



Presenting the model of internal audit in Iran with a pathological approach

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ABSTRACT

Pathology of internal audit services can offer proposals to enhance quality and added value to stakeholders while deciphering its roles. In this research, an attempt was made to describe the deficiencies in the effectiveness of internal audit in Iran, to identify the components of each of the damages and to provide a model to improve its effectiveness. Both field and library methods were used in two qualitative and quantitative stages. In the qualitative stage, using the foundation's data approach, the damages identified in the core categories, causal conditions, background conditions, strategies, intervention conditions and the consequences of the research model, are determined and in the quantitative stage, using the test The non-parametric effects of injuries on performance were investigated and the identified factors were ranked using Friedman's test. The research questionnaire was designed with a 5-point Likert scale. The results of the foundation's data approach classified the research model into 6 categories. The results showed that the variables 1. selective and tasteful behavior of managers, 2. not having a favorable organizational position, 3. weak law and lack of transparency at the community level have more priority as harm. Also, it was found that 1. the cost of political fronts in the country and 2. economic fluctuations were less important from the point of view of the respondents.

Keywords: internal audit, pathology, foundation data



1. Introduction

Rapid changes in technology, business requirements, customer needs, the extent of organizational risks, corporate governance issues and the like have led to significant changes and improvements in the role, responsibility and capacities of internal audit (Butz, 2012). . Based on global experiences, one of the most important and influential pillars for applying effective control and advancing goals in organizations is the establishment and utilization of internal audit capacity, which has a significant impact on the achievement of organizations' goals in a systematic way. This shows its increasing importance in the progress of any institution or company (Mongal and Sleepers, 2015). With the developments in the business environment, internal audit, as one of the links in the value chain, has redefined and reengineered its duties. Paying attention to the effect of modern internal audit as one of the practical tools in various fields of assurance and consulting and providing suitable solutions for planning and targeted investment of resources is necessary in order to achieve the macro goals and specified strategic axes. It is important to understand the concept of internal audit features and how it works (Turley and Zaman, 2007).

Internal audit is considered one of the important components in the high quality corporate governance system, which is focused on providing assurance services and management consulting services in order to check the effectiveness of internal controls and evaluate the performance of organizations and companies, and is a tool for support Measuring and evaluating the effectiveness of risk management (Mark et al., 2019). Despite the drafting of the charter of internal audit activities in 2013 by the Securities and Exchange Organization and the obligation of listed companies to form an internal audit unit and comply with the charter of internal audit activities, such a requirement has not been foreseen for most organizations. Therefore, most organizations still look at the internal audit system in a traditional way and do not have much confidence in its role and importance in the organization, while there have been many changes in the functions and organizational role of internal audit. The dominant view in compiling internal audit standards indicates that all services of internal auditors, including executive and advisory processes, should be based on the 1300 standard, which means quality assurance and improvement of the process of

planning and implementation of operations, and considering the necessity of upgrading and ensuring the high quality of services. (Steinbart et al., 2018)

The 1300 standard, with the title of quality assurance and planning for improvement, explains the solutions related to the design of a codified program with the aim of ensuring the quality of compliance of auditing activities with the standards, evaluating the degree of compliance with ethical principles, as well as the efficiency of executive operations, which in a way provide opportunities for improvement in the process. It also specifies the implementation of operations (International Association of Internal Auditors, 2017).

In order for organizations to have advanced financial and operational systems and to create added economic value on the way to achieving their goals, they need to analyze the pathology of their internal audit system and provide solutions to improve the effectiveness of its performance.

Examining the inadequacies, opportunities, threats and requirements of value-creating and expected services from internal audit can, while deciphering the roles and effects of the services of this important organizational department, provide effective solutions to improve the quality of its products and create more added value to the beneficiaries of this provide services From this point of view, it seems that, compared to independent audit, less research has been done in the field of internal audit missions. Secondly, in the few researches, the main focus has been on the importance of internal audit, and the implementation challenges and quality improvement strategies of these services have been seen very little. Despite the emphasis placed in the international and domestic definitions on the responsibilities of internal auditors on three main axes, i.e. assessment of risk management, internal controls and corporate governance processes, so far there are consistent standards and specific application patterns that can meet the expectations of the quality of services of this unit. It is not designed to be considered responsible.

Despite the repeated emphasis in recent years on the importance of internal audit and the need to strengthen it as one of the important drivers of the corporate governance system, a comprehensive analysis of the capacities, prerequisites and reasons for the failure in the performance of this unit has not yet been carried out. Accordingly, a strategic model for

the optimal performance of this driving and important institution has not been presented. Without considering the strengths, weaknesses, opportunities and threats of these activities, this department cannot meet the expectations of the stakeholders. Based on this, in this research, while explaining the shortcomings, challenges and obstacles in the effective functioning of internal audit in Iran, the main components related to each of the damages have been identified and effective solutions in order to improve the quality of internal audit and Increase the effectiveness of its activities based on the Kozo standard and the expectations of corporate governance. Therefore, the main goal of this research is to estimate the challenges and examine the gap between expectations, shortcomings, opportunities, threats and requirements of value-creating services of internal auditors. In other words, the purpose of this research is to analyze the pathology of internal audit activities in Iran, so that by providing effective components in the form of a comprehensive model based on its definitions and theoretical aspects, it will contribute significantly to the improvement of the quality of audit activities in Iran. The pathology of the reasons for the failure of internal audit in Iran, the recognition of different dimensions of responsibilities, how to respond in each of the dimensions, the criteria for measuring the quality of the profession and its effect on the quality measurement criteria are among the most basic aspects of the innovation of the upcoming research.

This research can complete and improve the charter of internal audit and other regulations in the functional area of internal auditors and provide appropriate empirical evidence in order to evaluate the effect of improving the quality of internal audit in improving the performance and quality of services and in this way create sufficient knowledge. Based on this, the main issue of the current research is what is the appropriate model for internal audit pathology in Iran and how is the prioritization of internal audit pathology criteria in Iran?

2. Theoretical foundations

2-1. Internal Audit

Internal audit is an independent activity with the purpose of providing advice and assurance, which is designed to increase the value and improve the performance of the organization. Internal audit helps

the organization in achieving its goals by creating a regular and systematic approach to effectively evaluate and improve risk management, control and governance processes (International Association of Internal Auditors, 2015). Internal auditing has been introduced to provide assurance services, prevent crime and fraud, assess risk, especially financial risks, and look for fraud monitoring and detection methods (such as response mechanisms to financial indiscipline). Internal auditing should be developed along with changing management procedures and focus on problematic areas (International Association of Internal Auditors, 2020).

Internal audit creates added value for the organization by evaluating risk management and control management processes and recommending their improvement. So that according to the results obtained from the largest international survey of the internal audit profession called General Body of Knowledge (CBOK), following international standards as well as the establishment of internal audit in organizations around the world significantly in 2015 compared to 2010 has increased (Menti, 2017).

In this regard, the internal auditor, as defined in the American Association of Internal Auditors; It is required to evaluate risk management processes and then check the correctness of management control. Secondly, they should take steps to reduce the risk of mistakes; But most importantly, it is to limit the frauds committed by the employees.

Internal audit activities, including executive processes and consulting, are carried out according to the 1300 standard based on quality assurance and improvement of the planning process and implementation of operations according to the improvement of the quality level of the actions taken (Steinbart et al., 2018).

In the years after the approval of the Sarbanes-Oxley Act, parallel to the ever-increasing changes and developments of business and the need of stakeholders for value-creating services, the missions of internal auditors have also been developed and deepened as one of the main internal mechanisms of corporate governance. . The effectiveness of efficiency and value creation of internal audit should be accepted from the point of view of the senior managers of the organization, the board of directors and other stakeholders and decision makers, so the basic condition in relation to the value creation of internal

audit activity is to pay attention to the goals and strategic policies of the organization with it as a starting point. Identifying opportunities for improvement (Maraiz, 2004).

