



**ROLE OF INTERNAL AUDITING IN ENSURING ORGANIZATIONAL
EFFECTIVENESS THE GAMBIA PERSPECTIVE**

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ABSTRACT

The study aimed to analyze the role of internal auditing in ensuring organizational effectiveness with focus to regulatory bodies in The Gambia. There is currently considerable interest in the topic of internal audit and its contribution to the organization goals. Internal auditing could be used as mechanisms of risk management, corporate governance and internal control. The paper aims at examining the relation between internal audit and organization goals. In this paper, at first, the conceptual approach of internal audit, which could be used as a mechanism of risk management, corporate governance and internal control, is analyzed. The study area was stratified into the greater Banjul area where there is larger concentration of companies. The study employed stratified sampling technique in coming up with a sample size of 25 respondents. The primary data collection method was used in collecting information through use of a questionnaire. The collected data was analyzed using regression analysis and descriptive statistics using SPSS version 20 and presented through percentages, means, standards deviations and frequencies. The findings were presented in form of frequency tables and figures. Multiple regression analysis was also used to establish the relationship between the dependent and independent variables. Data collected were reported and summarized in form of tables and figures. The results point out that internal audit is not only vital in the efficient risk management, internal control and corporate governance but also play a crucial role in the business survival and success

1.0 INTRODUCTION

1.1 Background of the study

‘According to AccountingEDU.org ‘Auditing is the process of examining an organizations (or individual's) financial records to determine if they are accurate and in accordance with any applicable rules (including accepted accounting standards), regulations, and laws.

External auditors come in from outside the organization to examine accounting and financial records and provide an independent opinion on these records. Law requires that all public companies have their financial statements externally audited.

Internal auditors work for the organization as internal employees to examine records and help improve internal processes such as operations, internal controls, risk management, and governance.

This study will be based on internal Auditing and it will focus only on internal auditing that will ensure organizational effectiveness.

"Internal auditing is 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."

Internal audits evaluate a company's [internal controls](#), including its [corporate governance](#) and accounting processes. They ensure compliance with laws and regulations and help to maintain accurate and timely financial reporting and data collection. Internal audits also provide management with the tools necessary to attain operational efficiency by identifying problems and correcting lapses before they are discovered in an external [audit](#).

"Internal audit is a dynamic profession involved in helping organizations achieve their objectives. It is concerned with evaluating and improving the effectiveness of risk management, control and governance processes in an organization."

To do this, internal auditors work with management to systematically review systems and operations. These reviews (audits) are aimed at identifying how well risks are managed including

whether the right processes are in place, and whether agreed procedures are being adhered to. Audits can also identify areas where efficiencies or innovations might be made. Internal audits are organized under an ongoing program of review and advisory activity this is based on the strategic needs of an organization.

In the course of their role, internal auditors work across all areas of an organization. In addition to core areas of financial control and IT, they review the tangible aspects of operations, such as an organization's supply chain or IT systems; as well as more intangible aspects such as organizational culture and ethics. In fact, any system that has an impact on the effective operation of an organization may be included in internal audit's scope.

Internal audit reports are presented to the CEO and board (via the audit committee) as they provide an independent viewpoint on the extent to which an organization is poised for success and advice on areas for improvement.

Internal auditors work in all sectors (public, private and not-for-profit) and may work as an employee of the organization, or through an external service provider.⁰⁰⁰

Internal auditors form a company's financial watchdogs. They are tasked to objectively examine the company's financial documents and review the operating procedures independent of management. So an internal audit focusses on enterprise risk management functions, security processes and regulatory compliance among other departments.

Internal auditors look for discrepancies between operational processes and what those processes are designed to do. And if such discrepancies are found, they advise the senior management on processes to be implemented for improvement. So an internal audit is essentially a pre-emptive man oeuvre to maintain operational efficiency and financial reliability, and to safeguard assets. It provides independent assurance that an organization's risk management, governance and internal control processes are operating effectively.

Internal auditing is an objective assurance and consulting activity designed to add value and improve an organization's operations. It can help an organization accomplish its strategic

objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

Internal audits evaluate a company's internal controls, including its corporate governance and accounting processes. They ensure compliance with laws and regulations, accurate and timely financial reporting and data collection. They also help maintain operational efficiency by identifying problems and correcting lapses before they are discovered in an external audit.

1.2 Statement of problems

Internal Audit is referred intention and self-governing appraisal benefits in an organization that deals with risk management, control and governance by accessing and evaluating their viability in accomplishing the organizations set objectives.

The occurrence of prominent corporate disappointments, highlighted grave shortcomings in corporate administration structures exemplified by misrepresentation, poor bookkeeping and the disappointment of inner controls (Turner, 2007).

Recent corporate bookkeeping embarrassments and the resultant objection for straightforwardness and genuineness in reporting have offered ascend to two divergent yet sensible results. These call for investigation on the effect of internal audit practices on organization performance. Internal auditing abilities have ended up critical in unwinding the convoluted bookkeeping moves that have muddled budgetary articulations. Furthermore, the general population interest for change and resulting administrative activity has changed corporate administration.

Progressively, organization officers and executives are under moral and lawful examination. Both patterns have the shared objective of dependably tending to speculators' worries about the money related reporting framework. However there has been laxity in implementation of internal audit findings and recommendations. Organizations should establish frameworks of internal control to help them accomplish execution and authoritative objectives, anticipate loss of assets, empower creation of dependable reports and guarantee consistence with laws and directions.

Following the complexity of the internal audit function, there are conflicting findings on the different roles played by internal audit in enhancing organization performance. Some scholars have found positive effects while others have established minimum or adverse effects of the internal audit function on corporate governance. Kibet (2008) established positive results of conducting an internal audit of state-owned enterprises and identified bureaucracies as the impediments. Similarly, Kibara (2007) conducted a survey of the risk management practices of internal auditors in banking sector in The Gambia and found that there is a positive effects facilitated by the implementation of risk and compliance policies. Herdman (2002) also found out positive association while Davidson (2005) established a minimal effect.

Mutua (2012) researched on relationship between risk based audits on financial improvement of commercial banks in The Gambia. He found that hazard based auditing through hazard evaluation, risk management, yearly hazard based arranging, internal auditing norms and internal auditing staffing should be overhauled.

This means that the audit committee should be informed of such irregularities through internal audit reports. From the above studies, no study has looked at the effect of internal audit practices on organization performance. It is against this realization that the current study aims to investigate effect of internal audit practices on organization performance with focus to regulatory bodies in The Gambia.

1.3 Objectives of the Study

The overall research goal was to establish the effect of internal audit practices on organization performance with focus on how it will improve the organization productivity in The Gambia. The following are the specific research objectives:

- To determine the effect of risk management practices of the regulatory bodies in the Gambia.
- To establish the effect of internal environment audit practices on performance of regulatory bodies in The Gambia.

- To establish the effect of monitoring and control activities on the performance of organizations in The Gambia.
- To establish how internal audit improves organization's operation.
- To ensure reliability and integrity of financial and other operating information to the management and shareholders.

1.4 Research Questions

The research aimed to answer the questions below:

- How does risk management affect performance?
- How internal audit does contributes to organizational performance?
- Do internal environment audit practice performance of organizations in The Gambia?
- Does monitoring and control activities affects performance of organizations in The Gambia?

