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## Evaluating Internal Audit Quality (Evidence From Iraq)

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**Abstract:** *This research paper aims to evaluate the quality level of internal auditing in the banking sector in Iraq, using a set of data obtained by the researcher by submitting the checklist for the period (2023-2024), which contains four axes related to attribute standards and seven axes related to performance standards to the sample banks. The research, and based on the answers of those banks, the researcher used the Excel program to sort the data to conduct statistical analysis on it. The results revealed by these statistical analyzes were reached regarding the level of application of professional practice standards for the internal audit function in the Iraqi banking sector. The percentage of application of attribute standards indicated (90 %) with an average of (4.5%) as a very high percentage of application. As for the performance standards, it achieved a percentage of (88%) with an average of (4.4%) also as a good percentage in application. These percentages explain that the application of standards in the banking sectors improves the quality of internal auditing, which reflects positively. At the level of banking services provided to customers, these results constitute an incentive to measure further research, analysis, and factors that helped improve the quality of internal auditing.*

**Keyword :** *Evaluation, Internal Audit Quality, banking,*

### 1. INTRODUCTION:

Due to the great development in the economic field and the expansion of economic units and the increase in their business activities, this expansion has had both a positive and negative impact. The first aspect is represented by an increase in market share and profits, while the second aspect results from the lack of control over information and ensuring its credibility, so the consideration has become to rational management to get out of this impasse that is occurring. In it, through the processes of planning, organizing, implementing and monitoring, all of these processes help in making the right decisions for the optimal use of resources. This is why internal audit processes were created that help management in confronting the problems and challenges it faces. Therefore, the internal audit process is considered a regular process to obtain evidence and clues related to the elements that indicate events. economic development, evaluate it objectively, and make sure to keep pace with these standards In accordance with the professional standards for practicing the internal audit profession and reviewing the operations and financial events during the period and ensuring the validity of the financial statements of the economic unit and the extent of compliance with generally accepted accounting principles. From this standpoint, we refer to the research problem and its formulation: **Does internal audit enjoy a high level of quality in the Iraqi banks that are the research sample?**

The research aims to explain the importance of internal audit in banking units for a sample of banks listed on the Iraqi Stock Exchange, in addition to explaining the strengths and weaknesses of individuals in internal audit departments and proposing methods to improve the quality and efficiency of internal audit work.

The importance of internal auditing is the necessary level of quality and the skills required to perform audit operations in an optimal manner, as it has a significant impact and ensures the integrity of financial and administrative operations in the banking sectors, as well as increasing confidence in the outcomes of audit work and reducing manipulation, fraud, and cases of errors and intentional and unintentional violations, and addressing them before their occurrence and the preservation of the exploitation of resources from waste and loss in an efficient and effective manner. Previous studies have indicated the importance of internal auditing, including (Abdal Majeed) study on the impact of internal auditing in improving the quality control process. This study aimed to know the dimensions of internal auditing represented by (independence of the auditor, auditing standards, auditing functions, auditing objectives) and it reached This study indicates that there is a high level of application of internal auditing in Syrian and Gulf banks with independence, taking into account the application of internal auditing standards and the application of all internal auditing functions. We also note that internal auditing contributes to improving the quality control process in Syrian and Gulf banks. The results indicated a positive impact on Average dimensions of internal auditing (Abdul Majeed, 2022: 66).

While the study (Zaidan, Neamah. 2022:69) clarified the impact of the quality of internal audit in improving the operational efficiency of companies, the study concluded that there is a positive relationship between academic qualification and the professional competence of the internal audit department, as the competence and independence of internal audit are two important elements on which audit quality is based. Internal audit, as the results of this study showed that there is great consistency in the operational efficiency and the amount of qualification for internal audit members, and what this study indicated is the need to pay attention to internal audit management in the banking and industrial sectors, which causes the country's economic revival.

As for the study (Saputra, Yusuf), it explains the role of internal audit in corporate governance and its contribution to determining external auditors' fees. The study aimed to determine the internal audit function in good corporate governance and to know the contribution of the internal audit function in implementing external audit and determining auditors' fees. The study concluded with The internal audit function has a very important role

in corporate governance. A high-quality internal audit function can affect the effectiveness and efficiency of implementing external audit operations and can affect the determination of external auditors' fees (Saputra, Yusuf. 2019:2).

While the study (Abidin, 2021:2) touched on the quality of internal audit and disclosure of risk management and internal control, as disclosure and transparency are essential elements for making rational decisions in a timely manner, as the evidence used was data extracted from the annual reports of (200) companies. Listed in (2007), the results indicated that the high quality of internal audit significantly and positively enhances more disclosure of risk management and internal control. By analyzing other characteristics such as company size, company liquidity, and size of the audit firm, I found that these characteristics were not significantly related to disclosure of risk management and internal control, while this study provides empirical evidence on the possibility of the quality of internal audit in facilitating the oversight tasks of the audit committee and the board. Management regarding further disclosure of risk management and internal control. Based on the research problem, its importance, and previous studies, the main hypothesis of the research can be formulated as follows:

- **(Internal auditing has a high level of quality in the Iraqi banks in the research sample)** and the following sub-hypotheses branch out from it:

**H0: Internal auditing does not have a high level of quality in the Iraqi banks in the research sample.**

**H1: Internal audit has a high level of quality in the Iraqi banks in the research sample.** The aim of this research is to demonstrate the extent of the impact of the quality of internal auditing in the banking sectors and the methods of measurement and evaluation. After that, we discuss in the following sections the review of previous studies and the development of hypotheses for testing. The theoretical framework for internal audit quality is discussed.

## **2. THEORETICAL FRAMEWORK**

### **The concept of internal audit quality:**

The interest of senior management in implementing its plans and policies with high quality in the economic unit and demonstrating knowledge of the efficiency of operations from the performance of employees through achieving products that meet the needs, desires and expectations of customers, achieving customer satisfaction and trying to manage the economic unit to avoid errors in production processes as a result of damage and defective ones, and this leads to an increase in Production costs, which leads to an increase in the price of the product

and thus affects customers and a decline in the quality of production. Therefore, the need has emerged for the internal audit process that leads to improving the quality of the product by enabling senior management to ensure the implementation of its policies and plans efficiently and effectively (Musa, 2022: 124).

Arens and others believe that auditing is a process of collecting and evaluating evidence and information to determine the degree of conformity between the information and established standards and reporting it, and this process is carried out by an independent, neutral professional person (Arens.et.at, 2017:4).