2-2- The roles and objectives of internal audit

1-2-2. The role of internal audit in the management and operation of the organization

Various corporate governance guidelines that have been published over the years have also emphasized the importance of internal audit, and have also suggested that there be an effective internal audit unit and have given recommendations to them (Sadler et al., 2008).

The internal audit unit has an important and vital role in the management and management of the organization's operations and is one of the main internal mechanisms of corporate governance. Organizations that have an efficient and effective internal audit unit have a better assessment of identifying business risks and use appropriate corrective measures to continuously improve their business environment.

2-2-2. The role of internal audit in improving the effectiveness of the organization's activities

Having an internal auditor with an optimal control and management process can create more effectiveness. Internal audit is one of the links in the value creation chain in modern organizations, which plays an important role in the sustainable development of the company within the framework of the corporate governance system (Sassani and Sharifi Rad, 2013). In the internal audit, the efficiency of operations and the functioning of information technology are examined. In this type of audit, the effectiveness and efficiency of business transactions, the role of activities in improving company processes and operations, risk management and monitoring customer satisfaction are considered (Mahmoodzadeh, 2013).

In many cases, internal audits are used by the organization's management to evaluate the effectiveness of the internal control system that the management is responsible for creating. Internal audit activities must evaluate the adequacy and effectiveness

of controls related to information systems, operations and management of the organization as follows:

- Reliability and accuracy of financial and operational information
- Effectiveness and efficiency of operations
- Protection of assets
- Compliance with the law, regulations and contracts (Sassani and Sharifi Rad, 2013).

3-2-2. The role of internal audit in risk assessment

internal auditor, as defined by the American Society of Internal Auditors; It is required to evaluate risk management processes and then check the correctness of management control. Second, internal auditors should take steps to reduce the risk of mistakes. The auditor should find weak points in the management and control processes and then apply appropriate changes in these systems. As mentioned before, the starting point of internal audit includes evaluating the effectiveness, efficiency and adequacy of control mechanisms. Internal audit can only provide an opinion on the quality of risk management and management control performance. Internal audit will not be effective if all management units do not cooperate properly. Management's awareness of the need to control and manage risk turns it into a supportive and advisory tool. The operation of a suitable and effective fraud control system can be a preventive factor to prevent and detect economic fraud (Abdoli and Nadali, 2014).

4-2-2. The role of internal audit in fraud prevention and detection

The responsibilities of preventing and detecting fraud in an organization are divided between the board of directors, the audit committee and the internal audit. Internal audit capabilities have made it possible to assist audit committees in their supervisory role (Schneider, 2009).

As the most important element of the company's board of directors, the audit committee supervises the work of internal auditors and cooperates with the independent auditor. According to the audit standards of the American Association of Internal Auditors (2013), internal auditors must have sufficient knowledge to assess the risk of fraud and how it is managed by the organization; But internal auditors are

not expected to be experts in fraud detection and research. The internal auditor's role in fraud risk management can include preliminary or thorough investigation of suspected fraud, root cause analysis and control improvement recommendations, organizational warning, and ethics training (American Institute of Internal Auditors, 2009). In accordance with the audit standards of the American Institute of Internal Auditors, the chief audit executive should periodically inform senior management and the board of directors about significant risk exposure and control issues, including fraud risk, corporate governance issues, and other issues. The need or request of senior management and the board of directors to report.

5-2-2. New roles of internal audit

In addition to the above, internal audit in a new concept should do the following:

- 1) participation in the continuous improvement of controls and their effectiveness and efficiency,
- 2) Accepting responsibility for providing appropriate suggestions to improve the ethics and values of the organization.
- 3) Ensuring performance management and effective organizational accountability,
- 4) link risk and control information and coordinate information and disseminate it among the board of directors, management, independent auditors and internal auditors (International Association of Internal Auditors, 2008, Sadler et al., 2008).

Digital technology affects the role of auditing as a corporate governance mechanism at five key levels. Digitization improves audit relevance, allowing audit firms to expand their services by offering new services, as well as by analyzing all data. The client, the audit quality improves, and finally, with digitalization, new auditor features appear. Therefore, corporate governance will improve, but the discretionary power of managers will be limited. (Riyad et al., 2020)

3-2. Pathology of internal audit

Despite the current capabilities and unique opportunities created for stabilization, development and excellence of internal audit, several harms also threaten this unit to perform its duties. A review of the theoretical foundations related to the topic of the current research indicates that the following factors

can cause inadequacies, inconsistencies and problems in the introduction and implementation of the responsibilities of internal auditors:

1-3-2. Damages related to recognition and prioritization of internal audit missions in Iran

Considering the wide range of audit services, including assurance and consulting in various fields of financial, compliance, operational, court and computer systems audits, recognition and prioritization of internal audit missions is inevitable. Also, in this section, it is useful to pay attention to the following components:

- Challenges related to knowing the types of assurance services (financial, compliance, operational, special, fraud detection)
- Problems of prioritizing types of assurance services
- Challenges related to knowing the types of consulting services
- Problems of prioritizing various consulting services

2-3-2. The harms of linking the results of various types of audits to the triple outcomes in the international definition (risk assessment, internal controls and corporate governance promotion)

Considering the mission of internal audit in performing both risk assessment, internal control and corporate governance duties on the one hand and the lack of specific criteria in timing, the limits of implementing internal audit methods or prioritization in resolving possible conflicts in the performance of each of the responsibilities. On the other hand, two types of challenges and problems can be proposed and investigated in this section:

- Pathology of each of the responsibilities of risk, internal control and corporate governance separately
- The pathology of performing the above three tasks in interaction and combination with each other

Conducting internal audits has always been faced with time and subject limitations, and expanding the scope of responsibilities to the aforementioned three areas has increased these limitations and problems. At the same time, if there is an inconsistency between

fulfilling the aforementioned responsibilities, determining the final task and prioritizing one task over other tasks is associated with difficulties. For example, it is not clear what priority internal auditors should have in fulfilling the responsibility of corporate governance. Even if they can fulfill their assurance duties, they will be accompanied by problems and inadequacies in the implementation of counseling duties.

Internal auditors face different situations when faced with evaluating the risk of a business unit and relating it to the interests of each of the stakeholders in order to perform the task of corporate governance. For example, a risk may be acceptable to the main shareholders, but the minority shareholders are not interested in accepting it. Such conflicts arise between the responsibility of evaluating internal controls and two other responsibilities.

3-3-2. Damages related to institutional factors or related to failure and lack of necessary infrastructure

In addition to the issue of authority, the existence of a strong and appropriate organizational structure and position also has a great impact on the quality of service delivery and especially the quantitative and qualitative increase in the performance of internal auditors' responsibilities. In most of the current structures, the organizational unit provided for internal audit as a management has a lower position than the other vices of the organization. In addition, less forces are available to this management compared to other organizational units. In addition, this failure creates another problem for internal auditors, in addition to the problem of attractiveness of the job for the individual, and that is the lack of effective influence and the exercise of a governance role in other departments of the organization. The effectiveness of the internal audit unit basically depends on the amount and quality of resources available to it. The most important source of internal audit is the employees who work in internal audit, therefore, this important and vital source must have characteristics such as adequate salaries and benefits, proper and sufficient training, the right and appropriate combination of skills, education and experience (Kamali Zare and Arbab). Soleimani, 2013) The new definition of internal audit and many emphasis on corporate governance requirements have assigned a wide range of duties and obligations to

internal audit management, without introducing a clear prescription of powers, prerequisites and executive requirements. The powers stated in the charters of the audit and internal audit committee are not sufficient to respond to the huge range of obligations and expectations from this unit. Right and duty are two sides of the same coin, and applying a systemic approach in balancing powers with missions is a prerequisite for their implementation, for example, if necessary, internal auditors should be involved in social responsibility to clarify or create more added value in interaction with independent auditors. to be active, the realization of this right expectation is not compatible with the current capabilities in the realm of their authority, especially in situations where the interests of managers are in conflict with the interests of other stakeholders, having sufficient authority to support correct decisions is a prerequisite for fulfilling responsibility of this unit is considered. Due to the complexities that exist in the implementation of audit missions, organizations should train employees who deal with internal audit missions to have a complete understanding of the relevant standards. Other components affected by institutional and infrastructural factors are: upgrading education and internship information systems, providing efficient human resources with appropriate work experience, coordinating between departments, spending considerable time and money.