1.5 Significant of Study

This study will help in enhancing the role of internal audit in management staff to make them more successful and expert. It will help the shareholders welcome the role of the internal audit as a standout amongst the most essential administrative control frameworks in an organization required to shield their interests.

The regulatory bodies in The Gambia will have the capacity to search for methods for making Internal Audit a totally free capacity from the management along these lines making it more successful. By executing suggestions given on the internal audit reports administration will have the capacity to upgrade execution of regulatory bodies in The Gambia. The findings will help the

government in particular to learn a lot about accountability, efficiency and effectiveness of service delivery.

Internal auditing assumes a basic part in the administration and operation of an association. At the point when viably executed, worked and oversaw, it is considered as a vital component in helping an association accomplishes its goals. Associations that adequately utilize inside evaluating can recognize business dangers, process and framework wasteful aspects and make fitting remedial move and at last bolster ceaseless change. As such most of the organizations have considered as a monitoring function, organizational policeman and watchdog. Internal audit function has helped keep bad things from happening, assure good things can happen and help management understand where their risks are, whether the risks are under control and whether the risks are worth taking. It is against this background that the current study aims to investigate effect of internal audit practice on organizational performance with focus on regulatory bodies in The Gambia.

1.6 Justification of the Study

Internal auditing assumes a basic part in the administration and operation of an organization. At the point when viably executed, worked and oversaw, it is considered as a vital component in helping an organization accomplishes its goals. Organizations that adequately utilize inside evaluating can recognize business dangers, process and framework wasteful aspects and make fitting remedial move and at last bolster ceaseless change. As such most of the organizations have considered as a monitoring function, organizational policeman and watchdog. Internal audit function has helped keep bad things from happening, assure good things can happen and help management understand where their risks are, whether the risks are under control and whether the risks are worth taking. It is against this background that the current study aims to investigate the role of internal auditing in ensuring organizational effectiveness.

1.7 Scope of the Study

The research study sought to determine the effectiveness of internal audit practices on organization performance and to focus on regulatory bodies in the Gambia. The study will target the top management in the audit department in the regulatory bodies

2.1 Introduction of literature review

This chapter analysis the literature review on internal audit in ensuring organizational effectiveness. The specific areas dealt with include internal audit and corporate governance, theories, conceptual frameworks and the empirical studies.

2.2 Introduction of Internal Auditing

Internal auditing has undergone dramatic changes and has expended its scope to make greater contribution to the organization goals. Internal auditing is also performing its role in diverse cultural and legal environments within different organizations; which varies in size, structure, purpose and also in persons. We must continually broaden our vision and look for barriers that may stand in the way of universal application of the IIA Standards. We must not feel we have reached the ultimate and that development is not needed. Internal auditors are often called as both a policeman and a business partner. An internal auditor is called as a business partner during his/her dealing with client management, and a policeman because of his/her acts an independent reviewer of management of an organization. Internal auditor as a business partner expected to provide expertise to assist an organization to meet its goals; and as a policeman, internal auditor is looking for weakness and flaws in the internal control system.

The empirical portion of this study will provide evidence whether compliance with the internal auditing practices and standards will lead the organization towards its effective internal control system to achieve organization goal or not. Review and evaluation of an internal control system and the quality of performance carries to assigned responsibilities are the basic activities of internal audit.

The purpose of the appraisal of the adequacy of the internal auditing is to find out whether the recognized system provides reasonable assurance that the organization's objectives and

goals will be met efficiently and reasonably. An ample control is considered to be present if the internal control planned and organized by the administrative management in a manner, which provides reasonable assurance that the organization's goals and objectives will be achieved efficiently and reasonably.

The role of internal auditing in the review of effectiveness of the internal control system is to find out whether the internal control system is functioning well as it is intended to do. The internal control system is called to be effective, if the administrative management direct the system in such a way which provides reasonable assurance that the organization's goals and objectives will be achieved. Because the basic aim of internal control system of an organization is to provide management with reasonable assurance that the financial information of the organization is reliable and accurate; the organization compile with the stated policies procedure and planes; assets of the organization is safeguarded and protected from theft and loss; resources are used efficiently and effectively; and finally recognized goals and objectives for operation. Thus, the internal auditing focuses on this internal control framework.

2.3 Types of internal auditing

While a significant portion of internal audit covers internal controls over financial reporting within the organization as they pertain to generally accepted accounting procedures (GAAP) impacting their financial statements. Many organizations also recognize the need for other types of assessments or audits outside of accounting or finance. Some of these key areas include compliance (i.e., regulatory), environmental, information technology, operational and performance audits.

2.4 Internal audit procedures

An internal audit should have four general phases of activities—Planning, Fieldwork, Reporting, and Follow-up. The following provides a brief synopsis of each phase.

- **Planning** – During the planning process, the internal audit team will define the scope and objectives, review guidance relevant to audit (e.g., laws, regulations, industry standards, company policies and procedures, etc.), review the results from previous audits, set a timeline and budget for the audit, create an audit plan to be executed, identify the process owners to involve, and schedule a kick-off meeting to commence the audit.
- **Fieldwork** – Fieldwork is the actual act of auditing. Throughout this phase, the audit team will execute the audit plan. This usually includes interviewing key personnel to confirm an understanding of the process and controls, reviewing relevant documents and artifacts for an example execution of the controls, testing the controls for a sample over a period of time, documenting the work performed, and identifying exceptions and recommendations.
- **Reporting** – As you might guess, internal audit will draft the audit report during the reporting phase. The report should be written clearly and succinctly to avoid misinterpretation and to encourage the intended audience to actually read and understand the report. Findings should be accompanied by recommendations that are actionable and lead directly to process improvements. The process of issuing an internal audit report should include drafting the report, review the draft with management to ensure the accuracy of findings, and issuance and distribution of the final report.
- **Follow-up** – The final stage is an important one that is often overlooked and neglected. Following up is critical to ensure that the recommendations have been implemented to address the findings identified. This process should include appropriate follow-up with process owners needing to implement the recommendations as well as Board oversight of the company's overall status in addressing findings identified by internal audit. If an organization fails to follow-up on the implementation of recommendations, it is unlikely that the changes will be made.



The Institute of Internal Auditors (IIA) has set the internationally recognized framework for internal auditing. It is called the International Professional Practices Framework (IPPF). The IPPF provides “mandatory” and “strongly recommended” guidance. These are standards that apply are applied by over 160,000 internal auditors who are working globally within the framework.

2.5 Internal Auditors’ Characteristics

Internal Auditors’ Characteristics refer to the objectivity, effective communication, proficiency and due professional care, and training and development. The relationship between these characteristics and internal audit effectiveness is the target of discussion in the next points.