As for the development of the concept of internal audit, it came as a result of economic developments, and it is no longer just a means of preserving assets from manipulation and embezzlement and ensuring the validity of financial transactions. Rather, the internal audit function is an essential function of the economic unit to ensure that its goals are achieved and that its tasks are performed better in order to avoid shortcomings through Applying the standards issued by the Institute of Internal Auditors (IIA), and as indicated in Standard -1100-, the internal audit activity must be independent, internal auditors must be objective (integrity), and audit managers must communicate with the administrative level impartially while performing their work. Internal audit is an important function. It is key within the economic unit because it is an independent and objective activity that provides assurance and consulting services to add value to the economic unit, improve its operations, and achieve its goals (Louwers, 2015: 116).

As( Al-Taie) sees, internal auditing is an entity or department in the organizational structure of the economic units. This department consists of a group of qualified auditors who possess scientific and practical experience in the accounting field and other fields. Their goal is to provide assurance about the performance of operations in the economic units in an objective and independent manner to achieve Its objectives and provide advice for making rational decisions (Al-Taie, 2019: 494).

The French Institute for Internal Control (IFACI) defined it as an objective, independent activity that gives confirmation to the economic unit about the extent of its control over its operations, provides advice to improve them, contributes to creating added value, and also helps the company's management achieve its goals through an organized, systematic approach to risk management processes and submitting suggestions to enhance their effectiveness( Moumni , Youssef. 2019:16).

(Ajila & Zaqeeb) see it as the extent of its conformity with customer requirements, as the management of the economic units seeks to monitor the performance of their work and daily

activities for the purpose of reaching the highest levels of quality. This is done by reducing errors and detecting deviations in a way that leads to meeting the needs of the management of the economic unit (Ajila & Zaqeeb, 2017: 67 ).

### **Objectives of internal audit**

The internal audit process aims to ensure the transparency and effectiveness of business within the economic units, evaluate the review of performance and activities, verify financing and risk operations, and the extent of compliance with the policies and procedures followed within the economic unit through what internal auditors seek to achieve the following goals (Kwabena, 2017: 116).

- 1- Increasing the value of the economic unit by having professional internal auditors to perform their duties, in addition to applying internal auditing standards. This will directly or indirectly affect the market value of the economic unit.
- 2- Commitment to the policies, procedures, and plans established in order to achieve the goals of the economic unit, and making governance and management a basic pillar for searching for risks that threaten the goals of the economic unit.
- 3- Continuous improvement of the operations of the economic unit and is not limited only to financial and accounting operations, but rather contributes to the continuous improvement of all operations of the economic unit.
- 4- Supervising the various operations and activities of the economic unit and submitting reports on the results to the management of the economic unit.
- 5- Assisting senior management because internal audit is considered an objective and advisory activity that provides advice in addition to its role in providing services to the economic unit.
- 6- Verifying the extent of employees' commitment to the economic unit's management policies, in addition to protecting its assets and preventing cases of errors, fraud and manipulation.

### **Internal audit standards**

Internal auditing standards contribute significantly to increasing the efficiency and effectiveness of auditing. Commitment to international standards of professional practices is one of the main conditions that contribute to adding value to internal auditing. These standards have been documented by the Institute of Internal Auditors, which is the international organization that monitors standards, continuing education, and general codes of conduct for internal auditors. As a profession. The Institute of Internal Auditors also sponsors research and development of practices and procedures designed to enhance the work of internal auditors

wherever they work. The current auditing standards that are applied by those who also provide other services are related to risk management and corporate governance other than financial reports. In addition, these standards require internal auditors to carry out their responsibilities assigned to them in accordance with the ethics of the auditing profession. (Ziniyel, 2018: 42).

The International Standards for the Professional Practices of Internal Auditing issued by the Institute of Internal Auditors consist of two groups:

- 1- **Attribute standards .**
- 2- **Performance standards.**

The two basic groups of standards for the professional practice of internal auditing are divided into several sections, as shown in the table below:

**Table No. (1) Internal audit standards**

<b>1- Attribute Standards:</b>	<b>1000 -Purpose, Authority and Responsibility</b>
	<b>1100- Independence and Objectivity</b>
	<b>1200- Proficiency and Due Professional Car</b>
	<b>1300- Quality Assurance and Improvement Program</b>
<b>2-Performance Standards:</b>	<b>2000- Managing the Internal Audit Activity</b>
	<b>2100- Nature of Work</b>
	<b>2200- Engagement Planning</b>
	<b>2300- Performing the Engagement</b>
	<b>2400- Communicating Results</b>
	<b>2500- Monitoring Progress</b>
	<b>2600- Communicating the Acceptance of Risks</b>

**Reference:** Prepared by the researcher based on the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA).

### **Problems or obstacles associated with the internal audit process**

There are many problems and obstacles faced by the internal audit process, which leads to a decrease in the quality of internal audit and a reduction in the effectiveness of the internal audit function. Therefore, it requires performing this process well and reconsidering it, among these obstacles (Ghanem, 2021: 34).

- 1- The preparation and planning process is insufficient to perform the audit function, as well as the lack of clarity of the objectives to be achieved.
- 2- Inadequate system procedures and incomplete documentation processes.
- 3- The lack of experience and skill of internal auditors, which reflects negatively on how the audit process is performed in a correct and positive manner and thus leads to a worthless audit process.

- 4- Lack of cooperation and interaction between the team responsible for performing the audit process and the entity subject to the audit, and thus leads to an incomplete audit process in applying procedures within the economic unit.

### 3. **THE PRACTICAL ASPECT: measuring and evaluating the quality of internal auditing in a sample of banks listed on the Iraq Stock Exchange:**

The researcher relied on the practical aspect of measuring and evaluating the quality of internal auditing as a community for the research sample represented by the economic units operating in the banking sector in the Iraqi Stock Exchange, as it is one of the important development and financing sectors present in Iraq that seeks to finance the private sector in the Iraqi business environment, where the researcher relied on a sample (8) of the banks listed on the Iraq Stock Exchange for the period from (2023-2024), and as shown in the table below, the banks are the research sample.

**Table No. (2) Search sample banks**

1- Bank of Babel	5- United Investment Bank
2- Assyria International Bank	6- International Investment Bank
3- National Investment Bank	7- Trans-Iraq Investment Bank
4- Gulf Commercial Bank	8- Commercial Bank of Iraq

The researcher used a checklist to measure and evaluate the quality of internal audit based on the internal audit standards issued by the Institute of Internal Auditors (IIA).