4-3-2. Pathology of performance evaluation indicators

One of the management components in the optimal advancement of missions is the prediction of incentives and punishments, the existence of attractions and repulsions and the simultaneous use of motivational and deterrent factors in performance evaluations of each group. Performance evaluation will lead to improving the performance quality of internal auditors (Nikbakht and Quds Hasanabad, 2018). Currently, there is no incentive or punishment factor to motivate internal auditors to deal with their diverse responsibilities, and even possibly, motivational and deterrent factors are considered in the opposite way in the performance evaluation, that is, internal auditors may If they fulfill their responsibilities towards the beneficiaries, they will be questioned by the managers of the business unit. Despite the emphasis of the society and the profession

on the importance of accountability of internal auditors, a serious mechanism is not explained in the search for the effects of their responsibilities and the source of judgment is not established. They may face a lot of referral missions from the board of directors, the CEO and the audit committee and practically do not have a chance to deal with important advisory and reassuring responsibilities and important missions related to their social responsibilities.

5-3-2. Gaps in laws and regulations and standards related to internal audit

In many internal audit charters, it is stated that internal audit units perform their activities in accordance with international standards of professional implementation of internal audit (Richardji, Anderson, 2013).

Internal auditors may have to compromise between honesty and independence in their work, the same conflict or conflict is also raised for the issue of transparency versus secrecy; On the one hand, confidentiality is one of the ethical elements emphasized in the profession, especially internal audit, and on the other hand, the special emphasis of corporate governance issues on the issue of transparency can sometimes induce a double sense. Adherence to moral principles and social responsibilities originates from one's inherent personality and personal beliefs and not from a set of rules and regulations. As a result, the dimensions of professional integrity should be beyond a set of professional regulations. From the analysis of this phrase, it can be concluded that the auditor's moral responsibility is undoubtedly higher than legal responsibility or professional responsibility. It is necessary to pay attention to ethical principles and hold professional ethics training courses (Mahdavi and Ebrahimi, 2012).

Moral competence is a necessary condition for independence. The auditor should not distort or hide important information or be dealt with under the illegitimate influence of the organization's managers in such a way that his independence is distorted. On the one hand, internal audit management is the executive arm of the audit committee, and in many cases it is considered a sub-unit, and on the other hand, it is responsible for evaluating activities related to risk management, which is an equal committee within the audit committee.

6-3-2. Stakeholder expectation gap

The society has expectations from the auditor. These expectations are far from the duty that the auditor sets for himself according to the law or other criteria, which is called the "expectation gap" (Royaei, 2013). For the following reasons, this gap shows a greater gap and depth regarding internal auditors. First, according to the new requirements of corporate governance, the beneficiaries of the internal audit activity are very diverse, and secondly, each of them has different and sometimes conflicting expectations, and thirdly, the wide range of the definition of the Internal Auditing Association (IIA) of internal audit activities is a kind of permission for endless expectations and sometimes. It is impossible to give this unit to the beneficiaries. Limitless expectations from the implementation of any type of assurance activity (including financial, compliance, operational, special, and computer systems audit) on the one hand, and the expectation of providing extensive consulting activities regarding the effectiveness of risk management processes, internal controls, and organizational governance on the one hand. They are another clear proof of the high level of expectations from internal audit. Currently in Iran, the shareholders do not have any means to monitor the managers and even know about the approvals of the board of directors (Hadikhani and Nazaripour, 2013), also almost none of the audits are done based on the order of the stakeholders and therefore responding to The needs of customers and conducting specific audits desired by the stakeholders have been merely slogans, especially since the internal auditors' reports are not provided to the stakeholders. Another interesting point is that, contrary to the issue of the gap of expectations from independent auditors, this gap of expectations in internal audit and especially the fulfillment of social responsibilities of internal auditors has not even been counted. Some experts are against the presence of internal auditors in the sub-groups of organizations and parent and sub-holding companies. This group believes that Iran's commercial law states that the only reasons for the entry or involvement of major shareholders of parent companies in subsidiary companies are one of the following two ways:

- 1) Appointing members of the board of directors as representatives of owners or shareholders;
- 2) Designation and selection of legal auditor (and independent auditor).

This group of critics does not believe in the duties of corporate governance regarding the use of internal auditors of major shareholders and institutional owners as the main internal mechanism of that governance. The other group declares that the commercial law does not prohibit the presence of internal auditors in the subsidiaries of organizations, funds, institutions and parent companies, and therefore they demand serious monitoring of the internal auditors of the investing company on the performance of the investing companies.

In determining the role of internal audit, the relationship between it and the key factors of corporate governance should be examined (Gramling and Myers, 2003).

7-3-2. Damages related to the internal audit quality assurance category

If an internal audit activity does not comply with internal audit standards, internal auditors may not declare that their work has been done in accordance with internal audit standards, so when non-compliance with internal audit standards and the implementation of internal audit operations are effective, the disclosure of non-compliance cases is essential for senior managers and boards of directors (International Institute of Internal Auditing, 2017). The 1300 standard with the title of quality assurance and planning for improvement explains the strategies and procedures related to the design of a codified program with the aim of ensuring the quality of compliance of internal audit activities with the standards, evaluating the degree of compliance with ethical principles and also the efficiency of executive operations, which is a kind of opportunities. It also identifies improvement in the process of implementing operations (International Internal Audit Association, 2017). The internal audit manager in the organization accepts the ultimate responsibility for internal audit activities. Therefore, he is responsible for developing and maintaining the quality program for the internal audit activity (Mangal and Sleepers, 2015).

4-2. Research background

Foreign background

Samara and Rashia (2021) in a research titled "External experience in organizing and evaluating the internal control and audit system using methods such

as analysis, observation, classification, modeling, and others" concluded that often in companies the functions of internal control, internal audit and risk management are integrated as a single unit.

(2019), using a unique data set from Taiwan, examined the relationship between internal audit quality and internal control deficiencies in operations and compliance. The results showed that a larger internal audit group can improve internal audit performance on operations and compliance, while the competence of internal auditors has a positive relationship with the effectiveness of internal control on compliance, but has no relationship with operations.

In a research, Mark et al. (2019) investigated the effect of the existence of audit committee and internal audit on the profit management of companies. For this purpose, a sample of 86 industrial companies was used in the Amman Stock Exchange (Jordan) for the four-year period from 2007 to 2010. In this research, accruals were used as an indicator of profit management. The results of the research showed that the existence of audit committee and internal audit reduces the amount of profit management.

Suriana (2018) has investigated the relationship between internal audit and financial reporting quality in a research conducted in Indonesia. Data collection was done using a questionnaire from among 43 banks registered in the Indonesian Stock Exchange. The result of the research indicates the important role of internal audit in the quality of financial reporting.

The Trudway Commission (1987) recommended that internal audit managers should have direct and unrestricted access to the audit committee and regularly hold private meetings with the audit committee and attend all these meetings.

The survey of 118 members of the audit committee by De Zert (1997) showed that the review of internal audit programs is one of the exclusive duties of these members and is generally specified in the company's statements.

Raghanandan et al. (2001) found in their research that an audit committee that is composed solely of independent directors and at least one of its members has accounting or financial expertise is more likely to have longer meetings with the internal audit manager to review plans and it will have internal audit results.

A survey of 118 members of the audit committee by DeZert (1997) reports that most of the proxy

reports of these companies indicate that the audit committee should monitor the resources allocated to the internal audit unit, none of the respondents of this work. They did not consider it as part of their duties.