Objectivity is essential for any professional who provides professional judgment either by himself or through others, and without it this judgment loses its value and becomes meaningless in others’ opinion. The need for objectivity is clearly evident in the business environment in general, and especially for auditors where the users of audit services depend in part on their opinions when they take their decisions. This view is confirmed by both professional bodies and researchers. Schneider (2003) mentioned the objectivity as the key element of the internal audit

effectiveness. More support for this view has been provided by several articles of ISPPA. Internal auditors must be objective when carrying out their duties (IIA, 2012, Sec. 1100). In addition, internal auditing activities should be free from any interference (IIA, 2012, Sec. 1100.A1) and internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest (IIA, 2012, Sec. 1120). Mutchler (2003) discussed seven threats to internal auditors' objectivity, which included: self-review; economic interest; personal relationships; familiarity; cultural, racial and gender biases; and cognitive biases.

Several studies noted the importance of the effective communication for functions to achieve their objectives (Lewis & Graham, 1988; Davidson, 1991; Seng, 2004; Quinn & Hargie, 2004; Smith, 2005; Robson & Tourish, 2005; Golen, 2008; Bambacas & Patrickson, 2008; Schneider, 2008). Also, ISA 610 (2009), issued by IFAC demanded external auditors by evaluating the effective communication when used during the work performed by internal auditing. Mihret and Yismaw (2007), consider effective communication as a part of the internal audit quality, which is considered as one of the strongest variables influencing the effectiveness of internal auditing.

IIA requires internal auditors to possess the knowledge, skills, and other competencies needed to perform their individual responsibilities (IIA, 2012, Sec. 1210). Previous studies such as Schneider (1984, 2003), Margheim (1986), Messier and Schneider (1988), Maletta (1993), Mousa (2005), considered proficiency and due professional care (competence) as a significant element of internal auditing.

The IIA as the international professional organization of internal auditors has demanded all its members to have continuous professional development programs (IIA, 2012). Several studies considered training and development as part of an internal auditor competence (Brown, 1983; Schneider, 1984; Messier & Schneider, 1988; Al Darwish, 1990; Mousa, 2005).

2.6 Theoretical points of departure

2.6.1 Internal audit and its role:

The fundamental role of internal audit is to assist management to attain organization's goals. It also provides assurance that the management has implemented a satisfactory internal control

system for risk prevention. In accumulating, internal audit provide internal consulting services to the whole organization in terms of facilitation, advices, training and counsels (IIA, 2011).

According to IIA (1999); “Internal auditing is 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”.

According to the IIA (2009) definition, internal auditing can well be classified into three diverse areas; risk management, corporate governance and internal control. Internal auditors play a basic role not only in risk management but also providing consultants and assurance services to the executives. Previously, the IIA issued “The Role of Internal Auditing in Enterprise Wide Risk Management (ERM)” as a track to the internal auditors that they supposed to play their role in the enterprise risk management procedure.

Lately, related to consulting services the IIA report portrays four essential activities for internal auditor to be accountable, which are; coordinating Enterprise-Wide Risk Management activities, facilitating the identification and evaluation of risks, maintaining and developing the Enterprise-Wide Risk Management framework, and for the management support developing of risk management strategy.

2.6.2 Internal audit as a mechanism:

2.6.2.1 Internal audit as a risk management mechanism:

Internal audit plays a role of risk management mechanism in organizations. Internal audit play a critical role in monitoring the risk profile of an organization. Further, it should classify areas in order to provide better risk management procedures (Lindow and Race, 2002).

An internal audit can be obliging for corporation in identifying and evaluating risks and lay the profession at the front line of the risk management (Walker et al., 2003, p.52). Besides, Kwan (1999) explains that inside a company, development of a risk based culture is essential in order to construct a strong organizational commitment for risk management i.e. the development of an integrated risk management framework.

2.6.2.2 Internal audit as an internal control mechanism:

Internal audit also plays a vital role in internal control mechanism in organizations. The directors and management of an organization adopt internal control process, which provides assurance about the attainment of the organization's objectives regarding operations, financial reporting and compliance with the regulations (COSO Report, 1992). External auditing standards (for example: AUS, 402 and ISA, 400) shows that the control environment can be reinforced by using effective internal audit function. On behalf of the executive; monitoring different operations regarding the control procedure and information system (AUS 402 19-d). The asymmetry of information between division and senior manager's result in weakening the ability of the senior managers to firmly control operations (San.M and Govindarajan, 1984).

The reason for this problem is the presence of internal agency costs (Ettredge et al., 2000), which occurs between the upper management and the lower level staff because of the incentive's differences.

An internal audit includes a strong internal controls system for reviewing and monitoring mechanism. The senior management can delegate their responsibilities in accordance with the internal control to the internal audit function (San.M and Govindarajan, 1984).

2.6.2.3 Internal audit as a governance mechanism:

Internal audit also plays a role of internal governance mechanism in organizations. From the agency point of view, the role of strong governance within a firm lays by aligning the management interests with the stakeholders in order to minimize agency costs (Cohen et al., 2002).

An independent board chair, independent directors on the board, internal audit, external audit and effective audit committee are different corporate governance mechanisms used to monitor behavior of the management (Cohen et al., 2004).

According to The complex interactions within these governance mechanisms are like a "corporate governance mosaic" (Cohen et al., 2004, p.88). But the problems between

independent and executive directors due to asymmetry information shows internal audit more likely as a complementary mechanism. This is supported by determining evidences from the researches examining the relationship between audit committees and internal audit (Scarbrough et al., 1998). This is in accordance with the IIA view about internal auditing; which helps organizations to improve and evaluate governance processes (IIA, 1999). Thus, positive relation between the internal audit function and a stronger audit committee can be expected because of their closely intertwined goals (Scarbrough et al., 1998, p. 53).

An effective audit committee can strengthen the internal audit function position (Braiotta, 1999), whereas a powerful internal audit function can result in enhancing the audit committee's effectiveness (NYSE and NASD, 1999).

2.6.3 Organisation goals:

On the basis of economic theory most of the organizations are looking towards achieve their goals i.e. Profit (maximization), but this view is not accepted in today's business world. According to Lilien and Kotler (1983), "Although profit in some firms is an overriding goal of the business, it is not the only factor that an organization considers when trying to decide among alternative plans of actions. An organization is a complex hierarchal social system pursuing a variety of organizational and personal goals." Further, Kotler (1980) describes that the common objectives of most of the companies are; to increase sale growth, profitability, innovation and diversification of risks. Stagner (1969) visited 125 huge firms and 125 vice-presents and he pointed that the goals of a firm is other than maximization of profit, i.e. cohesiveness of the management. His study showed that managerial cohesiveness is playing a key role in business decision making. A proper set of goals can be used as a first point for a firm's study which describes design (Gouldner 1959). This is an important approach, because a proper set of goals represents efforts of a firm's to deal with; dynamic, multidimensional, an uncertain environment and to properly state managerial activities (Baily and Boe 1976).

Additionally, Osteryoung (1977) notes this approach that for the development of a realistic theory of firm, goal training is an important link. Though, some complex firms normally

follow more set of goals rather than single, among these most must be incidental (i.e. politically oriented statements) at different organizational levels (Connor and Bloomfield 1977). Further Lilien and Kotler (1983) stated that, “Generally the announced or published objectives of a company are of little operational help in choosing among alternative plans.” So, currently a firm set of goals are connected to the firm’s philosophy. Dittenhofer (2001) prescribed that an internal audit is to assist organization in achieving their goals and objectives. Further, Institute of Internal Auditors stated about internal audit that it, “helps an organization accomplish its objectives” (IIA, 2004). In the same way other literature has documented the internal audits role in the achievement of corporate goals (see example as; Hass et al., 2006).