#### **Checklist for measuring and evaluating internal audit quality**

The quality of internal auditing is measured and evaluated using the standards for the professional practice of internal auditing issued by the Institute of Internal Auditors (IIA), 2018, which are known as (attribute standards and performance standards) for the purpose of knowing the details of applying these standards to a sample of banks. Listed on the Iraq Stock Exchange to raise the quality level of internal auditing.

**The first step:** This data for the above banks was sorted and transcribed using the Excel program for the purpose of conducting statistical analyzes of these answers. After transcribing, these standards were divided into several axes. **The attributes standard included four axes:** (purpose, authority, responsibility, independence, and objectivity). (Necessary professional care, assurance and quality improvement programme) As for the **performance standard, it included seven axes:** (management of the internal audit activity, nature of work, planning and

participation, implementing the internal audit task, communicating the results, monitoring the workflow, and reporting on the acceptance of risks. ).

**The second step:** Analyzing and interpreting the data for the examination form for the variable internal audit quality. The researcher divided this form into four axes related to attribute standards and seven other axes related to performance standards using the (Excel) program in a horizontal and vertical form. The research sample banks. Each of these axes included The axes are several questions from the reality of the form. Each axis was taken independently for the purpose of calculating frequencies based on the reality of the banks' answers. This form contains several weights, which are (**very high 5**), (**high 4**), (**medium 3**), (**low 2**), and (**low Very 1**) The following equations were used in the Excel program as shown below:

- Average =  $((\text{weight} \times \text{frequency}) + (\text{weight} \times \text{frequency}) + (\text{weight} \times \text{frequency}) + (\text{weight} \times \text{frequency}) + (\text{weight} \times \text{frequency})) / (\text{sample size})$
- Standard deviation =  $\sqrt{((\text{sample size} \times \text{mean squared} - (\text{frequency} \times \text{weight squared}) \text{ total}) / (1 - \text{sample size}))}$
- Coefficient of variation C.V =  $(\text{standard deviation}) / \text{average} \times 100\%$
- Percentage =  $\text{average} / (\text{highest weight}) \times 100$
- The direction of the sample is according to the following table:

Table No. (3) Direction of the research sample

Based on the average value		
5	very high	Greater than 4.20
4	High	3.41 to 4.20
3	middle	2.61 to 3.40
2	Low	1.81 to 2.60
1	very low	From 1 to 1.80

**First: Attribute standards:**

Table No. (4) Statistical analysis to evaluate the axis (purpose, authority and responsibility)

Sample volume	The first axis (purpose, authority, responsibility)					Average	standard deviation	Percentage	Coefficient of variation C.V	Sample orientation
	8	4	3	2	1					
Paragraphs of the first axis	very high	High	middle	Low	very low					
1- Does the internal audit department include an official document through which the	6	2	0	0	0	4.75	0.46	95.00	9.75	very high



purpose and responsibility of the activity of each individual from the internal audit unit are determined?										
2- Does the internal audit charter specify the nature and relationship of the chief audit executive's functional reports with the Board of Directors?	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.63</b>	<b>0.52</b>	<b>92.50</b>	<b>11.19</b>	
3- Does the internal audit charter regulate access to records, employees, and physical property in the economic unit?	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.63</b>	<b>0.52</b>	<b>92.50</b>	<b>11.19</b>	
4- Is the internal audit charter consistent with the basic principles of practicing the internal audit profession and the rules, ethics and standards of internal auditing, with the knowledge and approval of the Board of Directors and senior management ?	<b>6</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.75</b>	<b>0.46</b>	<b>95.00</b>	<b>9.75</b>	
<b>Total</b>	<b>5.5</b>	<b>2.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.69</b>	<b>0.50</b>	<b>93.75</b>	<b>0.12</b>	

According to what was indicated in the table above, regarding the first axis (Purpose, Authority, Responsibility) of the attributes criteria criteria, the statistical results for this axis indicated that we note the average percentage achieved (4.69%) as a very high percentage, according to what was indicated by the classification of the direction of the research sample in addition to the results. Measures of dispersion: The standard deviation achieved (50%), which is a low percentage compared to the coefficient of variation (12%). This is explained by the dispersion of the answers of the banks in the research sample, but it is in accordance with a very good trend for the sample. As for the application of this axis in the banks in the research sample, it achieved (93.75%). As a good percentage of application of one of the axes of the internal audit attributes standards.

It is clear to us from the results above that the Internal Audit Department includes an official document, or what is known as the Internal Audit Charter, through which the purpose and responsibility of each member of the Internal Audit Unit is determined, because this Charter is consistent with the basic principles of practicing the internal audit profession and the rules and standards of the internal audit profession, with the knowledge and approval of the Board of Directors. Management and senior management. In addition, the internal audit charter regulates the authority to access and view records, employees, and tangible property in the bank. The internal audit charter also specifies the nature and relationship of the job reports of the head of the internal audit unit with the Board of Directors.

Table No. (5) Statistical analysis to evaluate the axis (independence and objectivity)

Sample volume	The second axis (independence and objectivity)					Average	standard deviation	Percentage	Coefficient of variation C.V	Sample orientation
	8	4	3	2	1					
Paragraphs of the second axis	very high	High	middle	Low	very low					
1- Does the Internal Audit Department and its CEO have independence within the organizational structure within the economic unit that allows it to submit audit activity reports and fulfill its responsibilities?	6	2	0	0	0	4.75	0.46	95.00	9.75	very high
2- Does the Chief Internal Audit Executive confirm the	4	4	0	0	0	4.50	0.53	90.00	11.88	very high

issue of independence to the Board of Directors at least once a year?										
3- Is the internal audit activity safe from any interference in determining the scope of internal audit, performing its work, and disclosing the results, including the Board of Directors?	6	2	0	0	0	4.75	0.46	95.00	9.75	very high
4- Are guarantees put in place to limit any damage to independence when the internal audit department has any tasks or responsibilities outside the scope of internal audit?	1	5	2	0	0	3.88	0.64	77.50	16.54	High
5- Are guarantees put in place to limit any damage to objectivity when the internal audit department has any tasks or responsibilities outside the scope of internal audit?	2	4	2	0	0	4.00	0.76	80.00	18.90	High
6- Do the bank's internal auditors evaluate the operations and activities within the bank for which they were previously responsible?	2	3	3	0	0	3.88	0.83	77.50	21.54	High
<b>Total</b>	<b>3.5</b>	<b>3.33</b>	<b>1.17</b>	<b>0</b>	<b>0</b>	<b>4.29</b>	<b>0.75</b>	<b>85.83</b>	<b>0.18</b>	<b>very high</b>