Davies (2009) stated in a research, as much as the interdependence of the audit committee and internal audit is important in the private sector, it is also important in the public sector.

Sarnes et al. (2009) in a research titled "Internal Audit: Facilitating Audit Committee Affairs" in Belgium found that internal audit is a very important source of assurance for the audit committee, especially in the field of risk management and internal controls.

Barua et al.(2012), in a research entitled "Characteristics of audit committee and investment in internal audit" showed that internal audit budgets have a positive relationship with audit committee meetings, but with audit expertise in the audit committee and the turnover of audit committee members. has a negative

Abbott et al. (2010) investigated the relationship between the audit committee's supervision of the internal audit unit and the nature of the internal audit unit's activities and concluded that there is a positive relationship between the audit committee's supervision and the amount of budget allocated to the internal audit unit to implement control. There are internal

Domestic background

Yazdani and Jahani (1400) in a research on the topic of explaining the key effective factors of the success of the internal audit of banks with the approach of mixed audit (MRCB) have addressed the necessity of having an efficient audit system to perform an integrated audit expected by all stakeholders and observers. The findings of the research led to the explanation of the key effective factors of the success of the internal audit of banks in internal and external dimensions, in four parts of environmental factors including; 17 strengths, 16 weaknesses, 21 opportunities and 17 threats were found to be factors, and paying attention to these factors with the unique characteristics of organizational dimensions can meet the expectations of all stakeholders and banking supervisors.

Bani Mahd and Kodkhodaei (1401) have conducted a research on the effect of the gender of internal auditors of state-owned banks on the relationship between emotions and reports of violations, and the results of the research show that

both positive and negative aspects of internal auditors' individual emotions affect their judgment and decision making. They have a significant and positive impact on the disclosure of violations. Also, the evidence indicates that the gender of the internal auditor is an important variable in the disclosure of intra-organizational violations and can increase the intensity of the relationship between emotions and the disclosure of violations.

Hosseini et al. (2015) have conducted a research on the function of internal audit in the universities of medical sciences in Tehran and Iran, and the results show that currently in the universities of medical sciences in Tehran and Iran, the assurance function for internal auditors is more important than the function Counseling is available. Also, the survey of the respondents' views on the future activities of internal audit shows that in the next 5 years, internal auditors are expected to perform more activities related to the assurance function of operational audit and activities related to the advisory function of internal audit.

A research has been done by Pourali et al. (1400) on the topic of designing a model for the key factors of the success of the internal audit system in the oil industry, and the results of this research indicate the presentation of a model of the key factors of the success of the internal audit system of the oil industry in the form of a three-pronged model. Paying attention to these factors guarantees the success of the unit and the industry in achieving its goals and missions.

Ghaemi et al. (2019) in a research titled the effect of audit committee characteristics on internal controls and profit management concluded that there is a relationship between both audit committee characteristics (audit committee size and audit committee expertise) with weakness in internal controls and profit management. There is a negative and significant relationship, but there is no significant relationship between the size of the audit committee and profit management.

Nikbakht and his colleagues (2016) proposed a model for internal audit quality in a research using the context-based method and using in-depth interviews and with a system approach that includes inputs, processes, outputs, consequences and contextual factors. .

Internal audit helps the organization in achieving its goals by creating a regular and systematic approach in order to effectively evaluate and improve risk

management, control, and management processes (Soyer et al., 2004).

3. Research questions

In order to achieve the goals of the study, according to the background and theoretical foundations, the following questions are stated:

3-1. Main questions

- 1) What is the pattern of internal audit in Iran with an emphasis on the pathological approach?
- 2) What is the prioritization of damages and challenges of internal audit in the presented model?

3-2. Sub questions:

- 1) What are the core categories of the internal audit model in Iran with an emphasis on the pathological approach?
- 2) What are the causal conditions of the internal audit model in Iran with an emphasis on the pathological approach?
- 3) What are the background conditions of the internal audit model in Iran with an emphasis on the pathological approach?
- 4) What are the strategies of the internal audit model in Iran with an emphasis on the pathological approach?
- 5) What are the intervention conditions of the internal audit model in Iran with an emphasis on the pathological approach?
- 6) What are the consequences of compiling the internal audit model in Iran with an emphasis on the pathological approach?

4. Research method

Scientific researches are classified based on two bases: purpose and nature or method. Based on the purpose, this research is a part of applied research. Based on the method of data collection, it is part of exploratory or combined research. In this research, both field and library methods were used in two phases, qualitative and quantitative. The library method is more for using scientific research resources and studying documents, documents, reports and letters that can provide the primary data needed by the researcher. In the qualitative phase of the research, the foundation's data

approach was used in order to extract internal audit damages. Due to the lack of a coherent pattern in the literature related to internal audit damages in Iran, a semi-structured interview with experts was also used to cover the weak points of the existing theoretical bases and to reach the persuasion stage of the identified damages. After determining the identified damages in line with the main categories, causal conditions, background conditions, strategies, intervention conditions and the consequences of developing the research model, in the quantitative stage of the identified damages using non-parametric tests Like the sign test, the effect of the identified damages on the internal audit performance was investigated and finally, the identified factors were ranked using the Friedman test. After identifying the intended injuries, a researcher-made questionnaire was designed with a 5-point Likert scale and the collected data was analyzed through SPSS version 23 software. Since the current research is of a mixed type, in the qualitative part (interview) first, a number of experts were selected in a purposeful way to identify the basic categories (damages of internal audit) extracted from the review of the theoretical foundations using the data-base theory. review, analyze and finalize. Based on this, the study population in the qualitative phase included internal audit experts. Therefore, the statistical population of the qualitative stage includes internal auditors, university professors in the field of accounting and auditing, as well as interested managers and other experts in the field of internal auditing who have been very close to the subject and have encountered it in examples of their work. is. It is worth mentioning that the number of sample people in qualitative sampling is based on the theoretical saturation of the data. This means that the sampling will continue until new components and opinions are offered by the sample members. In this research, the purposeful snowball approach was used to select the qualitative research sample. The statistical population of this research in the quantitative part (questionnaire part) includes all employed internal auditors or experts who were related to the activities of internal auditors. Due to the uncertain size of the statistical population, Cochran's formula was used, and based on this, the sample size was calculated as 384 people, and considering the possibility of not returning a number of questionnaires or receiving distorted and unusable questionnaires, the number of questionnaires was

considered to be 350. Finally, out of the total of 350 distributed questionnaires, 202 questionnaires were received, of which 4 questionnaires were distorted, so 198 questionnaires were analyzed. Based on this, the return rate of questionnaires is about 57%.

5. Research findings

In the qualitative phase of the research, in order to extract internal audit damages using the foundation's data approach, in addition to reviewing theoretical foundations, interviews with experts were also used. Based on this, an interview was conducted with 10 internal audit experts whose demographic characteristics are presented in Panel A of Table 1. Since the selection criteria of the experts was to have a doctorate in accounting, at least 10 years of work experience in internal audit or independent audit, as well as teaching experience in the university in the field of auditing, it is clear that 80% of the interviewees have work experience between 10 and They have had 20 years. Also, 60% of the experts were over 45 years old. As it is known, 90% of the interviewees were men. Panel B also studies the demographic findings of the research community in the quantitative section for 198 questionnaires. As panel B of Table 1 shows, the largest gender group is men with 68%. The highest level of education group with 56% is related to master's degree. Also, the results showed that 29% of the respondents had a doctorate degree. The largest age group of the

respondents with 38% frequency is related to the group of 40 years and above. Also, the results showed that the lowest age frequency distribution is less than 30 years old. The most professional records of the respondents with 41% are 15 years and above. Also, the results showed that the lowest frequency distribution of respondents' professional records with 7% is less than 5 years. Most of the internal audit records of the respondents with 41% are between 10 and 15 years. The results showed that the lowest frequency distribution of the respondents' internal audit records with 19% is between 5 and 10 years. The most current job of the respondents with 32% is internal auditor. Also, the results showed that the lowest frequency distribution is the current job of the respondents with zero percent of the board of directors. The highest level of familiarity with the international internal audit standards of the respondents is average with 52%. The results showed that the lowest frequency distribution of the level of familiarity with the international internal audit standards of the respondents is low with 12%.

