanefah, 2013). The quality of an internal audit function in an enterprise is judged effective communication of its internal control system.

Equally important for an effective internal control system is the extent to which an internal auditors is exercising due care. Internal auditors are required to attend continuous professional development programs. They are required to be competent and proficient (IFAC, 2009; Schneider, 2003).

Archival research showed that there is a shift or changing paradigm in the internal audit functions. The existence of an internal audit function is an added-value to all organizations. An internal auditor role now is basically prevention rather detection. Internal auditors functions strengthen corporate governance by putting special emphasis on compliance (Allegrini et al., 2006). Internal auditors need to abide with the international standards of professional practice of internal auditing.

The financial scandals and consequent establishment of Sarbanes Oxley Act helped in changing the role of internal audit functions to strengthening corporate governance (Mihret et al., 2010). The quality of internal audit function is measured by the degree of compliance with international standards. The capacity at which an internal auditor performs indicates the effectiveness of the internal audit system. An internal auditors must apply effective controls to assure meeting the enterprise objective (Leng and Zhang, 2014). This called for the existence of committed internal auditors in companies (Arena and Azzone, 2006; (Bostan and Grosu, 2010) that assures meeting the organizational objective by managing the risks (Spira and Page, 2003).

A strong internal control system is established by the board of directors and management to assure compliance with the polices and, regulations and internal rules (Badawi et al., 2003). Internal auditors assess risk, determine the company’s internal control strengths and weakness and apply the necessary controls to mitigate the risk (De Smet and Mention, 2010). Besides an internal control function allows companies to assess and manage their risk exposure (Leithhead, 1999) and enhances the organization ability in risk management (Walker et al., 2003). Lopez et al. (2003) argued that the management team’s support is fundamental and that the director of internal auditing should have direct access and freedom to report to every manager including the executive director, the top director and the audit committee. They study further explained that the organizational status of the internal audit department should be sufficient to permit the accomplishment of its audit responsibilities.

Archival research deemed the senior management support necessary for internal audit effectiveness (Sarens and Beelde, 2006; and Lenz and Hahn, 2015). Managerial Support for internal audit assures the implementation of internal auditors recommendations

(Arena and Azzone, 2009) and contribute to effective internal audit (Soh and Martinov-Bennie, 2011). By the same token, other studies focused internal audit quality and stipulated that internal audit quality and effectiveness are influenced by management support (Mihret and Yismaw, 2007; Al-Twaijry et al., 2003). The extent to which internal auditing is effective allows an external auditor to rely on the work of the internal auditor. External auditors will coordinate with internal auditors, this will allow an external auditor to reduce his/her audit sample size (Endaya, 2014) and reduce the audit firm cost and time of audit (Zain et al., 2015). A study indicate that lack of support from the management hampers the provision of effective internal audit functions (Halimah et al., 2009).

Furthermore, the reporting level of the department is one of the critical issues of organizational independence. A number of previous studies have investigated the reporting level of the internal audit department, for example, Clark et al. (1981) found that, the independence of the internal audit department and the level of authority were the two most important criteria influencing the objectivity of their work. Abdel-Khalil et al. (1983) found that the level to which the directors of internal audit departments report is a significant determinant of the external auditors' evaluation of the internal audit department independence.

Moreover, the appointment and removal of internal audit directors may affect their independence. One of the main indicators for the objectivity of the internal audit departments is the process used for the appointment and removal of directors of internal audit departments. Studies suggested that involvement of board of directors and audit committees in appointing and removing internal audit directors will enhance the objectivity of internal audit directors (Read and Rama, 2003; Joseph and Raghunandan, 1994; Raghunandan et al., 1998).

## 2.2. Auditors Competence

Mutchler (2001) explained that auditors should be competent, have integrity, and to use due care when performing their audits. Furthermore, training and education provide the foundation for the objectivity needed for auditor competence.

Regarding professional competence, the standard (SAS 65) encourages the auditors to obtain and update prior information about the internal auditors. The SAS explained that the internal auditors' experience and education level are important elements of evaluating competence. Internal auditors, as specialists in the area of internal controls, are playing an important role in maintaining and monitoring the internal control system. Therefore it is suggested that existence of qualified professional internal auditors will strengthen the internal audit function (Felts, 1994). A later study showed that the functions of internal auditors changed dramatically from a financial oriented role to a more internal control and risk assessment the past decades (Barry et al., 2006).