2.7 Conceptual Review and Framework

Mugenda and Mugenda (2008) define a conceptual framework as a system of variables operationalized by the researcher in an attempt to realize the set objectives. The independent variables in this research are risk management, internal environment audit practices and monitoring and control activities while the dependent variable is organization performance.

2.8 Empirical Review

This section reviews the existing empirical studies on internal audit practices on organization performance. Internal audit practices helps an organization to achieve its objective by bringing a composed, restrained approach with a specific end goal to survey and build up the viability of hazard administration, control and administration forms.

2.8.1 Auditing Function and Organizational Performance

Internal Audit has turned into a key administration instrument for accomplishing powerful control in both open and private associations (Udu, 2006). Internal auditing serves as a vital connection in the business and budgetary reporting procedures of partnerships and not-revenue driven associations. The point of inner inspecting is to enhance hierarchical proficiency and adequacy through useful feedback. Inner Auditing has four primary segments: viz; check of

composed records, investigation of approach, assessment of the rationale and fulfillment of methods, interior administrations and staffing to guarantee they are proficient and proper for the association's strategies; and reporting suggestions for enhancements to administration.

Most internal audit experts contend that a compelling inner review work connects with enhanced money related execution. As indicated by Beyanga (2011), a viable inside review administration can, specifically, decrease overhead, distinguish approaches to enhance effectiveness and expand introduction to conceivable misfortunes from deficiently defended organization resources all of which can significantly affect the execution of an organization. Saren and De Belde (2006) pointed that when an organization seeks after respectability and clear moral qualities reflected in a formal set of principles/morals, the internal audit capacity will take a more noteworthy significance. Inside control frameworks add to administrative adequacy as well as vital obligations of corporate directorate. Bookkeeping writing in like manner underlines the significance of an association's respectability and moral values in keeping up a powerful control.

Fadzil et al (2005) noticed that internal auditors run an organization all the more proficiently and adequately to expand shareholders esteem. At long last Hermanson and Rittenberg (2005) contended that the presence of a viable internal auditor's capacity is connected with predominant authoritative execution. At the observational level, a study directed by KPMG (1999) indicated that the internal auditors work in associations where it exists, contributes significantly to execution change and help with recognizing benefit confirm in corporate catastrophes, especially budgetary misrepresentation reliably archives a relationship between feeble administrations. Subsequently interior review by going about as a guard dog could spare the association from acts of neglect and inconsistencies in this manner empowering the association to accomplish its targets of guaranteeing abnormal state of efficiency and benefit.

2.8.2 Risk Management and Organizational Performance

An organization management of internal control has a key part in the administration of dangers that are noteworthy to the satisfaction of its business targets. A sound arrangement of inward control adds to protecting the shareholders venture and the organization's advantages. Inside control encourages the adequacy and effectiveness of operations, guarantees the dependability of

interior and outside reporting and helps consistence with laws and directions (Whittington and Pany, 2010). An organization arrangement of inward control has a key part in the administration of dangers that are noteworthy to the satisfaction of its business targets. A sound arrangement of internal control adds to shielding the shareholders venture and the organization's advantages. Inner control encourages the viability and productivity of operations, guarantees the unwavering quality of inward and outer reporting and helps consistence with laws and directions (Whittington & Pany, 2010).

Organizations understand risk and need valuing the significance of hazard administration to an association. Great corporate administration codes require the board to introduce an arrangement of hazard administration and educate their shareholders regarding this framework (Pickett, 2003). An organization cannot get smaller its way to approach to extent. It must create, and one of the keys to fruitful development is compelling danger administration. Chance affects an association's capacity to contend and to keep up its money related quality and the nature of its items and administrations. It is the interior examiner's business to recognize all auditable exercises and important hazard figures and to evaluate their noteworthiness.

An effective internal control structure requires that the material perils that could unfavorably impact the achievement of the bank's destinations are being perceived and constantly surveyed. As indicated by Beyanga (2011) this evaluation ought to cover all dangers confronting the bank and the combined keeping money association (that is, credit hazard, nation and exchange chance, showcase chance, financing cost chance, liquidity chance, operational hazard, legitimate hazard, and reputational chance). Inward controls may should be modified to fittingly address any new or beforehand uncontrolled dangers (Radu and Ramona, 2013). Subsequently it is basic that, as a major aspect of an inner control framework these dangers are being perceived and ceaselessly surveyed. From an inside control point of view, a hazard appraisal ought to recognize and assess the inward and outer components that could antagonistically influence the accomplishment of the administrative bodies' execution, data and consistence objective.

Effective risk assessment identifies and perceives and considers internal parts, (for instance, the multifaceted way of the affiliation's structure, the nature of the bank's activities, the nature of the work constrain, various leveled changes and agent turnover) and what's more outside components, (for instance, fluctuating fiscal conditions, changes in the business and mechanical

advances) that could inimically impact the achievement of the firm's objectives. This hazard evaluation ought to be led at the level of individual organizations and over the wide range of exercises and backups of the combined managing an account association. This can be refined through different strategies (Pickett, 2010). Successful hazard appraisal addresses both quantifiable and non-quantifiable parts of dangers and measures expenses of controls against the advantages they give.

The risk assessment process also figure out risks which are controllable by the firm and which are most certainly not. For those dangers that are controllable, the bank must survey whether to acknowledge those dangers or the degree to which it wishes to relieve the dangers through control techniques. For those dangers that can't be controlled, the bank must choose whether to acknowledge these dangers or to pull back from or lessen the level of business action concerned. According to Birkett (2009) risk refers to the probability that an occasion, condition, or activity may unfavorably influence an association or its activities. Certain factors in events, conditions, or actions may be seen as posing risks for an organization or its activities.

In order for risk assessment, and in this manner the arrangement of internal control, to stay viable, senior administration needs constantly to assess the dangers influencing the accomplishment of its objectives and respond to changing conditions and conditions. Internal audit controls may be amended to suitably address any new or beforehand uncontrolled dangers. For instance, as money related development happens, a bank needs to assess new budgetary instruments and market exchanges and consider the dangers connected with these exercises. Frequently these dangers can be best comprehended while considering how different situations (monetary and something else) influence the money streams and profit of budgetary instruments and exchanges.

The meaning of a risk is seen as the product of the degree of its adverse effect and the probability of its occurrence. In assessing the significance of adverse effects identified with risk factors, ultimate reference will be made to a "failure to accomplish established objectives and goals; indeed, the actual process of establishing goals and objectives should explicitly recognize the risks associated with not achieving them. As an outcome, different risks may be assigned relative significance.

Risk assessment system is divided into three steps: risk identification, risk analysis and evaluation, risk control and report. Risk identification deals with finding out how the enterprise judges and analyzes risks, including its nature, types and reasons of the occurrence. On the other hand risk analysis and evaluation needs quantitative analysis of digital information collected by mathematical method in order to make the risk management based on scientific basis. The result of risk analysis and risk evaluation is the probability of occurrence and size of the risk so as to provide a dependable basis for decision-making. When dealing with risk control and report management is required to consider how to control risk. The method of controlling risk usually is to transfer risk, adverse risk and disperse risk.