In this part of the research, the findings from the review of the theoretical foundations and interviews with experts are presented in the form of the foundational data approach (Strauss and Corbin, 1990). Data analysis and research model extraction were done through three stages of open, central and selective coding.

Table 1. Demographic characteristics of interviewees and respondents to the questionnaire

Panel A (qualitative section)			
trait	scale	abundance	Frequency
Professional career history	Between 10 and 20 years	8	80
	More than 20 years	2	20
Age	Between 35 and 45 years	3	40
	More than 45 years	6	60
gender	Man	9	90
	Female	1	10
Panel B (quantitative part)			
gender	Man	135	68
	Female	63	32
Level of education	Associate Degree	2	1
	Masters	28	14
	Masters	110	56
	P.H.D	58	29
Age	Less than 30 years	11	6
	Between 30 and 35 years	41	21

	Between 35 and 40 years	70	35
	40 years and above	76	38
work experience	Less than 5 years	13	7
	Between 5 and 10 years	25	13
	Between 10 and 15 years	78	39
	15 years and above	82	41
Internal audit records	Less than 5 years	40	20
	Between 5 and 10 years	38	19
	Between 10 and 15 years	81	41
	15 years and above	39	20
current job	Internal audit manager	28	14
	Member of the audit committee	17	9
	Independent auditor	20	10
	Internal Auditor	63	32
	Board of Directors	0	0
	other	70	35
Familiarity with international standards of internal auditing	Low	24	12
	medium	103	52
	Much	71	36
	Total	198	100

open coding

In this step, similar data were grouped and named. Open coding is done through a deep and accurate review of writings, interviews or documents, line by line and even word by word.

After identifying the concepts, the relationships between them and the common axis connecting them with each other are identified. In other words, by comparing the concepts with each other, other common axes are obtained, which are referred to as category (class). After extracting the main categories, the specifications and dimensions of each category are also determined. In this research, on average, 32 concepts were extracted from each interview, and each concept was repeated four times on average. The most repeated concepts were related to the concept of "lack of expert and efficient forces" and "organizational culture challenges and lack of support" and "challenges related to continuous training and maintaining professional competence".

The concepts of "challenges related to the recognition of the types of internal audit consulting services and the provisions of the internal audit charter, challenges of organizational culture, the incompatibility of professional responsibilities with organizational authority, the alignment of internal audit with other types of audit and the creation of mistaken thinking in parallel work, the uncertainty of risk management and Internal controls, lack of support, lack of acceptance and implementation of internal audit recommendations, lack of motivational factors, deterrence and supervision, size, culture and mission of the organization, weak culture of accountability and responsiveness, inadequacy, contradiction and weakness in the supervisory body's directives and applicable laws and regulations and standards Relatedly, the lack of appropriate and high-quality practical guidelines for the correct implementation of internal audit, the lack of quantitative criteria in line with internal monitoring and evaluation, the problem of assessing the percentage of realization and completion of internal audit plans, etc., were extracted; Then, to form the categories, the obtained concepts were compared with each other and their similarities and differences were examined and the categories that represent the common axes between the concepts were extracted. For example, in the above concepts, the concepts of "lack of expertise and low level of knowledge, lack of expert and efficient staff, professional qualification of internal audit department employees, lack of familiarity with the internal audit system" represent the main category of "lack of expert and efficient staff". Other concepts and categories were extracted in the same way. It is worth mentioning that in this research, after the categories were identified, in different categories such as organizational conditions including human resources and expertise,

cultural and regulatory, performance evaluation, infrastructure and technology, individual and social, financial and macro environment conditions including (laws and Regulations and standards, profession and macro environment) were placed. The total number of main concepts and categories in this research was 181 concepts and 55 categories, respectively, and almost on average, all three concepts formed one category, which are explained in the following (research model section).

Axial coding

As mentioned by Strauss and Corbin (1998), researchers should classify the identified categories into the following five categories. This stage is called axial coding.

- a) Causal conditions: It means the variables or events that guide the creation or development of a phenomenon.
- b) Strategies: are result-oriented or result-oriented activities that should be carried out in relation to the phenomenon under study and in the context under study and despite the interfering conditions.
- c) Intervening conditions: It refers to conditions that face or facilitate the implementation of strategies.
- d) Background conditions: It refers to a specific area or field of variables. It is a set of conditions that affect strategies. Most of the researchers face problems in distinguishing and separating these types of categories from the causal categories and finally classify the categories that are more attractive as causal conditions and the categories that are less attractive as underlying conditions (Strauss and Corbin, 1990).
- e) Consequences: They are the results of implementing strategies. This classification has been done in the continuation of the research on the identified categories.

Selective coding

The purpose of this stage is to select the central category and relate other categories to its axis; In this sense, the researcher uses selective coding to systematically and objectively choose the central category and other categories are subject to it (Strauss, 1987). Then the researcher connects the central category with other categories in a systematic way, validates the relationships and completes the categories that need improvement and editing (Strauss and Corbin, 1990). Strauss and Corbin (1998) consider the following criteria necessary for

choosing a central category

- This category should be in the center, that is, other categories should be related to it (have the ability to integrate and combine other categories);
- appear and repeat with high frequency in the analysis;
- be sufficiently abstract and able to provide a logical and consistent explanation of the relationship between categories;
- Even with the change of conditions, the explanation is still true. Although it is difficult to identify the central category, it is considered a basic element in the formulation of the theory. It is possible that such a category is available in the results of axial coding, but otherwise a new category must be created.

After the central category is identified, all other categories, sub-categories and descriptors become the central category. Finally, by drawing the link between the focal category and the subcategories and concepts of the study as a whole, the theory of foundation data is compiled (Nouri and Mehrmohmadi, 2013).