As indicated by the statistical results, according to what was stated in the second axis of the character standards regarding the objective independence of the internal auditor, we note the average percentage achieved (4.29%) as a good percentage in application. It indicated,

according to the trend of the sample, very high as an application of this basic and important axis in the character standards, which is the axis of independence that The internal auditor enjoys objectivity, while we note that the standard deviation percentage achieved (75%) compared to the coefficient of variation is low and (18%). This percentage indicates dispersion in the answers of the banks in the research sample, but it is within the high level in application through the percentage achieved from the application of independence and objectivity in the banks. The research sample had a percentage of (85.83%) as a good percentage, and it is clear to us from the results that were reached that the internal audit activity is safe from any interference in the performance of its work by the bank's management, including the Board of Directors, and the disclosure of the results that indicate that the internal audit department and its head have Independence within the banks, the research sample, allows them to submit reports on internal audit activity and fulfill its responsibilities through the head of the internal audit unit confirming the subject of his independence before the Board of Directors at least once a year, as well as establishing guarantees to limit any damage to independence and objectivity when the audit department has any Tasks and responsibilities outside the scope of internal auditing. Likewise, internal auditors do not perform work within the bank for which they were previously responsible because this leads to a loss of the internal auditor's position.

Table No. (6) Statistical analysis to evaluate the axis (necessary professional skill and car)

Sample volume	The third axis (necessary professional care)					Average	standard deviation	Percentage	Coefficient of variation C.V	Sample orientation
	8	4	3	2	1					
Paragraphs of the third axis	very high	High	middle	Low	very low					
1- Does the Chief Audit Executive obtain competent advice and assistance if the internal auditors lack the knowledge, skills or competencies necessary to perform their duties within the bank?	2	6	0	0	0	4.25	0.46	85.00	10.89	very high
2- Do the employees in the Internal Audit Department have the knowledge, skill, and	6	1	1	0	0	4.63	0.74	92.50	16.09	very high

competence to carry out their professional responsibilities effectively?										
3- Are the bank's internal auditors encouraged to prove their competence by obtaining appropriate academic certificates and professional qualifications through training courses?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high
4- Do internal auditors have sufficient knowledge to assess the risks of fraud and the way it is carried out, but not necessarily at the level of experience of the person whose primary responsibility is to detect fraud?	3	5	0	0	0	4.38	0.52	87.50	11.83	very high
5-Is the efficiency and effectiveness of corporate governance mechanisms within the bank taken into consideration?	3	5	0	0	0	4.38	0.52	87.50	11.83	very high
6- Are the efficiency and effectiveness of the internal control system and related risks within the bank taken into account when conducting audit operations?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high
7- Are the possibilities of fundamental errors or fraudulent operations taken into account during bank audits?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high
<b>Total</b>	<b>4.14</b>	<b>3.71</b>	<b>0.14</b>	<b>0</b>	<b>0</b>	<b>4.50</b>	<b>0.57</b>	<b>90.00</b>	<b>0.13</b>	<b>very high</b>

As for the third axis of the attribute standards related to the skill and professional care necessary for the internal auditor, the research sample indicated the statistical results for this axis that the average percentage achieved (4.50%) is a good percentage, according to what was indicated by the direction of the research sample, very high in application, according to what the percentage indicated. The percentage is (90%), while we note the standard deviation percentage (57%) as a low percentage compared to the coefficient of variation, which indicated a percentage of (13%), a percentage indicating dispersion in the answers within the acceptable range.

It is clear to us from the results achieved above that the workers in the internal audit department possess knowledge, skill and competence in carrying out their responsibilities. The internal auditors in the banks in the research sample also enjoy their certificates and competence by obtaining academic certificates and appropriate professional qualifications in performing the internal audit function, in addition to what the auditors possess. Internal personnel have sufficient knowledge to assess the fraud risks of banking operations, taking into account the efficiency and effectiveness of corporate governance mechanisms within the bank or the possibility of fundamental errors or fraudulent operations occurring during the audit process.

Table No. (7) Statistical analysis to evaluate the axis (Assurance and Quality Improvement Program)

Sample volume	Fourth Axis (Assurance and Quality Improvement Program)					Average	standard deviation	Percentage	Coefficient of variation C.V	Sample orientation
	8	4	3	2	1					
Paragraphs of the fourth axis	very high	High	middle	Low	very low					
1- Is there continuous monitoring and follow-up of the performance and operations of the internal audit activity?	4	3	1	0	0	4.38	0.74	87.50	17.01	very high
2- Is there a self-evaluation or evaluations from other people on a regular basis within the bank who are knowledgeable about internal audit practices?	3.5	3.33	1.17	0	0	4.29	0.75	85.83	17.58	very high
3- Are there external evaluations conducted by a qualified and independent evaluator or an	3	3	2	0	0	4.13	0.83	82.50	20.23	High

external evaluation team conducted by the Internal Audit Department?										
4- Is there a review and examination to verify the extent to which the internal audit activity is compatible with the rules, ethics and standards issued by professional organizations and legal legislation?	0	7	1	0	0	3.88	0.35	77.50	9.12	High
<b>Total</b>	<b>2.63</b>	<b>4.08</b>	<b>1.29</b>	<b>0</b>	<b>0</b>	<b>4.17</b>	<b>0.73</b>	<b>83.33</b>	<b>0.17</b>	<b>High</b>

As for the fourth or last axis of the attribute standards axis, which is known as the axis of the assurance program and quality improvement, the statistical results for that indicated that the average achieved was (4.17%) as a good percentage according to the direction of the research sample, which indicated a high application of this axis of the attribute standards axes and with an application rate. (83.33%) As for what was indicated by the standard deviation of (73%), in contrast, the coefficient of variation of (17%) means that it is the percentage of dispersion in the answers according to the good range.