2.8.3 Internal Environment Audit Practices and Organizational Performance

Whittington and Pany (2001) characterized internal environment audit practices as the tone of the association by impacting the control awareness of individuals. They encourage affirm that control environment is seen as the establishment for the various segments of inner control. Internal environment audit practices hones variables incorporate; trustworthiness and moral estimations of work force in charge of making, managing, and checking the controls, duty and skill of people performing doled out obligations, top managerial staff or review panels, management philosophy and operating style and authoritative structure (which might be an all-around sorted out structure that accommodates appropriate arranging, coordinating and controlling operations or a disordered structure that may just serve to befuddle the key players by making misty parts).

Administration state of mind ought to be focused on moral business hones and to taking after the set up control techniques (Fish, 2001). This is the establishment for each other piece of internal control, giving request and structure. Inside environment control sharpens components include: Integrity and good values; the devotion to wellness; organization hypothesis and working style; and the way organization distributes power and commitment, deals with and develops its family. The Internal environment control practices are the establishment of the five components in the inner control system. Its assignment and operation influence the venture' general action, as well as the other four components. In this way control environment specifically influences the impact

of execution of interior control system and the advanced ventures ought to build up a reasonable internal environment control (Eden, 2006).

Internal environment audit practices has a few components, nonetheless, for reasons for this exploration, the survey will concentrate on administration rationality and working style, the trustworthiness and moral estimations of staff that make and regulate controls, and review councils and directorate. For motivations behind the study, governing body will be spoken to by the Board of Management and the different advisory groups of the Board (Verschoor, 1999). Whittington and Pany (2001) likewise trust that these variables set a premise whereupon the other inward control parts can be manufactured. They additionally give a structure inside which alternate segments work. Be that as it may, these attestations have not generally remained constant, since administration in associations has dependably superseded these controls, the absence of tutoring.

The internal environment audit practices usually include the following context. To begin with, there is personnel integrity and quality. The staffs assume a double part: on one hand, they are the subjects of inward control in the association and control the execution of their task; then again, they are the objects of interior control in the association and regulated and controlled by the other. Anything of inner control framework might not go past the staffs' trustworthiness and quality that makes, oversees, actualizes and administers the framework. Besides, there is the administration style and administration thought (Eden, 2006). The leadership administration style and administration thought impact the method for overseeing of the undertakings, particularly the supervisor singular marvelousness and the capacity to settle on choice. Directors control the endeavor principally by planning the association and administration component, approving and outlining the framework. What's more, in conclusion there is the association structure.

Organization structure including association structure settings, duties portion, what position of the individual in the association is and what power and obligation he have. Association structure is the grantee for the undertaking to accomplish generally speaking.

2.8.4 Control Activities and Organizational Performance

Ray and Pany (2010) referred control exercises as another part of inner controls. They observe that control activities are methodologies and frameworks that certification that organization

commands are finished. Controls exercises in an association essentially involve; execution surveys (contrasting genuine execution and spending plans, gauges and earlier period execution), data preparing (important to check exactness, culmination and approval of exchanges), physical controls (important to give security over both records and different resources), and isolation of obligations (where nobody individual ought to handle all parts of an exchange from the earliest starting point to the end).

Internal control ought to be successful when looking at outline can amazingly helpful and is as a rule for association administration and broadly to budgetary articulations at present, an extensive variety of business firms have used internal controls through the advancement of ways to deal with certification a protecting assets and profitable business environment especially accounting course of action, organization procedure, and operational approach (Ogneva, Subramanyam and Raghunandan, 2010). Thus, internal control ought to be all the time survey in all parts of their organization and embed inside controls that will reinforce the organization and increment benefit (Skaife, 2009).

Control activities are the Inside control structures ought to be watched - a system that assesses the way of the structure's execution after some time. Constant watching happens in the ordinary course of operations, and joins reliable organization and supervisory activities, and diverse moves staff make in playing out their commitments that assess the way of inside control system execution (Colbert and Bowen, 1996). The expansion and repeat of specific evaluations depend basically on an examination of perils and the feasibility of advancing checking systems (Anduuru, 2005).

Internal control insufficiencies should be represented upstream, with bona fide matters reported quickly to top association and regulating sheets. Internal control systems change after some time (Dumitrescu, 2004). The way controls are associated may progress once suitable frameworks can end up being less convincing a direct result of the arrival of new staff, fluctuating sufficiency of planning and supervision, time and resources necessities, or additional weights. Also, conditions for which within control structure was at first sketched out furthermore may change. In light of advancing conditions, organization needs to make sense of if the inside control system continues being correlated and prepared to address new dangers (Roth, 1997).

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This section shows the procedure, which was utilized to do the study. The chapter also shows the type and source of information that the study sought the targeted populace, data sampling method, research philosophy and approach, research strategy, data collection procedures and sources that was used, data analysis and limitation of the study. Finally, the last section summarizes the whole chapter. It additionally portrays how information was gathered and analyzed. The appropriate philosophy in this study illustrates the rules for data assembling and handling.

The study area was stratified into the greater Banjul area where there is larger concentration of companies. Thus, this chapter discusses the overall methodology of study. A random sampling was used in the selection of respondents. Both public and private companies were stratified by categorizing it into activities, which included the auditing environment which involved the public corporation and government departments. The philosophical background of this study is pragmatism and both deductive and inductive approaches have been used to help better understanding the role of internal auditing in ensuring organizational effectiveness. Case study, survey and questionnaires method has been used employed as the research strategy.

3.2 Research Design and Plan

Since this study involves the collection of views, perspectives or opinions of respondents regarding a particular issue, the study employed a case study and survey research method which involves questionnaires, personal interview with respondents and perusal of past records and publications. This choice was made due to the fact that the case study and survey method is effective when it comes to getting opinions, attitudes and descriptions as well as getting cause and effect relationship.

3.3 Target Population

Target population is the particular populace about which data is coveted.

According to (Sundle, nd), population indicates group that is designated for gathering information.

The targeted population is the public and private companies such as audit firms, national audit unit, banks, public organizations, since all these areas affect the accountability of audit report. The heads of internal audit function in each organization targeted. Most of the companies in the Gambia are not making full disclosure of their accounts and therefore lower transparency and accountability due to uncertainties. Hence, the participants that took part in this study were randomly selected and invited within the Gambia and from a sample frame that is made up of both private and public companies. This study was conducted using important areas of internal auditing as risk management, internal control, its transparency and accountability. This is the audit firms, commercial banks and public institutions in the greater Banjul area, the Gambia.

3.4 Research Approach

The design of every research study is influenced by the researcher's philosophical stance towards the subject of study (Foy, 2008). This research seeks to investigate social phenomenon on the impact of internal auditing in ensuring organizational effectiveness of corporate organizations in the Gambia is not only a social phenomenon in a general sense but the outcome of the interaction between government and corporations. In order to gain a wider and a broader perspective on these phenomena, pragmatist research philosophy has been used in this study. Pragmatist believes that the research question is the most important determinant of the choice of research philosophy to be adopted (Creswell, 1994). There is no one approach better to answering a research question. In answering a particular question, one approach may be better to answering the question than the other. Thus, the result of the findings would not only be built on positivist objective stance but also on the subjective interpretation of data collected. This research philosophy is adopted because it affords opportunity for the researcher to engage a variety of data choices which would provide a valid and a solid ground for the outcome of the study (Creswell, 2003). This current study seeks to understand the role of internal auditing in ensuring organizational effectiveness.