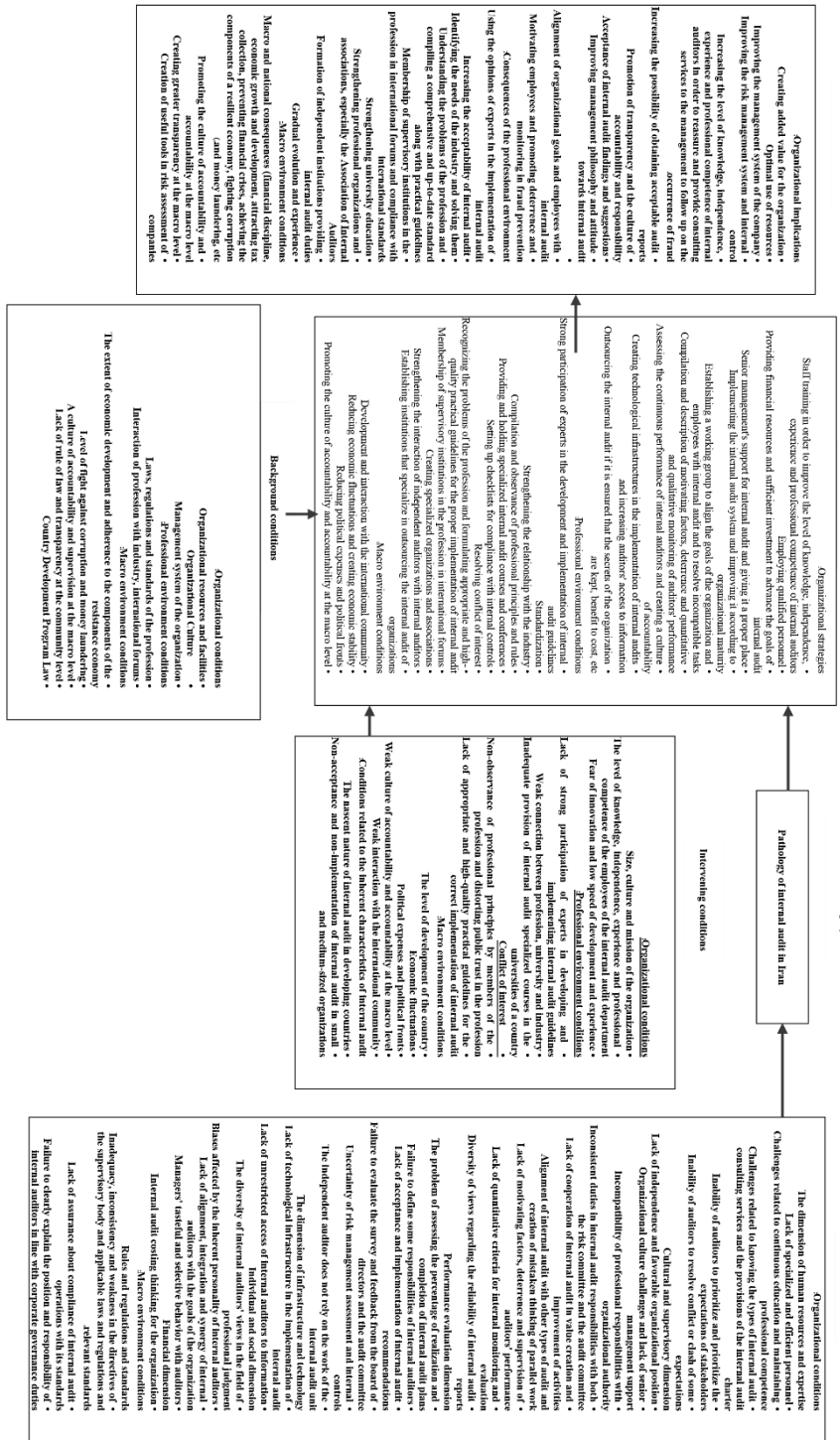


Figure 1. Research model

The results of the analysis of the research questionnaire

Descriptive statistics of research subjects

With the data collected from the questionnaire with a 5-point Likert scale (1=completely disagree to 5=completely agree), for each of the items (variables)

of the research, the minimum, maximum score, mean, standard deviation, skewness and kurtosis statistics are presented. It is shown in Table 2. As it is known, the average of most of the research items is more than 4, which shows that most of the respondents agree with the research items as internal audit damage.

Table 2. Descriptive statistics of research variables

question	Number	mean	Variance	standard deviation	crookedness	Elongation	minimum	maximum
1	198	4.3535	0.747	0.86457	-1.515	2.503	1	5
2	198	4.4899	0.444	0.66638	-1.054	0.374	2	5
3	198	4.2525	0.88	0.93812	-1.196	0.855	1	5
4	198	4.1061	0.765	0.87484	-1.036	1.101	1	5
5	197	4.0051	1.005	1.00253	-0.808	-0.004	1	5
6	198	4.5303	0.433	0.65809	-1.084	0.001	3	5
7	198	4.4899	0.556	0.74548	-1.673	3.678	1	5
8	198	4.3889	0.625	0.79035	-1.186	0.796	2	5
9	198	3.702	1.5	1.22458	-0.653	-0.543	1	5
10	198	4.0909	1.048	1.02349	-1.217	1.199	1	5
11	197	4.1472	0.881	0.93877	-0.934	0.142	1	5
12	196	4.2602	0.768	0.87627	-1.227	1.394	1	5
13	196	4.1735	0.852	0.92293	-1.143	1.138	1	5
14	198	3.8737	0.984	0.99196	-0.626	-0.332	1	5
15	196	3.9133	1.187	1.08964	-0.884	0.112	1	5
16	198	3.9545	1.191	1.09125	-0.809	-0.29	1	5
17	198	4.1212	0.94	0.9693	-1.023	0.414	1	5
18	198	4.3182	0.634	0.79642	-1.123	0.907	2	5
19	198	4.2475	0.685	0.82743	-1.087	1.103	1	5
20	198	4.0253	1.081	1.03951	-0.955	0.312	1	5
21	198	4.3131	0.825	0.90847	-1.442	1.752	1	5
22	198	4.1414	1.218	1.10385	-1.496	1.667	1	5
23	196	3.7857	1.513	1.22997	-0.703	-0.621	1	5
24	198	3.8939	1.263	1.12375	-0.743	-0.437	1	5
25	198	4.0505	1.287	1.13436	-0.964	-0.222	1	5
26	198	4.4343	0.734	0.85688	-1.652	2.578	1	5
27	196	3.7602	1.476	1.21472	-0.657	-0.615	1	5
28	196	4.2194	0.982	0.99116	-1.251	0.918	1	5
29	198	4.0758	1.187	1.08955	-0.984	-0.097	1	5
30	196	4.3265	0.724	0.85065	-1.49	2.415	1	5
31	198	3.4848	1.774	1.33187	-0.54	-0.886	1	5
32	198	3.6566	1.607	1.26781	-0.523	-0.989	1	5
33	196	4.0561	1.222	1.10566	-1.193	0.706	1	5
34	198	4.1616	1.192	1.0918	-1.248	0.886	1	5
35	196	4.2653	1.027	1.01326	-1.449	1.555	1	5
36	198	4.1818	1.084	1.04093	-1.299	1.131	1	5
37	198	4.2677	0.684	0.82724	-1.078	0.725	2	5
38	198	3.8889	1.246	1.11646	-0.773	-0.202	1	5
39	198	3.2879	1.648	1.28362	-0.117	-1.162	1	5

question	Number	mean	Variance	standard deviation	crookedness	Elongation	minimum	maximum
40	198	3.2727	1.702	1.30457	0.036	-1.286	1	5
41	198	4.3586	0.779	0.88283	-1.306	0.854	2	5
42	198	4.101	1.259	1.12195	-0.963	-0.133	1	5
43	198	4.1263	1.187	1.08951	-1.11	0.326	1	5
44	198	4.404	0.841	0.91706	-1.568	1.864	1	5
45	198	4.4444	0.705	0.83965	-1.46	1.306	2	5

Validity and reliability test of the questionnaire

In this research, the content method was used to obtain the validity of the questionnaire. In this method, first, a questionnaire was given to several experts and some members of the sample so that they could comment on the relationship of years with the topic and research objectives, their relationship with research assumptions, the existence of ambiguity in the design of years, the possibility of multiple perceptions and any other suggestions. Express yourself. Then their points of view were applied in the questionnaire, the necessary validity was obtained. Cronbach's alpha was used to check the reliability of the questionnaire. To estimate the reliability, 30 questionnaires were given to the respondents and Cronbach's alpha coefficient was calculated based on the collected data. Since the value of its coefficient is more than 0.9 (0.946), therefore, the reliability of the research tool has excellent reliability.

Kolmogorov Smirnov test and sign test

The results of the Kolmogorov-Smirnov test on the identified variables (items) are specified in Table 3. Considering the calculated significance level which is less than 0.05, it can be said that the distribution of research variables is abnormal and there is no prerequisite for using parametric tests and non-parametric tests should be used. Therefore, since it was

determined that the data of the current research are not normal, the equivalent of the one-sample t-test, i.e., the one-sample sign test, should be used. In other words, the sign test is the non-parametric equivalent of the one-sample t-test. The intensity of respondents' agreement was assessed using the one-sample sign test. Since the points considered to measure the level of agreement are in the range of 1 to 5, to ensure the intensity of agreement, a score of 3 and above (the average of the spectrum) was chosen as the evaluation criterion. In this test, if the calculated z value is more than 1.96, the level of agreement is strong and there is a significant difference with the score of 3 as the point of indifference. If the calculated z is smaller than the mentioned number, the level of agreement is not strong and there is no significant difference with the score of 3. The findings documented in Table (12-4) in relation to the sign test indicate that the amount of z-statistic except for items 39 and 40 (economic fluctuations and political expenses and political fronts at the level country) for other items is more than 1.96, which indicates strong agreement of the respondents with these mentioned factors. In other words, the analysis of the research subjects also indicates that apart from economic fluctuations and political costs and political fronts at the macro level of the country, other variables of the research are significant as damages of internal audit..