However, many programs were designed in many countries to improve the quality of internal audit professionals. One of these programs is the certified internal auditor (CIA) in the USA and UK. In addition, audit polices, programs and procedures, auditor assignments practices, supervision and review activities, quality

of documentation and reporting are corner stone of efficient professional competence of internal audit department (Agrawal and Siegel, 1989; Myers and Gramling, 1997).

Furthermore, there should be an internal audit charter that provides the internal audit director with the authority to carry out the department's mission. Moreover, this charter should be written and reviewed periodically by the internal audit department. For the credibility of the charter, it should be approved by the top management and authorized by the board of directors and its audit committee (Burnaby, et al., 1994 and Peursem, 2004).

Archival studies showed that there is negative relationship between the external the quality of audit and audit fees and extent of competency of the internal auditors (Prawitt et al., 2011; 2012). By the same token, other studies stipulated that internal control weakness are minimized with internal auditors certification and education (Pizzini et al., 2014; Lin et al., 2011).

The main objectives of this study is compare the views of internal and external auditors regarding two issues; objectivity and competence of internal audit departments in government units. The reporting level of the department is one of the critical issues of organizational independence. A number of previous studies have investigated the reporting level of the internal audit department and found that the independence of the internal audit department and the level of authority were the two most important criteria influencing the objectivity of their work (Clark et al., 1981). Abdel-Khalil et al (1983) found that the level to which the directors of internal audit departments report is a significant determinant of the external auditors' evaluation of the internal audit department independence.

The main aim of this study is to evaluate objectivity and competence of internal audit departments in Sudanese government units. To achieve this objective, the research uses the exploratory research methods of research questionnaires to obtain information to address the following research objectives:

1. To test the views of participants (internal and external auditors) regarding:
  - a. Objectivity of internal audit departments at Sudanese government units.
  - b. Competence of internal audit departments at Sudanese government units.
2. To examine the role of demographic variables (gender and educational level) in relation to their evaluations of:
  - a. Objectivity of internal audit departments at Sudanese government units.
  - b. Competence of internal audit departments at Sudanese government units.

To accomplish the above objectives, the following 6 hypotheses will be tested:

- H<sub>1</sub>: There is significant difference between male and female auditors in their evaluation of objectivity of internal audit departments in government units.
- H<sub>2</sub>: There is significant difference between male and female auditors in their evaluation of competence of internal audit departments in government units.
- H<sub>3</sub>: There is a significant difference between the perceptions of

internal and external auditors when evaluating objectivity of internal audit department in Sudanese government units.

- H<sub>4</sub>: There is a significant difference between the perceptions of internal and external auditors when evaluating competence of internal audit department in Sudanese government units.
- H<sub>5</sub>: There are differences in mean levels of internal audit departments objectivity when factored by educational level.
- H<sub>6</sub>: There are differences in mean levels of internal audit department competence when factored by auditors' educational levels.

### 3. RESEARCH METHOD

For the purpose of this study, a self-administered questionnaire was developed and used for data collection in evaluating objectivity and competence of internal auditors practicing in government units and external auditors responsible for governments unit's audits. Questionnaires were distributed in-person to 100 internal auditors and 50 external auditor, and only 101 questionnaires were received.

The questionnaire was divided into two sections; the first section collected information related to gender and education of the sample members while the second section was designed to test objectivity and competence of internal auditors and external auditors. A Likert-type scale was employed in this study. Three experts specializing in auditing were consulted to pre-test the questionnaire. The process of data collection lasted 8 weeks in June through August 2016 and feedback was received form 94 internal auditors working in government units and 49 external auditors practicing in national audit chamber. The data collected was analysed using the SPSS computer program to test the appropriateness of these scales to measure the study variables. The tests used in this study were t-test and analysis of variance (ANOVA) with a level of significance of P = 0.005.

### 4. RESULTS AND DISCUSSION

The following tables represent the sample:

Tables 1 and 2 show that the respondents include 74 men and 27 women of which only 3% have accounting professional certification. Almost 11% hold masters and doctorate degree in accounting. Almost 66% of the sample hold first university degree and 10% are high school graduates.

Table 3 shows the results of means for objectivity variables. Objectivity variables in this study include 13 items. The result of overall mean (2.682) indicated that internal auditors in government units and external auditors responsible for units' audits were between neutral and dissatisfied for objectivity variables for internal audit departments of government units especially with the Statements No (6,7 and 8).