According to what these results indicated above, this axis is related to continuous monitoring or follow-up of the performance of internal audit operations, and as indicated by the high average percentage, this confirms that there is self-evaluation or evaluations from other people within the bank who periodically have knowledge of internal audit practices in addition to the external evaluations that It is carried out by a qualified and independent team to evaluate the audit operations within the bank, in addition to a review and examination to verify the extent to which internal audit activities are compatible with the rules, ethics and standards issued by professional organizations and legal legislation within the research sample banks.

Table No. (8) Statistical analysis to evaluate the quality of axes (attribute standards)

Sample volume	All axes of attribute standards						stand	ard deviation	Perce ntage	Coefficient of variation C.V	Sample orientation
	8	4	3	2	1	Aver age					
Interviewer	5	4	3	2	1	Aver age	stand	ard deviation	Perce ntage	Coefficient of variation C.V	Sample orientation
1- Purpose, authority and responsibility	5.5	2.5	0	0	0	4.69	2.65	93.75	56.57	very high	
2- Independence and objectivity	3.5	3.3	1.17	0	0	4.29	0.75	85.83	17.58	very high	
4- The necessary skill and care	4.14	3.7	0.14	0	0	4.50	0.57	90.00	12.70	very high	

5- Guarantee and quality improvement program	2.63	4.08	1.29	0	0	4.17	3.73	83.33	89.62	High
Total	3.94	3.41	0.65	0	0	4.41	1.05	88.23	0.24	very high

After statistical analysis was conducted in detail on all the axes of the attribute criteria and knowledge of the percentages of averages achieved, the ratios of dispersion measures, and the percentage of application of each of these axes in the banks of the research sample, which were collected and analyzed in a general manner, we note the final results of the statistical analysis of the attribute criteria indicated that The percentage achieved for the average was (4.41%) as a good percentage for application according to what was indicated by the trend classification of the research sample, and the percentage for application was (88.23%) as application of the characteristics standards in the banks of the research sample, specifically in the internal audit unit. We note the percentages achieved by the dispersion measures in relation to the standard deviation of the axes. The four were (1.05%) compared to the coefficient of variation, which indicated a percentage of (24%). This percentage indicated dispersion in the banks' answers, but it is within the high level of application.

It is clear to us from the results above that the application of the attributes standards in the banks in the research sample is one of the basic answers to raising the level of internal audit quality, as each axis of the attributes standards indicated percentages in application, as these standards referred to the first axis, which included the internal audit charter in determining The purpose, authority and responsibility of the internal auditor has achieved a percentage of (93.75%), and as indicated in the second axis, which is considered an important and basic aspect, which is represented by the independence and objectivity of the internal auditor, which frees the internal auditor from the conditions that threaten the internal audit activity in order to be able to achieve the highest degree of independence necessary for effective performance. The responsibilities of the internal audit activity achieved an application rate of (85.83%), while the third axis indicated the necessary professional skill and care, which indicated that internal auditors must possess the necessary skills and competencies to implement the individual responsibilities assigned to each member of the internal audit unit. The application percentage indicated (90%) As for what was indicated by the fourth and final axis of the attribute standards axis, which is known as the assurance and quality improvement program, this axis referred to designing programmes, ensuring and improving quality in order to be able to evaluate the extent to which the audit activity complies with the standards by conducting internal and external evaluations of the audit operations. The percentage indicated Implementation reached



83.33%), while as a total application of the criteria and attributes, the percentage indicated (88.23%).

**Second: Performance standards:**

Table No. (9) Statistical analysis to evaluate the axis (management of internal audit activity)

Sample volume	The first axis (management of internal audit activity)						stand ard devia tion	Perce ntage	Coeff icient of varia tion C.V	Samp le orien tation
	8	4	3	2	1	Aver age				
Paragraphs of the first axis	ver y hig h	High	midd le	Low	very low	Aver age	stand ard devia tion	Perce ntage	Coeff icient of varia tion C.V	Samp le orien tation
1- Does internal audit take into account emerging trends and issues that could affect the economic unit?	2	6	0	0	0	4.25	0.46	85.00	10.89	very high
2- Does the Chief Internal Audit Executive consult with senior management and the Board of Directors and obtain an understanding of the economic unit's strategies, main business objectives, associated risks, and risk management processes to develop a flexible plan that responds to changes?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high
3- Is the internal audit activity's task plan based on an annual documented risk assessment and report on it?	4	4	0	0	0	4.50	0.53	90.00	11.88	very high
4- Does the chief audit executive ensure that internal audit resources are appropriate, sufficient, and effectively distributed to achieve the approved plan?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high
5- Does the chief audit executive take the necessary measures to reduce duplication of efforts among members of the internal audit team?	2	6	0	0	0	4.25	0.46	85.00	10.89	very high
6- Does the chief audit executive develop policies and procedures to guide internal audit activity?	4	4	0	0	0	4.50	0.53	90.00	11.88	very high
<b>Total</b>	<b>3.6 7</b>	<b>4.33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.46</b>	<b>0.53</b>	<b>89.17</b>	<b>0.12</b>	<b>very high</b>

According to what was indicated in the first axis of the performance standards for internal audit, which is the management of the internal audit activity, it takes into account emerging issues that could affect banking operations. In addition, the Chief Internal Audit Executive consults with senior management and the Board of Directors and obtains an understanding of the main strategies and objectives. The risks associated with banking operations, and according to what the statistical results indicated, achieved an average rate of (4.46%) as a good percentage, according to what was indicated by the trend of the sample, which is very high in applying this axis of the performance criteria axes, at a rate of (89.17%), while we note that the rate achieved by the standard deviation of (89.17%). 53%) is a low percentage compared to the

coefficient of variation achieved by (12%). It may be clear to us above from the results achieved after conducting the statistical analysis process. We note that internal audit takes into account emerging trends and issues that affect the performance of banking operations and activities, in addition to the value that internal audit adds to banking operations. The president must also implement a risk-based plan to determine The priorities of internal audit activity are consistent with the goals that the bank seeks to achieve, and the CEO also ensures that internal audit resources are sufficient and effectively distributed to achieve the approved plan.