Table 3. Kolmogorov Smirnov test results and sign test

rank	Item description	Kolmogorov Smirnov test results			Sign test results		
		statistics	Significance level	Test result	z statistic	Significance level	Result
1	Lack of skilled and efficient workers	0.318	0.000	abnormal	-11.245	0.000	Meaningful
2	Challenges related to lack of continuous training and lack of maintaining professional qualifications	0.359	0.000	abnormal	-12.372	0.000	Meaningful
3	Challenges related to not knowing the types of internal audit consulting services and the provisions of the internal audit charter	0.302	0.000	abnormal	-10.416	0.000	Meaningful

rank	Item description	Kolmogorov Smirnov test results			Sign test results		
		statistics	Significance level	Test result	z statistic	Significance level	Result
4	Auditors' inability to prioritize and prioritize the expectations of stakeholders	0.270	0.000	abnormal	-10.626	0.000	Meaningful
5	Inability of auditors to resolve conflict or clash of some expectations	0.225	0.000	abnormal	-9.16	0.000	Meaningful
6	Lack of independence and favorable organizational position	0.384	0.000	abnormal	-12.53	0.000	Meaningful
7	Challenges of organizational culture and lack of support from senior management	0.364	0.000	abnormal	-12.131	0.000	Meaningful
8	Incompatibility of professional responsibilities with organizational authority	0.331	0.000	abnormal	-11.566	0.000	Meaningful
9	Inconsistent duties in internal audit responsibilities with two risk committees and audit committees	0.207	0.000	abnormal	-6.825	0.000	Meaningful
10	Lack of cooperation of internal audit in value creation and improvement of activities	0.242	0.000	abnormal	-9.732	0.000	Meaningful
11	Alignment of internal audit with other types of audit and creation of mistaken thinking of parallel work	0.260	0.000	abnormal	-9.683	0.000	Meaningful
12	Lack of motivating factors, deterrence and supervision of auditors' performance	0.280	0.000	abnormal	-10.788	0.000	Meaningful
13	Lack of quantitative criteria for internal monitoring and evaluation	0.254	0.000	abnormal	-10.322	0.000	Meaningful
14	Diversity of views regarding the reliability of internal audit reports	0.243	0.000	abnormal	-8.318	0.000	Meaningful
15	The problem of evaluating the percentage of realization and completion of internal audit plans	0.236	0.000	abnormal	-8.143	0.000	Meaningful
16	Failure to determine the limits of some responsibilities of internal auditors	0.230	0.000	abnormal	-8.25	0.000	Meaningful
17	Lack of acceptance and implementation of internal audit recommendations	0.247	0.000	abnormal	-10.025	0.000	Meaningful
18	Lack of survey evaluation and feedback from the board of directors and the audit committee	0.289	0.000	abnormal	-11.333	0.000	Meaningful
19	Uncertainty of assessing risk management and internal controls	0.263	0.000	abnormal	-11.201	0.000	Meaningful
20	Non-reliance of the independent auditor on the work of the internal audit unit	0.235	0.000	abnormal	-9.315	0.000	Meaningful
21	Lack of technological infrastructure in the implementation of internal audit	0.306	0.000	abnormal	-10.876	0.000	Meaningful
22	The lack of unlimited access of internal auditors to information	0.272	0.000	abnormal	-9.507	0.000	Meaningful
23	The diversity of internal auditors' views in the field of professional judgment	0.217	0.000	abnormal	-6.462	0.000	Meaningful
24	Biases influenced by the inherent personality of internal auditors	0.221	0.000	abnormal	-7.469	0.000	Meaningful
25	Lack of alignment, integration and synergy of internal auditors with the goals of the organization	0.279	0.000	abnormal	-8.138	0.000	Meaningful
26	Managers' tasteful and selective behaviors with auditors	0.362	0.000	abnormal	-11.42	0.000	Meaningful
27	Internal audit costing thinking for the organization	0.209	0.000	abnormal	-6.508	0.000	Meaningful
28	Inadequacy, inconsistency and weakness in the directives of the supervisory body and applicable laws and regulations and related standards.	0.295	0.000	abnormal	-10.025	0.000	Meaningful

rank	Item description	Kolmogorov Smirnov test results			Sign test results		
		statistics	Significance level	Test result	z statistic	Significance level	Result
29	Lack of assurance about compliance of internal audit operations with its standards	0.272	0.000	abnormal	-8.354	0.000	Meaningful
30	Failure to clearly explain the position and responsibility of internal auditors in line with corporate governance duties	0.291	0.000	abnormal	-11.191	0.000	Meaningful
31	Size and mission of the organization	0.231	0.000	abnormal	-4.683	0.000	Meaningful
32	Fear of innovation and low speed of development and experimentation	0.223	0.000	abnormal	-5.079	0.000	Meaningful
33	Lack of strong participation of experts in the development and implementation of internal audit guidelines	0.255	0.000	abnormal	-8.996	0.000	Meaningful
34	Poor connection between profession, university and industry	0.309	0.000	abnormal	-9.868	0.000	Meaningful
35	Inadequate provision of internal audit specialized courses in the universities of a country	0.317	0.000	abnormal	-10.139	0.000	Meaningful
36	Conflict of interest between internal auditors and managers	0.289	0.000	abnormal	-9.716	0.000	Meaningful
37	Lack of appropriate and high-quality practical guidelines for the proper implementation of internal audit	0.272	0.000	abnormal	-11.014	0.000	Meaningful
38	The country's low level of development	0.219	0.000	abnormal	-7.804	0.000	Meaningful
39	Economic fluctuations	0.170	0.000	abnormal	-1.721	0.085	meaningless
40	Political costs and political fronts at the macro level of the country	0.184	0.000	abnormal	-0.957	0.338	meaningless
41	Weak culture of accountability and accountability at the macro level of the country	0.337	0.000	abnormal	-10.694	0.000	Meaningful
42	Poor interaction with the international community	0.319	0.000	abnormal	-8.434	0.000	Meaningful
43	The nascent nature of internal audit in developing countries	0.294	0.000	abnormal	-8.908	0.000	Meaningful
44	Low level of fight against corruption and money laundering in the society	0.368	0.000	abnormal	-11.084	0.000	Meaningful
45	Weak rule of law and lack of transparency at the community level	0.372	0.000	abnormal	-11.173	0.000	Meaningful

Friedman test

Friedman's test is the non-parametric equivalent of dependent F test in repeated measures analysis of variance. Based on the results of table (4), it can be seen that variables 1. Managers' selective and tasteful behavior with auditors 2. Lack of independence and favorable organizational position 3. Weak rule of law and lack of transparency at the community level 4. Organizational culture challenges and lack of support

Senior management 5. The challenges related to the lack of continuous training and the lack of maintaining professional qualifications, respectively, have a higher priority as internal audit damage in Iran. Also, it is clear that 1. political expenses and political fronts at the macro level of the country and 2. economic fluctuations were less important from the point of view of the respondents.