Table 4, shows the results of means for competence variables. Competence variables in this study include 14 items. The result of overall mean (2.521) revealed that the internal auditors in government units and external auditors responsible for unit's audits were between neutral and dissatisfied for competence variables for internal audit

**Table 1: Gender and educational level**

Gender auditor	Male (%)	Female (%)
Internal auditors	52 (70.3)	18 (66.7)
External auditors	22 (29.7)	9 (33.3)
Total	74 (100.00)	27 (100.00)

**Table 2: Percentage distribution of auditors by education**

Auditor education	Internal (%)	External (%)	Total (%)
High School	10 (14.3)	0 (0.0)	10 (9.9)
First university degree	46 (65.7)	21 (67.7)	67 (66.3)
High diploma	8 (11.4)	2 (6.5)	10 (9.9)
Masters or PhD	6 (8.6)	5 (16.1)	11 (10.9)
Accounting professional certificate	0 (0.0)	3 (9.7)	3 (3)
Total	70 (67.8)	31 (32.2)	101 (100.0)

departments. It seems that the respondents have some concerns about the competence of internal audit departments. Statements No (4, 5, 6) - concerned with the educational qualifications of internal auditors - reported the lowest means in the scale.

#### 4.1. Auditor's Gender/Auditor's Occupation and Their Evaluation of Objectivity, Competence of Internal Audit Departments

##### Gender hypotheses testing

To examine gender hypotheses, t-test was used. The researchers used the following equation to calculate if there is a significant difference or not between the two groups (male, female) based on the respondents' answers on all scales conflated. As the population of the study is more than 120 (109 males and 34 females auditors), the result of this equation was compared with the critical t value (1.645), which represents the critical value for populations more than 120 individuals (n>120) in the Table Points of the t distribution with 0.95 level of confidence (5% significance).

##### Gender equation

$$\frac{*\bar{x}_{\text{Males}} - \bar{x}_{\text{Females}}}{\frac{S^2}{\sqrt{n}}}$$

- $\bar{x}$  Males represents the overall mean for males in each scale (objectivity and competence).
- $\bar{x}$  Females represent the overall mean for females in each scale.
- S<sup>2</sup> represents the sample variance.
- $\sqrt{n}$  stands for the Square Root of the number of males or females\*the number of the questions in each scale.

#### 4.2. Auditors' Gender and Evaluation of Objectivity

H1: There is a significant difference between male and female auditors in their evaluation of objectivity of internal audit departments in government units.

$$t = \frac{2.948 - 2.698}{1.77 / \sqrt{1859}} = 6.0898$$

Result: t=6.0898.

**Table 3: Means of objectivity variables of internal audit departments**

The statement	Mean score
1 - I think the organisational status of the internal audit department is adequate for the fulfilment of its goals	3.483
2 - I believe, sometimes, the internal auditing staff faces interference by the officials while they conduct their work	3.049
3 - I believe the internal auditing staff is allowed to review all transactions in the unit	3.728
4 - Officials and senior staff enhance the objectivity of internal auditors	2.238
5 - Conflict of interest is rarely present in the work of internal auditors	3.056
6 - The internal audit department is under the authority of executive management	1.720
7 - Ministers and senior management approve the appointment of internal audit department directors	1.986
8 - Ministers and senior management approve the removal of internal audit department directors	1.944
9 - The internal auditors report to the managing directors between 3 to 6 times a year	2.539
10 - The internal audit department is ranked at the same level as the managing director of the unit	2.385
11 - The internal audit department is directly reports to the managing directors (audit committee if applicable)	2.391
12 - In general, internal audit staff has access to all information considered pertinent	2.391
13 - In general, internal audit staff has free access to all employees in the unit	3.958
Overall mean	2.682

**Table 4: Means of competence variables of internal audit departments**

The statement	Mean score
1 - I think the internal audit staff possess the knowledge needed to carry out their responsibilities	3.601
2 - In my opinion, the internal audit staff possess the skills needed to carry out their responsibilities	3.483
3 - The government unit encourages the internal audit staff to continually develop	2.769
4 - Some of the internal auditing staff in the unit have obtained a professional certification in auditing	1.502
5 - Some internal auditing staff in the unit are CIAs	1.191
6 - In my opinion the government unit only appoints internal auditors with accounting or auditing qualifications as internal auditors	1.221
7 - I think internal audit department staff are not subject to regular indoor training in auditing	2.546
8 - I feel not all of the internal auditing staff in the government unit have experience in the audit profession	2.112
9 - I believe all of internal audit department staff in the government unit have experience in internal auditing	2.223
10 - I am able to say internal auditors maintain satisfactory relationships with other employees in the unit under auditing	3.832
11 - Senior management enhancing the competence of internal audit departments	2.334
12 - I am able to say the internal audit staff has the necessary professional competence	3.111
13 - The government units only appoints experienced internal auditors	2.206
14 - Allocating employees from other departments to work as internal auditors will affect the professional competence of internal auditors	3.147
Overall mean	2.521