3.5 Research Strategy

The strategy that has been used can be chosen depending on research question and objectives, research time and other resources that are available. (Saunders et al, 2007) the most feasible solution for this dissertation is the survey method and case study. The survey method is associated with deductive approach. It allows the collection of large amount of data from sizeable population in highly economical ways. Utilizing the questionnaires, data can be standardized allowing easy compilation. It is also a cheap option for the researcher. The survey strategy also allows collecting quantitative data which can be analyzed using descriptive tactics. In the case of this dissertation, the researcher plans to distribute questionnaires among corporate organizations in the Gambia including banks, audit firms and government offices and thus do the survey for this dissertation. This will be handed by the researcher herself which add to the cheap cost of the survey.

Case studies involve empirical investigation to study contemporary phenomenon using multiple sources of evidence (Robson 2002). Case study research, according to Yin (2014) is one form of social science research especially to answer the question of “how” and “why” a contemporary phenomenon in the context of the real world occurs, whereas the relationship between phenomenon and the context has not been clearly proven. Analytical and descriptive approach to describe the results. The application of case study research in this study intends to elevate the core attributes of a decision or some decision “why it is done, how it is implemented and how the outcome” based on the result of the investigation that is expected to be important and useful for similar cases in auditing (Rowley, 2002). However, case study research has been variously criticized. One of the main arguments against this strategy is its lack of generalization. It cannot be used to generalize events (Zainal, 2007). The most common question that is asked frequently is “How can you generalize from a single case?” (Yin 1984). Zainal (2007) states that these drawbacks or limitations of a case study can be subverted by triangulating the result of the study with other methods so as to confirm the validity of outcomes.

3.6 Data collection procedures

The data for this work was primarily sourced through the use of questionnaire. The researcher distributed questionnaires to audit firms (Accords associates and PKF Gambia) and banks (Access and Mega bank) and government departments: The Gambia Public Procurement

Authority, Edward Francis Small Teaching Hospital, Ministry of Finance and Economic Affairs to elicit from them information needed for this work. The questions in the questionnaire were structured in such a way that the respondents would give relevant information needed for this work. Since this research is conducted as a mixed method research, data collections methods and techniques follows both quantitative and qualitative research design. This study uses both secondary and primary sources of data. According to Lyons ken, (2008), primary sources are contemporary account of an event, written by someone who experienced or witness the event in question. They include interviews, speeches, journals, and unpublished works. Newspapers or magazine articles may also be a primary source as long as they are written soon after the fact and not as historical account. Secondary sources offer an analysis of primary source (Steven, 2017). They are not evidence but commentary on the discussions of evidence.

The questionnaires are divided into four sections. The first section covered respondent personal information, the importance of internal auditing, the role of internal auditing in decision making and how it contribute to the organization effectiveness.

The questionnaires were distributed through drop and pick later method. However, where the respondents had time to fill the questionnaire as the research assistant waits were accorded any assistance and clarification that he or she wants.

3.7 Data analysis and presentation

Descriptive method of research was used in this work. All the data collected in the course of this work were described in various sections in which they appeared in the report. This provided a quick view of an investigation in the role of internal auditing in organizations in the Gambia. Analysis of data refers to those techniques whereby the investigator extract from data or information that was not apparently there before and which would enable a summary description of the subject studied to be made. Statistical tool of frequency tables and percentage were used to present and analyzed data collected. Also, the analyst utilized multiple regression analysis to determine the quality of the relationship between the dependent and independent factors.

Multiple regression analysis to establish the strength of the relationship between the dependent and independent variables was used

The regression equation is:

$$Y = \beta_0 + \beta_1 RM1 + \beta_2 IC2 + \beta_3 C3 + \epsilon$$

Where: **Y** is dependent variable (organization performance),

B0 is the regression coefficient/constant/Y-intercept,

β_1 , β_2 , β_3 and β_4 are the slopes of the regression equation,

RM1 is the risk management

IA2 is the internal environmental audit,

CA3 is the control activities,

α is an error term normally distributed about a mean of 0 and for purpose of computation, the α is assumed to be 0.

3.8 Justification of the study and the method

The use of descriptive analysis in this work is prompted by the fact that it is a very convenient means for summarizing and arranging data or responses from questionnaires (Eboh 1998). Ordinal level of scaling is to be used due to the fact that it will be impossible to get figures with any assurance or accuracy from the respondents. A survey work based on the finite population or survey statistical approach is typically associated with description (Deaton. 1997)

4.0 RESULTS (DATA ANALYSIS AND PRESENTATION)

4.0 Introduction

This chapter presents the analysis and findings of the study from the data collected using the research questionnaire. The data presented here are those collected from the field survey on the appraisal OF THE ROLE OF INTERNAL AUITING IN ENSURING ORGANISATIONAL EFFECTIVENESS. The data were collected in response to 25 questionnaires distributed to KMC and Greater Banjul areas out of which all the 25 copies were completed .This will be geared

towards testing the research hypothesis leading to drawing conclusions and recommendations in the next chapter.

Table 4.1 Gender

Gender	Frequency	Percentage
Male	8	32%
Female	17	68%
Total	25	100%

Source:survey Questionnaires, March 2020

From the above table are the Gender of the respondents, 32% of the respondents are male and 68% of the respondents are female.

Table 4. 2 Age of the respondents

Age	Frequency	Percentage
20-30years	3	12%
31-40years	11	44%
41-50years	7	28%
51-60years	4	16%
60+years	0	0%
Total	25	100%

Source:survey Questionnaires, March 2020

From the above table are the ages of the respondents ,12% of the respondents are between the 20-30 years ,44% are between 31-40years ,28% of them are between 41-50 years ,16% of them are between 51-60 years and 0% of them are above 60 years.

Table 4.3 Highest level of education

Education	Frequency	Percentage
Certificate	0	0%
Diploma	0	0%
Degree	13	52%
Masters	9	36%
Others	3	12%
Total	25	100%

Source:survey Questionnaires, March 2020

From the above table are the level of education of the respondents, 0% of the respondents are certificate holders, 0% of them are Diploma holders, 52% of them are Degree holders, 36% of them are master's degree holders and 12% of them do not holder none of the degrees named, this implies that others category are Chartered Accountant who are experts Auditing.

Table 4.4 Respondents years in business

Years	Frequency	Percentages
1-5 years	5	20%
6—10 years	5	20%
11-15 years	9	36%
16-20 years	6	24%
Others	0	0%

Total	25	100%
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Source:survey Questionnaires, March 2020

From the table above are the responses in the number of years the respondents were into business, 20% of them were into business between 1-5 years, 20% of them were into business between 6-10 years, 36% of them between 11-15 years and 24% between 16-20 years .This is an implication that the respondent has experience in the audit field

Table 4.5

Responses	Frequency	Percentages
Strongly agree	20	80%
Agree	5	20%
Not sure	0	0%
Disagree	0	0%
Strongly disagree	0	0%

Source:survey Questionnaires, March 2020

From the table above are the responses from respondents about whether internal auditing provides information on problems in the activity or control system in the organisation.80% of the respondents strongly agreed, 20% of the respondents agreed, neither of the respondents is neural, disagreed nor strongly disagreed. This is an implication that internal auditing provides information for problem solving with Auditing.