Table No. (10) Statistical analysis to evaluate the axis (nature of work)

Sample volume	8			The second axis (nature of work)						
	5	4	3	2	1					
Paragraphs of the second axis	very high	High	middle	Low	very low	Average	standard deviation	Percentage	Coefficient of variation C.V	Sample orientation
1- Does the internal audit activity carry out evaluation processes and contribute to improving the bank's governance, risk management and control processes using a structured and disciplined risk-based approach?	4	4	0	0	0	4.50	0.53	90.00	11.88	very high
2- Does the internal audit activity evaluate and provide appropriate recommendations to improve the governance processes of the economic unit (making strategic and operational decisions, supervising and controlling risk management, enhancing values and ethics within the bank)	3	4	1	0	0	4.25	0.71	85.00	16.64	very high
3- Does the internal audit activity evaluate the design and implementation of the effectiveness, programs and activities of the economic unit related to ethics?	3	4	1	0	0	4.25	0.71	85.00	16.64	very high
4- Does the internal audit activity evaluate whether information technology governance supports the	2	6	0	0	0	4.25	0.46	85.00	10.89	very high

economic unit's strategies and objectives?										
5- Does the internal audit activity help maintain effective controls for the economic unit by evaluating its effectiveness and efficiency and promoting continuous improvement?	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.50</b>	<b>0.53</b>	<b>90.00</b>	<b>11.88</b>	<b>very high</b>
6- Does the internal audit activity evaluate exposure to risks related to corporate governance, operations, and information systems with regard to (strategic objectives, reliability and integrity of financial information)?	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.00</b>	<b>0.00</b>	<b>80.00</b>	<b>0.00</b>	<b>High</b>
<b>Total</b>	<b>2.67</b>	<b>5.00</b>	<b>0.33</b>	<b>0</b>	<b>0</b>	<b>4.29</b>	<b>0.58</b>	<b>85.83</b>	<b>0.13</b>	<b>very high</b>

According to this axis of the nature of the work, it is one of the axes of the performance standards that relate to the implementation of the audit work activity and improving the governance, risk management and control processes in the bank using an organized and disciplined risk-based approach, in addition to what the internal audit activity evaluates, designs and implements the effectiveness of banking programs and activities and through the table Above, we note the statistical results indicating that the average percentage achieved (4.29%) is a very high percentage for this axis according to the direction of the research sample, and the application percentage indicated (85.83%). While we note the percentage of dispersion measures, the standard deviation for this axis was achieved at a rate of (58%), low compared to the coefficient The difference achieved was (13%). These apparent results indicate to us that the internal audit activity, when it carries out audit operations, then evaluates them and makes appropriate recommendations to improve banking operations by making strategic and operational decisions and supervising risk management and control, in addition to enhancing values and ethics within the bank and ensuring effective organizational performance and accountability for it. The internal audit activity helps maintain the controls and procedures used within the bank by evaluating the effectiveness and efficiency of continuous improvement processes.

Table No. (11) Statistical analysis to evaluate the axis (planning and participation)

Sample volume	<b>8</b>			<b>The third axis (planning and participation)</b>						
	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>					
Paragraphs of the third axis	<b>very high</b>	<b>High</b>	<b>middle</b>	<b>Low</b>	<b>very low</b>	<b>Average</b>	<b>standard</b>	<b>Percentage</b>	<b>Coefficient of</b>	<b>Sample</b>

							deviat ion		variatio n C.V	orien tation
1- When planning the audit process, internal auditors develop and document a plan for each audit mission. Does the plan take into account the bank's strategies, objectives, and related risks?	3	5	0	0	0	4.38	0.52	87.50	11.83	very high
2- Do the internal auditors reach a documented written understanding with the Board of Directors about the objectives, scope and responsibilities of internal audit?	2	5	1	0	0	4.13	0.64	82.50	15.54	High
3- Do internal auditors take into account the possibility of major errors, fraud, non-compliance and other risks when developing the objectives of the audit mission?	2	6	0	0	0	4.25	0.46	85.00	10.89	very high
4- Is an initial assessment of the risks related to the activity under review conducted by internal auditors?	1	7	0	0	0	4.13	0.35	82.50	8.57	High
5- Do internal auditors develop and document work programs that achieve the objectives of the audit mission?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high
<b>Total</b>	<b>2.60</b>	<b>5.20</b>	<b>0.20</b>	<b>0</b>	<b>0</b>	<b>4.30</b>	<b>0.55</b>	<b>86.00</b>	<b>0.13</b>	<b>very high</b>

The axis related to planning and participation indicated that the process of planning the audit by the internal auditors works to develop and document the work plan for each audit mission. The plan takes into account the bank's strategies and objectives in addition to the relevant risks. The possibility of major errors, fraudulent operations or failure to occur is also taken into account. Commitment to development is one of the objectives of the bank's internal audit mission, and what internal auditors do by developing and documenting work programs in order to achieve the internal audit mission. In light of these apparent statistical results, the average percentage (4.30%) was achieved, which is a very high percentage in terms of application in the sample banks. The research percentage is (86%), while we note that the standard deviation percentage (55%) is low compared to the coefficient of variation (13%).

Table No. (12) Statistical analysis to evaluate the axis (implementing the internal audit mission)

Sample volume	The fourth axis (implementing the internal audit mission)					Average	standard deviation	Percentage	Coefficient	Sample orientation
	8	4	3	2	1					
Paragraphs of the fourth axis	very high	High	middle	Low	very low					
1	2	6	0	0	0	4.25	0.46	85.00	10.89	very high
2	2	6	0	0	0	4.25	0.46	85.00	10.89	very high
3	3	5	0	0	0	4.38	0.52	87.50	11.83	very high
4	4	4	0	0	0	4.50	0.53	90.00	11.88	very high
5	3	5	0	0	0	4.38	0.52	87.50	11.83	very high
<b>Total</b>	<b>2.80</b>	<b>5.20</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>4.35</b>	<b>0.51</b>	<b>87.00</b>	<b>0.12</b>	<b>very high</b>

The focus of implementing the internal audit task is one of the axes through which internal auditors identify, analyze and evaluate procedures and sufficient information to achieve the objectives of internal audit, in addition to the ability of internal auditors to document this sufficient and reliable information relevant to supporting the results and conclusions of the audit task, in addition to what the CEO enjoys. The Internal Audit Unit has the authority to access records and others, taking into account the policies it sets with regard to controlling and keeping files for audit tasks. The Chief Internal Audit Executive also bears comprehensive responsibility when supervising the audit task and documenting and retaining evidence. The statistical results applied for this axis indicated that the average The achieved percentage of (4.35%) is a very high percentage according to the classification of the research sample, and the percentage of application indicated (87%), while we note that the measures of dispersion proved that the percentage of standard deviation (51%) was low compared to the coefficient of variation (12%).