CIA: Certified internal auditors

The value of t (6.0898) is more than the critical t=(1.645). This result indicated that there is statistically a significant difference between the two groups ( $P < 0.05$ ). Therefore, it can be concluded that there is a significant difference between the views of males and females regarding the issue of objectivity of internal audit departments in government units ( $P < 0.05$ ). Accordingly hypothesis H1 that states. There is significant difference between male and female auditors in their evaluation of objectivity of internal audit departments in government units can be accepted.

#### 4.3. Auditors' Gender and Evaluation of Competence

H2: There is a significant difference between male and female auditors in their evaluation of competence of internal audit departments in government units.

#### 4.4. Auditors' Gender and Evaluation of Competence Equation

$$t = \frac{2.755 - 2.582}{1.40 / \sqrt{2002}} = 5.529$$

Result:  $t=5.529$ .

As can be seen from the result of the equation t value is (5.529) is more than critical t=(1.645). This result revealed that there is statistically significant difference between males and females regarding competence of internal audit departments ( $P < 0.05$ ). Accordingly hypothesis H2 which states that there is significant difference between male and female auditors in their evaluation of competence of internal audit departments in government units can be accepted.

Figure 2: Auditors' occupation equation

$$t = \frac{\bar{x}_{\text{Internal auditors}} - \bar{x}_{\text{External auditors}}}{S^2 / \sqrt{n}}$$

- $\bar{x}$  Internal auditors: represents the overall mean for internal auditors in each scale (objectivity and competence).
- $\bar{x}$  External auditors: represents the overall mean for external auditors in each scale.
- $S^2$  represents the sample variance.
- $\sqrt{n}$ : Stands for the square root of the number of internal or external auditors\*the number of the questions in each scale.

#### 4.5. Auditors' Occupation and Evaluation of Objectivity

H3: There is a significant difference between internal and external auditors in their evaluation of objectivity of internal audit departments in government units.

#### 4.6. Auditors' Occupation and Evaluation of Objectivity Equation

$$t = \frac{2.682 - 2.499}{1.84 / \sqrt{1859}} = 4.288$$

Result:  $t=4.288$ .

To test this hypothesis, t-test was used. As can be seen from the result of the equation the value of t (4.288) is higher than the critical value (1.645). Based on this result, it can be argued that there is statistically a significant difference between the two groups, thus the null hypothesis is rejected. The result thus indicates that the occupation variable can explain variance in their evaluation of objectivity of internal audit departments in government units. In other words, there is a significant difference between the views of internal and external auditors regarding the issue of objectivity ( $P < 0.05$ ). Accordingly hypothesis H3 which states that there are differences in mean levels of objectivity when factored by educational level can be accepted.

#### 4.7. Auditors' Occupation and Evaluation of Competence

H4: There is a significant difference between internal and external auditors in their evaluation of competence of internal audit departments in government units.

#### 4.8. Auditors' occupation and evaluation of competence equation

$$t = \frac{2.470 - 2.359}{1.46 / \sqrt{1358}} = 2.801$$

Result:  $t=2.801$ .

The t value of 2.801 is significant when compared with the critical value (1.645). Thus the null hypothesis is not supported.

This result revealed that the auditors' educational level could significantly affect the evaluation of competence of internal audit departments ( $P < 0.05$ ). Accordingly hypothesis H4 can be accepted.

#### 4.9. A Educational Level and Evaluation of Objectivity

H5: At least one of the mean levels of objectivity is different when factored by educational level.

#### 4.10. Educational Level and Evaluation of Objectivity of Internal Audit Departments

One-way ANOVA is used to examine this hypothesis. The result of this test is presented in Table (5). Looking at the 13 variables in objectivity table, it can be noticed that only two variables (2 and 10) have significant differences, while 11 variables indicated non-significance. Hence, there is no significant difference across the perceptions of the respondents for the objectivity of internal audit departments. Therefore, the null hypothesis is supported ( $P > 0.05$ ), there are no significant differences between objectivity of internal audit departments in Sudanese government units factored by auditors' educational levels.