Table 4.6

Responses	Frequency	Percentages
Strongly agree	14	56%
Agree	9	36%
Not sure	2	8%
Disagree	0	0%
Strongly disagree	0	0%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on when examining the issues that are audited, IA also covers issues related to effectiveness, performance and saving.56% of the respondents strongly agreed, 36% of them agreed, 8% were not sure and neither there was respondents that supports or disagreed or strongly disagreed. This is an implication that it is true.

Table 4.7

Responses	Frequency	Percentages
Strongly agree	17	68%
Agree	5	20%
Not sure	3	12%
Disagree	0	0%
Strongly disagree	0	0%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on whether IA is aware of and sensitize to the organization's needs and operates accordingly.68% of the respondents strongly

agreed, 20% agreed, 12% of them were not sure. None of them neither strongly disagreed nor disagree.

Table 4.8

Responses	Frequency	Percentages
Strongly agree	21	84%
Agree	4	16%
Not sure	0	0%
Disagree	0	0%
Strongly disagree	0	0%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on whether IA identifies risks and properly evaluates control systems, thereby becoming a gatekeeper.84% of the respondents strongly agreed on the issues and 16% of them agreed. None of them opposed the issue.

Table 4.9

Responses	Frequency	Percentages
Strongly agree	4	16%
Agree	5	20%
Not sure	10	40%
Disagree	3	12%
Strongly disagree	3	12%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on the issues to be audited are decided after identifying risks, quantifying them and determining appropriate risk levels,16% of the respondents strongly agreed ,20% of them agree,40% of them are neutral,12% disagreed and 12% of them strongly disagreed.

Table 4.10

Responses	Frequency	Percentages
Strongly agree	1	4%
Agree	9	36%
Not sure	2	8%
Disagree	6	24%
Strongly disagree	7	28%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on all control and auditing activities in the organization are performed by IA or are coordinated with IA, including external auditing.4% of the respondent strongly agreed,36% of the respondents agreed,8% of them are not sure,24% of them disagreed,28% of them strongly disagreed.

Table 4.11

Responses	Frequency	Percentages
Strongly agree	2	8%
Agree	3	12%
Not sure	2	8%

Disagree	10	40%
Strongly disagree	8	32%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on whether the IA department and its employees are reliable and behave with integrity,8% of the respondents strongly agreed,12% of them agreed,8% of them are not sure,40% of them disagree and 32% of them strongly disagreed.

Table 4.12

Responses	Frequency	Percentages
Strongly agree	17	68%
Agree	5	20%
Not sure	3	12%
Disagree	0	0%
Strongly disagree	0	0%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on whether IA is a source of valuable data and information for the decision makers in the organisation.68% of the respondents strongly agreed,20% of the agreed,12% of them are not sure of their opinions, neither anyone of them disagreed or strongly disagreed.

Table 4.13

Responses	Frequency	Percentages
Strongly agree	21	84%

Agree	4	16%
Not sure	0	0%
Disagree	0	0%
Strongly disagree	0	0%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on whether information provided by IA is vital to organizational operations,84% of the respondents strongly agree,16% of them agreed, and none of them is not sure, disagreed or strongly disagreed.

Table 4.14

Responses	Frequency	Percentages
Strongly agree	16	64%
Agree	4	16%
Not sure	5	20%
Disagree	0	0%
Strongly disagree	0	0%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on whether the organization invests consistently in the training and development of IA employees, who in the future will be a source for filling managerial positions in the organisations.64% of the respondents strongly agreed,16% of the respondents agreed,20% of the respondents are not sure. Neither of them disagreed or strongly disagreed.

Table 4.15

Responses	Frequency	Percentages
Strongly agree	2	8%
Agree	2	8%
Not sure	0	0%
Disagree	6	24%
Strongly disagree	16	64%

Source:survey Questionnaires, March 2020

From the above table is the responses from the respondents on whether the work of IA is performed with modern technology that uses computerized data pools and specific IA softwares,8% of the respondents strongly agreed,8% of them agreed,0% of them are not really too sure,24% of them disagreed and 64% of them strongly disagreed.

Table 4.16

Responses	Frequency	Percentages
Strongly agree	10	40%
Agree	5	20%
Not sure	1	4%
Disagree	4	16%
Strongly disagree	5	20%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on whether the recommendations of the IA department can be easily implemented,40% of the respondents strongly agreed,20% of them agreed,4% of them are not sure ,16% of them disagreed and 20% of the strongly disagreed.

Table 4.17

Responses	Frequency	Percentages
Strongly agree	21	84%
Agree	4	16%
Not sure	0	0%
Disagree	0	0%
Strongly disagree	0	0%

Source:survey Questionnaires, March 2020

From the above table are the responses on whether the recommendations of the IA department provide practical, cost benefit solutions for correcting the problems that were found.84% of the respondents strongly agreed, 16% of them agree and none of them are not sure, disagreed nor strongly disagreed.

Table 4.18

Responses	Frequency	Percentages
Strongly agree	11	44%
Agree	4	16%
Not sure	5	20%
Disagree	2	8%
Strongly disagree	3	12%

Source:survey Questionnaires, March 2020

From the table above are the responses from the respondents on whether management's decision making process is strongly affected by the reports and findings of the IA department.44% of the

respondents strongly agreed,16% of them agreed,20% of them are neutral ,8% of them disagreed and 12% of the strongly disagreed.

Table 4.19

Responses	Frequency	Percentages
Strongly agree	0	0%
Agree	0	0%
Not sure	2	0%
Disagree	6	24%
Strongly disagree	17	68%

Source:survey Questionnaires, March 2020

From the above table are the responses from the respondents on whether the IA department contributes to the organization above and beyond its costs. None of the respondents neither strongly agreed, agreed nor sure about it, 24% of them disagreed and 68% of them strongly disagreed.

4.1 . Here is the responses from respondents on how risk management affects performance

Risk management is used to decrease the undesirable effects of market conditions and behavior on company's activities and performance.

Risk management is exercised by organization to minimize the adverse impacts of internal and external risks that may affect its activities and performance. Risk management also supports organizations in responding to uncontrollable market conditions to sustain consistent profitability, which eventually leads to optimized organizational performance.

It is one of the key driving forces to strengthen firm's ability to withstand risks and survive under extreme organizational and environmental pressures.

It helps to postulates that when a company is capable to avoid the adverse impacts of external risks and respond to the environmental changes, it will be less vulnerable to financial consequences of market.

4.2 Responses on how does internal Audit contributes to organizational performance

With an effective internal audit function it is able to ensure reduction in cost thus contributing to the overall organizational performance of organization.

Internal auditing is an independent, objective assurance and consulting activity designed to add value to and improve an organization's operations.