Table No. (13) Statistical analysis to evaluate the axis (communicating results)

Sample volume	The fifth axis (communicating results)					Average	standard deviation	Percentage	Coefficient of variation C.V	Sample orientation
	8	4	3	2	1					
Paragraphs of the fifth axis	very high	High	middle	Low	very low					
1- Does the final report of significant findings include applicable conclusions and relevant recommendations, and should the internal auditor's opinion take into account the expectations of senior management, the Board of Directors, and stakeholders, supported by the information?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high

2- When issuing the results of internal audit tasks, are the results issued to external parties with the approval of the Board of Directors, including restrictions on the distribution and use of the results?	3	5	0	0	0	4.38	0.52	87.50	11.83	very high
3- Does the internal auditor's report include a paragraph indicating that the audit mission was carried out in accordance with the professional standards of internal auditing?	4	4	0	0	0	4.50	0.53	90.00	11.88	very high
4- If the final report contains a major error or omission, does the Chief Audit Executive communicate the corrected information to all parties that received the original communication?	2	6	0	0	0	4.25	0.46	85.00	10.89	very high
<b>Total</b>	<b>3.50</b>	<b>4.50</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>4.44</b>	<b>0.53</b>	<b>88.75</b>	<b>0.12</b>	<b>very high</b>

According to the statistical results of this axis of performance standards, the average percentage achieved indicated a very high rate of (4.44%) and an application rate of (88.75%), while the percentages of dispersion measures indicated that the standard deviation (53%) was low compared to the coefficient of variation (12%). This indicates that communicating the results of the final report includes important results, applicable conclusions, and relevant recommendations. In addition, issuing the results indicates that the audit task was carried out in accordance with the professional standards of internal auditing. In addition, when issuing the final results, the results are issued to external parties, but With the approval of the Board of Directors, including restrictions on the results and their uses, the Chief Audit Executive also communicates the corrected information to all parties that received the communication.

Table No. (14) Statistical analysis to evaluate the axis (monitoring workflow)

Sample volume	Sixth axis (monitoring work progress)					Average	standard deviation	Percentage	Coefficient of variation C.V	Sample orientation
	8	4	3	2	1					
Paragraphs of the sixth axis	5	4	3	2	1					
	very high	High	middle	Low	very low					
1- Does the Chief Internal Audit Executive follow up, monitor, and ensure that management procedures are effectively implemented regarding the results for the validity of the audit?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high
2- Does the Chief Internal Audit Executive follow up and monitor the results of the audit operations that were reported to management related to consulting tasks to the extent agreed upon with	2	6	0	0	0	4.25	0.46	85.00	10.89	very high

the client, i.e. the beneficiaries of the internal audit profession?										
<b>Total</b>	<b>3.50</b>	<b>4.50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.44</b>	<b>0.53</b>	<b>88.75</b>	<b>11.95</b>	<b>very high</b>

What was stated in the sixth axis regarding monitoring the workflow of internal auditing was indicated by the statistical results in the application that the average achieved was (44.44%), and the percentage for the application indicated (88.75%) as a good percentage according to the trend classification of the research sample, very high, while we note the percentages achieved by the standards. The dispersion is that the standard deviation was achieved at a rate of (53%), which is low compared to the coefficient of variation (11.95%), and according to what the apparent statistical results indicated, the Chief Internal Audit Executive follows up and monitors to ensure that management procedures are effectively implemented regarding the results after completing the audit mission, in addition to The Chief Executive Officer of Internal Audit follows up and monitors the audit operations that he provided advice on to management as far as the service provided to customers is concerned. In addition, the quality of the reports communicating the results must be accurate, objective, clear, concise, constructive, complete, and presented in a timely manner.

Table No. (15) Statistical analysis to evaluate the axis (reporting risk acceptance)

Sample volume	The seventh axis (reporting risk acceptance)					Average	standard deviation	Percentage	Coefficient of variation C.V	Sample orientation
	8	4	3	2	1					
Paragraphs of the seventh axis	very high	High	middle	Low	very low					
1- When the CEO concludes that executive management is not certain of the risks reported in the audited report, does the CEO of Internal Audit discuss the risks with senior management?	4	4	0	0	0	4.50	0.53	90.00	11.88	very high
2- If the CEO of Internal Audit does not reach a solution with senior management regarding the risks mentioned in the internal auditor's report, does the CEO report the matter to the Board of Directors?	5	3	0	0	0	4.63	0.52	92.50	11.19	very high
<b>Total</b>	<b>4.50</b>	<b>3.50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.56</b>	<b>0.53</b>	<b>91.25</b>	<b>0.12</b>	<b>very high</b>

As for what the seventh or last axis presents regarding the axes of performance standards for internal auditing, the statistical results indicated that the average percentage achieved was (4.56%) as a very high percentage according to the sample trend classification. As for the percentage of application, it indicated (91.25%), while we note the percentage achieved for the

standards. The dispersion, including the standard deviation, was achieved at a rate of (53%), low compared to the coefficient of variation of (12%). According to what the statistical results indicated, this explains that when the CEO concludes that the executive management is not certain of the risks that were reported in the auditor's report, this is discussed. With senior management, but if the CEO does not reach a solution with senior management about the risks involved, he reports that to the Board of Directors, that is, determining the risks accepted by management through the mission of ensuring and consulting or monitoring the progress of the measures taken by management as a result of previous engagements. It is not the responsibility of the chief audit executive to resolve these risks.

Table No. (16) Statistical analysis to evaluate axes (performance standards)

Sample volume	8					All axes of performance standards			Percentage	Coefficient of variation C.V	Sample orientation
	5	4	3	2	1	Average	standard deviation				
Interviewer	very high	High	middle	Low	very low						
1- Managing the internal audit activity	3.67	4.33	0	0	0	4.46	0.53	89.17	11.95	very high	
2-Nature of work	2.67	5.00	0.33	0	0	4.29	0.58	85.83	13.41	very high	
3- Planning and participation	2.60	5.20	0.20	0	0	4.30	0.55	86.00	12.68	very high	
4-Implementing the internal audit mission	2.80	5.20	0.00	0	0	4.35	0.51	87.00	11.72	very high	
5- Communicating the results	3.50	4.50	0.00	0	0	4.44	0.53	88.75	11.95	very high	
6-Monitoring workflow	3.50	4.50	0.00	0	0	4.44	0.53	88.75	11.95	very high	
7-Communication of risk acceptance	4.50	3.50	0.00	0	0	4.56	0.53	91.25	11.62	very high	
<b>Total</b>	<b>3.32</b>	<b>4.60</b>	<b>0.08</b>	<b>0</b>	<b>0</b>	<b>4.41</b>	<b>0.55</b>	<b>88.11</b>	<b>0.12</b>	<b>very high</b>	