4. Friedman test results

rank	object	Item description	average rank
1	26	Managers' tasteful and selective behaviors with auditors	29.380
2	6	Lack of independence and favorable organizational position	29.010
3	45	Weak rule of law and lack of transparency at the community level	28,550

rank	object	Item description	average rank
4	7	Challenges of organizational culture and lack of support from senior management	28.520
5	2	Challenges related to lack of continuous training and lack of maintaining professional qualifications	28.480
6	44	Low level of fight against corruption and money laundering in the society	28.370
7	41	Weak culture of accountability and accountability at the macro level of the country	26.930
8	1	Lack of skilled and efficient workers	26.780
9	35	Inadequate provision of internal audit specialized courses in the universities of a country	26.670
10	8	Incompatibility of professional responsibilities with organizational authority	26.650
11	21	Lack of technological infrastructure in the implementation of internal audit	26.590
12	30	Failure to clearly explain the position and responsibility of internal auditors in line with corporate governance duties	26.530
13	18	Lack of survey evaluation and feedback from the board of directors and the audit committee	25.970
14	3	Challenges related to not knowing the types of internal audit consulting services and the provisions of the internal audit charter	25.720
15	36	Conflict of interest between internal auditors and managers	25.650
16	28	Inadequacy, inconsistency and weakness in the directives of the supervisory body and applicable laws and regulations and related standards.	25.630
17	19	Uncertainty of assessing risk management and internal controls	25.480
18	37	Lack of appropriate and high-quality practical guidelines for the proper implementation of internal audit	25.280
19	34	Poor connection between profession, university and industry	25.200
20	12	Lack of motivating factors, deterrence and supervision of auditors' performance	25.020
21	22	The lack of unlimited access of internal auditors to information	24.510
22	43	The nascent nature of internal audit in developing countries	24.310
23	42	Poor interaction with the international community	23.960
24	13	Lack of quantitative criteria for internal monitoring and evaluation	23.920
25	17	Lack of acceptance and implementation of internal audit recommendations	23.840
26	33	Lack of strong participation of experts in the development and implementation of internal audit guidelines	23.690
27	29	Lack of assurance about compliance of internal audit operations with its standards	23.450
28	10	Lack of cooperation of internal audit in value creation and improvement of activities	23.390
29	11	Alignment of internal audit with other types of audit and creation of mistaken thinking of parallel work	23.320
30	20	Non-reliance of the independent auditor on the work of the internal audit unit	23.100
31	25	Lack of alignment, integration and synergy of internal auditors with the goals of the organization	22.940
32	4	Auditors' inability to prioritize and prioritize the expectations of stakeholders	22.830
33	5	Inability of auditors to resolve conflict or clash of some expectations	22.000
34	38	The country's low level of development	21.630
35	16	Failure to determine the limits of some responsibilities of internal auditors	21.490
36	24	Biases influenced by the inherent personality of internal auditors	21.050
37	15	The problem of evaluating the percentage of realization and completion of internal audit plans	20.690
38	27	Internal audit costing thinking for the organization	20.310
39	9	Inconsistent duties in internal audit responsibilities with two risk committees and audit committees	19.720
40	14	Diversity of views regarding the reliability of internal audit reports	19.630
41	32	Fear of innovation and low speed of development and experimentation	19.320
42	23	The diversity of internal auditors' views in the field of professional judgment	19.280
43	31	Size and mission of the organization	16.710
44	40	Political costs and political fronts at the macro level of the country	15.300

rank	object	Item description	average rank
45	39	Economic fluctuations	15.250
		Chi-square	920.002
		Significance level	0.000

5. Discussion and conclusion

Despite the emphasis that has been placed in international and domestic definitions on the responsibilities of internal auditors on three main axes, i.e. risk management assessment, internal controls and corporate governance processes, so far there are consistent standards and specific application patterns that can meet the expectations of the quality of these services. It is not designed to be considered a responsible unit. Based on this, in this research, while explaining the inadequacies, challenges and obstacles in the effective functioning of internal audit in Iran, the main components related to each of the harms have been identified and effective solutions in order to improve the quality of internal audit and increase The effectiveness of its activities based on Kozo standard and expectations of corporate governance should be presented. Therefore, the main goal of this research is to estimate the challenges and examine the gap between expectations, shortcomings, opportunities, threats and requirements of value-creating and expected services of internal auditors. Therefore, the main issue of the current research was what is the appropriate model for internal audit pathology in Iran and how is the prioritization of internal audit pathology criteria in Iran? Based on this, the present research was formed, and the results of the research are presented below.

In this research, considering the centrality of the three main responsibilities of internal auditors, i.e. evaluating risk management, internal controls and corporate governance processes, the inadequacies and damages in the implementation and implementation of each of the duties and responsibilities of internal audit in the form of pathology Each of the responsibilities of risk, internal control and corporate governance was investigated separately, as well as the pathology of performing the above three tasks in interaction and combination with each other. In this regard, the results of the foundation's data approach showed that the research model based on internal audit pathology can be classified into 6 categories as described in Figure 1.

The results obtained from the quantitative part of the research also indicated that among the following factors, only two indicators of economic fluctuations and political costs and political fronts at the macro level of the country are not considered by the respondents as damages of internal audit. They can be introduced as damage and other factors are significant damages. lack of expert and efficient forces, challenges related to lack of continuous training and lack of maintaining professional qualifications, challenges related to lack of knowledge of internal audit consulting services and the provisions of the internal audit charter, auditors' inability to prioritize and determine the priority of stakeholders' expectations, auditors' inability In solving the conflict or clash of some expectations, lack of independence and favorable organizational position, challenges of organizational culture and lack of support from senior management, incompatibility of professional responsibilities with organizational authority, inconsistent duties in internal audit responsibilities with two risk committees and audit committee, lack of cooperation of internal audit In value creation and improvement of activities, aligning internal audit with other types of audit and creating the wrong thinking of parallel work, lack of motivational factors, deterrence and monitoring of auditors' performance, lack of quantitative criteria in line with internal monitoring and evaluation, diversity of views regarding the ability to trust Internal audit reports, the problem of assessing the percentage of realization and completion of internal audit plans, failure to define the limits of some responsibilities of internal auditors, lack of acceptance and implementation of internal audit recommendations, failure to evaluate the survey and feedback from the board of directors and the audit committee, uncertainty of the assessment of risk management and controls. internal, the lack of reliance of the independent auditor on the work of the internal audit unit, the lack of technological infrastructure in the implementation of internal audit, the lack of unlimited access of internal auditors to information, the diversity of views of internal auditors in the field

of professional judgment, biases affected by the inherent personality of internal auditors, lack of The alignment, integration and synergy of internal auditors with the goals of the organization, the selective and selective behavior of managers with auditors, the cost-cutting thinking of internal audit for the organization, the inadequacy, contradiction and weakness in the directives of the supervisory body and applicable laws and regulations and related standards, the lack of assurance about compliance. Internal audit operation with its standards, lack of clear explanation of the position and responsibility of internal auditors in line with the duties of corporate governance, the size and mission of the organization, fear of creating innovation and low speed of evolution and experience-building, lack of strong participation of experts in the formulation and implementation of guidelines. Internal audit, weak connection between the profession, university and industry, insufficient provision of specialized internal audit courses in universities of the same level in the country, conflict of interest between internal auditors and managers, lack of appropriate and high-quality practical guidelines for the proper implementation of internal audit, the low level of development of the country. Economic fluctuations, political expenses and political fronts at the macro level of the country, weak culture of accountability and responsiveness at the macro level of the country, weak interaction with the international community, the nascent nature of internal audit in developing countries, the low level of fighting corruption and money laundering in society, weak rule of law and lack of transparency in society.

The results of Friedman's test for prioritizing these harms showed that the variables 1. Managers' tasteful and selective behavior with auditors 2. Lack of independence and favorable organizational position 3. Weak rule of law and lack of transparency at the community level 4. Challenges Organizational culture and lack of support from senior management 5. Challenges related to lack of continuous training and lack of maintaining professional qualifications, respectively, have a higher priority as internal audit damage in Iran. Also, it was found that 1. political expenses and political fronts at the macro level of the country and 2. economic fluctuations were less important from the point of view of the respondents.

According to the goals and responsibilities of the internal audit unit, managers should decide on the selection of internal auditors based on merit

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