Internal auditing achieves this by providing insight and recommendations based on analyses and assessments of data and business processes. With commitment to integrity and accountability, internal auditing provides value to governing bodies and senior management as an objective source of independent advice.

Internal auditing may also involve conducting proactive fraud audits to identify potentially fraudulent acts; participating in fraud investigations under the direction of fraud investigation professionals, and conducting post investigation fraud audits to identify control breakdowns and establish financial loss.

4.3 Responses on how does internal audit environment practice performance for organization

The goal of an internal audit is to ensure organizational policies and procedures by keeping a pulse on the consistency of internal business practices.

It can help organizations manage performance and ensure consistent product quality, company's activities and performance.

4.4 Does monitoring and control activities affect performance of organizations?

Most of the respondents pointed that monitoring procedures, checking for compliance with exposure limits, physical controls, supervisory activities, environmental monitoring, system of verification on reconciliation, assessment of risks and that segregation of duties influence organization performance effectiveness.

Monitoring identify weaknesses in the control environment and adopting corrective measures to address the weaknesses.

4.5 State other ways in which internal audit contributes to organization effectiveness, performance and growth.

Thus management' support through fulfilling their role of risk management can help promote internal audit effectiveness in the organization.

Internal audit function has value creation towards organizations through management by evaluating and improving effectiveness of internal control system created by management.

Internal audit function has significantly become recognized as the key mechanism to internal control system.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter depicts the summary of the data findings on the role of internal auditing in ensuring organizational effectiveness with focus regulatory bodies in The Gambia, the conclusions and recommendations are drawn there to. The chapter is therefore structured into summary of findings, conclusions and recommendations.

5.2 Summary of findings

From the study findings most of the respondent indicated that risk assessment, risk management strategies, risk mitigation, risk monitoring, assess ethics and values within the organization, risk management provide assurance that the risks are being appropriately managed and risk identification influence organization performance effectiveness. A sound system of internal

auditing contributes to safeguarding the shareholders' investment and the company's assets. Internal audit facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting and assists compliance with laws and regulations.

5.3 Conclusion

The purpose of my paper was to investigate that how the internal audit plays their role in organization performance. The theoretical model shows the role of internal audit in organization's goals. The paper demonstrates that for an organization to achieve its goals, efficient performance of the management and internal audit department is required. Because the management objectives are connected to the organization objectives and the internal audit objective can also be connected to the organization's objectives.

An organization compliance with the internal auditing standards not only makes an effective internal control system but also lead the organization to achieve its ultimate objectives. An internal audit basic activity is to review and evaluate the internal control system and the quality of performance carries for assigning responsibilities. It also review effectiveness of the internal control system is to find out whether the internal control system is functioning well as it is intended to do or not. The system is called to be effective, if the system provides reasonable assurance that the organization's goals and objectives will be achieved. Internal auditing plays their role in risk management, corporate governance and internal control not only but also providing consultancy and insurance services to the executives.

Previously internal auditors were responsible for enterprise risk management and later on it is broaden. Internal audit classify areas to enhance risk management procedures. Internal control process adopted by directors and management of organization in order to provide assurance about attainment of organization's objectives, financial reporting, compliance with the stated rules and regulations; and provides strong internal controls system for reviewing and monitoring mechanism. Most of the organizations are looking towards maximization of their profit. But some organizations in today's business world are focusing on other factors along with profit maximization i.e. to improve organization's sale growth, innovations, and diversification of risks.

Some of the organizations are focusing on the management cohesiveness, rather than profit maximizations and thus it helps in effective decisions making. Most of the complex firms normally follow set of goals rather than a single goal, like profit maximization and thus it is connected to the firm philosophy.

Internal audit improve organization's operations and ensures reliability and integrity of financial and other operating information to the management and shareholders. During internal auditing, internal auditors provide valuable recommendations on weak areas to improve organization's operations, because they have better understanding of the internal control weaknesses. Almost all internal controls inherent weaknesses, no matter how well they are designed. Auditor's independence is one of the most important factors for good internal audit and without auditor's independence they can't provide a true and fair report.

The internal auditor is directly reportable to the board of directors and is hence the true representative of the shareholders and his recommendations give an independent opinion about the state of affairs of the company. In internal audit organization's methods and procedures are more determined, which not only improves organization's processes but also decreased scrap and rework processes. Furthermore, it improves profitability and satisfaction of shareholders.

The review has argued that internal auditing effectiveness is influenced by the dynamics prevailing in an IA setting. It is also argued that, as IA is aimed to assist organizations to achieve objectives, a positive association between internal audit's level of compliance with the standards for professional practice of internal auditors and with organizational performance could serve as an additional approach to assess IA effectiveness. As always, propositions developed in this paper need to be empirically tested to establish their validity. However, as has been pointed out above, empirical testing should not require the adoption of a hardcore positivist mindset or an exclusive focus on agency theory.

Based on the theoretical explained relationship of internal audit and organization's goals, I developed

An explanatory model, which shows the role of internal audit in organization's goals achievement. The effective internal audit shows the positive results (i.e. productivity improves; growth, development and financial results improves; and sales improves) which are the ultimate goals of organizations. Internal auditing could be used as a mechanism of internal control, risk management and internal governance. No gap existing between organization goals and internal audit. Finally, it is concluded that internal auditing not only plays positive role in organization's goals but also improve organization's efficiencies.

5.4 Recommendation

For the role of Internal Audit to be effective on organization activities in relation to the organization effectiveness, the following have been recommended;

The management of organization should ensure the recruitment of professionally and academically qualified personnel to be in charge of their internal audit unit, so as to minimize the occurrence of fraudulent activities. Also, regular review of internal control system should be inculcated, so as to checkmate the lapses of the control system.

External Auditors should be hired by the Board of Directors so the auditors will report to the Board of Directors of the Organization. Accountability can best be enforced when anomalies are identified and management is called to explain why compliance is compromised.

Audit Committees should be established in Organizations so that they can educate staff on the findings in the audit reports. This will help put information available to all.

The audit committees would ensure that external auditor's recommendations are studied, enforced and implemented. Beneficiary communities and stakeholders should be educated to demand full disclosure of the entire package of support such that they can hold Organizations implementing the projects within their community accountable if they refused to render the agreed support package.

The study recommended that a study be done on the role of internal auditing in the organizational performance with focus to private sectors in order to depict real situation across the sectors.

The study also recommends that a study be done on challenges that is affecting internal auditing practices in both public and private sectors.

The study recommends risk assessment appraisal ought to be directed at the level of individual organizations and over the wide range of exercises and auxiliaries of the merged association.

5.5 Limitations of the study

The study is to be limited to the impact of Internal auditing in ensuring organizational performance in relation to accountability and transparency in Gambia.

Time: The time of the research is very short and this makes it very difficult if not impossible for the researcher to design a great number of items of questionnaires to be administered for the research work.

Cost: The cost of producing this study is substantial considering the fact that one has to type the manuscript, produce photocopies and commute frequently.

Co-operation: This research needs a lot of information from both management staff and some beneficiaries. However, some groups and individuals were skeptical in providing information with the excuse that they have responded to a lot of such questions in the past but have not seen any benefit. Nevertheless, response to the required information was gathered upon further persuasion.

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