According to what was indicated in the above table No. (16), which represents the statistical results for all axes of performance standards, it became clear to us that the application rates for the axes are in detail. The first axis, represented by managing the internal audit activity, indicated that the internal audit activity must add value to banking operations and It is managed effectively and has achieved an application rate for this axis (89.17%). As for the second axis of the performance standards, represented by the nature of work, which indicates that the internal audit activity should evaluate and contribute to improving governance and risk management processes in operations within the bank using a disciplined and established methodology. On risks, this axis achieved a percentage of implementation (85.83%). As for what was indicated by the third axis, which specializes in planning and participation, it



indicated that internal auditors must develop and document the plan for each internal audit task, including its objectives, scope, timing, and resource allocation. This axis was achieved as a percentage For application (86%), as for the fourth axis, which included implementing the internal audit mission, he indicated that internal auditors must identify, analyses, evaluate, and document sufficient information to achieve the objectives of the internal audit mission. The application rate for this axis indicated (87%). As for the axis The fifth is concerned with communicating the results, ensuring that these results are accurate, objective, clear, and communicated in a timely manner. The application rate for this axis indicated (88.75%). As for the sixth axis, which is concerned with monitoring the progress of work through follow-up and monitoring to ensure that management procedures are implemented effectively, the application percentage indicated This axis reaches (88.75%), as for the seventh and final axis of the performance standards, which relates to reporting on risk acceptance, meaning that the CEO must summarize the risks that are acceptable to the bank's management and may be unacceptable to senior management, and this is discussed with senior management. In the event that solutions are not reached, this is discussed with the Board of Directors. The application rate for this axis has been achieved (91.25%). As for the final outcome for all axes, it indicates the application of performance standards in banks. The research sample that concerns operational aspects indicated a percentage of (88.11%) as an application rate. The standard deviation indicated (55%) for all axes, and this proportion is good compared to the coefficient of variation achieved by (12%), and the average also indicated a ratio of (4.41%), which indicates a very high percentage according to the classification of the direction of the research sample.

Table No. (17) Statistical analysis of internal audit standards (attribute standards, performance standards)

Sample volume	Internal audit variables (attribute standards, performance standards)									
	8	5	4	3	2	1	Average	standard deviation	Percent age	Coefficient of variation C.V
Interviewer	very high	High	middle	Low	very low	Average	standard deviation	Percent age	Coefficient of variation C.V	Sample orientation
Attribute standards	4	4	0	0	0	4.50	0.53	90.00	11.88	very high
Performance standards	3.94	3.41	0.65	0	0	4.41	0.68	88.23	15.42	very high
Total	3.97	3.70	0.33	0	0	4.46	0.61	89.11	0.14	very high

After the axes were explained in detail for each of the internal audit standards and performance standards, a statistical analysis was conducted for all the axes related to the internal audit standards, and then a statistical analysis was conducted on the basis of each summary of the axes of the internal audit standards. It became clear to us that the average achieved by the performance standards (4.50%) is a good percentage that indicates the

characteristics of the internal auditor and his academic and practical qualifications to work and perform the internal auditing profession. It also achieved a standard deviation of (53%) compared to the coefficient of variation that was achieved by (11.88%). We note the percentage of application in the banks of the research sample for the characteristics standards achieved. The application rate is (90%), which is a very high percentage, according to what was indicated by the trend of the research sample. As for the performance standards for the operational side of banking activities, we note that there is a discrepancy in the performance of banking operations according to the apparent statistical percentages. The performance standards achieved an average percentage of (4.41%) as well. Good, indicating that it is very high. As for the standard deviation, it was achieved at a rate of (68%). We note the dispersion in this percentage from the trait standards, and it indicates that there is a dispersion in performance compared to the coefficient of variation, which achieved a rate of (15.42%). However, the percentage of application of the performance standards indicated To a percentage of (88.23%) also as a good percentage in performance, but it is less than the criteria for the characteristics, but in general, despite the detailed analytical procedure for auditing criteria, we note the overall percentages achieved by the average is a percentage of (4.46%), which is very high according to the classification of the trend of the research sample, and the percentage of application to the criteria indicated The professional practice of internal auditing in the banks of the research sample has achieved both the characteristic standards and performance standards with an application rate of (89.11%), and this was followed by the dispersion measures in relation to the standard deviation with a rate of (61%), which is low compared to the coefficient of variation of (14%), meaning that it is the dispersion in the bank answers for the sample. Research but it is within good level.

This percentage is explained by the fact that the banks in the research sample have their departments operating as an internal audit function in accordance with professional standards. This helps to implement and support the independence of the internal auditor on a fundamental basis without interference by management when conducting audit operations. This indicates transparent disclosure of accounting information.

According to the above, the hypothesis (H0) is denied. Internal audit does not enjoy a high level of quality in the Iraqi banks, the research sample, and the hypothesis is proven (H1). Internal audit enjoys a high level of quality in the Iraqi banks, the research sample, and this leads to achieving a higher incentive through the results achieved. For scientific research.

#### **4. CONCLUSIONS AND RECOMMENDATIONS**

##### **Conclusions:**

- 1- The internal audit function in the banks in the research sample helps improve the quality of banking services.
- 2- The application of professional practice standards for the internal audit function in the banking sectors improves the level of internal audit quality, as indicated by the application rate of performance standards and attribute standards by (89%).
- 3- The application of standards for the professional practice of internal auditing helps support the independence and objectivity of the internal auditor.
- 4- The internal auditor's academic qualifications and competence help improve the level of audit operations, as indicated by the application rate (90%).

##### **Recommendations:**

- 1- Paying attention to the factors that help improve the quality of internal auditing (scientific and practical qualifications, training programs and courses, periodic studies).
- 2- Establishing special oversight committees that help conduct the annual evaluation of officials and workers in the internal audit department for the purpose of maintaining the quality of audit operations.
- 3- The scope of audit work has expanded to include all banking activities, including financial and administrative audits and private audits.
- 4- The oversight departments must keep pace with developments occurring when conducting audit operations.

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