#### 4.11. Educational Level and Evaluation of Competence

H6: At least one of mean levels of internal audit department competence is different when factored by auditors' educational levels.

#### 4.12. Hypotheses Testing

Educational level and evaluation of competence of internal audit departments

Table 6 one-way ANOVA showed that only 3 variables have significant values (8, 12 and 14) and 11 variables have no significant values. Based on this finding, it can be suggested that the educational level of both internal and external auditors has no effect in their evaluation of competence of internal audit departments in government units. In other words, the null hypothesis is substantiated ( $P > 0.05$ ) there are no significant differences between competence of internal audit departments factored by auditors' educational levels in government units.

**Table 5: Results of one-way ANOVA evaluation of objectivity factored by educational level**

No	Variable	F value	Sig.	Hypothesis supported
1	Organisational status of internal audit department	1.698	0.154	HO
2	Management interference in internal auditing work	3.531	0.009	HA
3	Freedom to review any area in the government unit	2.297	0.062	HO
4	Officials and senior staff enhance the objectivity of internal auditors	1.256	0.290	HO
5	Conflict of interest is rarely present in the work of internal auditors	2.345	0.058	HO
6	The internal audit department is under the authority of executive management	0.477	0.752	HO
7	Ministers and senior management approve the appointment of internal audit department directors	1.381	0.244	HO
8	Ministers and senior management approve the removal of internal audit department directors	2.266	0.065	HO
9	The internal auditors report to the managing directors between 3 and 6 times a year	2.164	0.076	HO
10	Position of internal audit department in the organisational structure	4.498	0.002	HA
11	The internal audit department is directly reports to the managing directors (audit committee if applicable)	0.428	0.789	HO
12	Free access to information	0.811	0.520	HO
13	Free access to employees	0.787	0.536	HO

**Table 6: Results of one-way ANOVA evaluation of competence factored by educational level**

No	Variable	F value	Sig.	Hypothesis supported
1	Knowledge to carry out responsibilities	1.082	0.368	HO
2	Skills to carry out responsibilities	2.185	0.074	HO
3	Management encouraging internal audit staff to continually develop	0.732	0.571	HO
4	Internal audit staff holding professional certificate in auditing	0.105	0.981	HO
5	Availability of internal auditors with certificate in internal auditing	1.862	0.121	HO
6	Appointing internal auditors with accounting and auditing qualifications	0.703	0.591	HO
7	Internal auditors training	0.332	0.856	HO
8	Experience in auditing profession	3.270	0.013	HA
9	Experience in internal auditing	1.421	0.230	HO
10	Staff professional competence	0.717	0.581	HO
11	Internal audit staff relations with other employees	1.902	0.113	HO
12	Board of directors manage the competence of internal auditors	4.899	0.001	HA
13	Appointment of experienced internal auditors	0.206	0.935	HO
14	Allocating employees from other departments to internal audit department	4.036	0.004	HA

## 5. CONCLUSION

In this study, we examine the association between the auditor's occupation (internal/external), educational level and gender on the competence and objectivity of internal audit departments in Sudan's government units.

This paper has used research questionnaires to examine the quality of internal audit departments in government units. In general, auditor's occupation and gender for both competence and objectivity, results showed difference in their evaluations. For education level, results revealed no significant differences. Regarding objectivity (independence) of internal auditors, the results revealed that the reporting level of internal audit departments was found to a significant determinant of objectivity, and that the higher reporting level, the higher objectivity. Furthermore, the process of appointing and removing the director of internal auditing was heavily affecting the independence of their departments that the involvement of unit's directors was very clear.

Internal and external auditors considered the competence of internal audit departments as the weak factor. Lack of training, inexperienced staff and quick turnover of internal audit personnel were the main problems affecting the competence of internal audit departments.

One of the limitations of this study that internal auditors in government units and external auditors responsible for units' audits were selected for the study; however, it seems that other groups interacting with internal and external auditors can contribute to this issue such as key staff at government units. Hence, the results of the data could not be generalized beyond these two groups.

Further research is necessary to verify the results of this paper by replicating the research with other sectors in Sudan and other emerging economies.

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