

Role of Internal Audit: A Case of Commercial Bank of Ethiopia

Getaneh Yenealem Ayene
Accounting & Finance Department, Debre Markos University
PO box 269, Debre Markos, Ethiopia

Abstract

The objective of the study was to assess what roles does internal audit plays in the achievement of organizational objectives. To achieve the objective of the study, both qualitative and quantitative analysis methods were employed to investigate primary data, which were collected through interview and questionnaire. Secondary data was also used to some extent. The study result shows that internal audit plays indispensable role on achievement of organization's objectives through ensuring effective and efficient utilization of resource, advocating ethical conducts throughout the organization, assessing and identifying system inefficiencies and providing recommendation for better achievement. Moreover, findings shows that compliances/traditional audit is the dominant one type of audit practiced. The study also identifies absence of sufficient training, no/little encouragement by management and lower acceptability of findings as major barriers to efficient audit function. Based on the findings the audit department is recommended to extend its scope in assessing risks proactively, create continuous and direct contact with management, to have harmonious relationship and develop their value-adding role.

Keywords: audit, internal audit, role

DOI: 10.7176/EJBM/12-22-05

Publication date: August 31st 2020

1. Introduction

Nowadays, technological advancement, complex transactions, high consequence of errors have affect the internal auditing component of the profession and its role has expanded dramatically primarily because of the increased size and complexity of many corporations (Eldes, and et.al, 2010).

Internal auditing is an independent appraisal activity within an organization for the review of accounting, financial and other operations as a basis for service to management. It is also a managerial control with functions by measuring and evaluating the effectiveness of other control related policies and procedures (Millichamp, 1981).

Internal auditing is performed for parties internal to the entity in accordance with management requirement. But, it is performed by employees of either the entity itself or by personnel from an outside source (such as an audit firm). It may be wide ranging or narrowly focused, and continuous (ongoing) or one off in nature. Activities like investigating the appropriateness of organizations system of internal control are broad. (A. Arens, 1991)

Since internal auditors spend all of their time within one company, they have much greater knowledge about the company's operations and internal control than external auditors. As a result, internal auditors help an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process. They are expected to provide value to the organization through improved operational effectiveness in addition to performing responsibilities like reviewing the reliability and integrity of information, ensuring compliance with policies and regulations and safeguarding assets (Eldes et al, 2010).

The members of the organization assisted by internal auditing include those in management and the board of directors. Internal auditors owe a responsibility to both, providing them with information about the adequacy and effectiveness of the organization's system of internal control and the quality of performance. The information furnished to each may differ in format and detail, depending up on the requirement and request of management and the board. (Brathwaite, 1988). Moreover, internal auditors increase productivity through eliminating inefficient use of resources (assets) and assisting members of the organization in the effective discharge of their responsibilities.

2. Statement of the problem

Organizations are established with the aim of achieving an objective for which they are organized. Achievement of organizational objectives is not so easy. Because, it requires the participation and cooperation of all individual workers, well management, control of assets from risk of misuse, wastage, fraud and theft timely and appropriate decision-making by top management. However, as Bigg and Davies, 1980, stated, the size of many organizations makes it impossible for top management to exercise direct supervision and direct access of information required. As remoteness between top management and employees increases, so the factors of misunderstanding, misinterpretation delay and ill-conceived judgment, operate to defeat the objective desired.

Management must, therefore, have assurances that the policies and regulations that have been laid down are

put into operations in the way intended. The internal audit department is used by enlightened managements to bridge the gap. As Brathwaite, 1988, said, it is an integral part of the organization and functions under the policies established by management and the board.

Researches that has been conducted by Metadel, (2006), and Nigussie, (2007), has studied the internal audit practice of GTZ and Development Bank of Ethiopia, respectively. Both of them have assessed how the internal audit is in practice and its significance for an organization. Derjie, (2007), in his study of Role of internal Audit in public enterprise, has identified what roles internal audit is playing to the Ethiopian Electric power corporation. However, none of the above have not shown barriers to internal audit. As a result, the researcher is interested to fill this gap. The purpose of this study is therefore to investigate the role of internal audit on achievement of organization objectives in financial institutions on the case of commercial Bank of Ethiopia (CBE).

This study addressed the following questions:

1. How the internal audit practice looks like?
2. What are the roles of internal audit?
3. What are barriers to successful internal audit in CBE?

3. Objective of the study

3.1. General objective

The general objective of this study is to investigate the role of internal audit in the case of Commercial Bank of Ethiopia.

3.2. Specific objectives

In addition to general objective, the specific objectives of the study include:

- To assess internal audit practice of Commercial Bank of Ethiopia.
- To assess roles of internal audit.
- To identify factors influencing the role of internal audit.

4. Scope of the study

The study was a case study focusing on Commercial Bank of Ethiopia (CBE). Even though the company has a number of department, due to time and financial constraints the study was about the internal audit department, which is most important to the study, too.

The remaining section of this paper includes review of literature, research methods, findings of the study and proposed recommendations.

5. Literature Review

The institute of internal auditors (IIA) professional practices frame work defines internal audit as: “It is an independent, objective assurance and consulting activity designed to add value and improve an organizations operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.” Based on this definition the following roles of internal audit has been presented.

5.1. Role in Control

As noted in Arens, 2011, internal auditing is primarily directed at improving internal control. Under the committee of sponsoring organizations of the tread way commission (COSO) Frame work, internal control is broadly defined as a process, effected by an entity’s board of director’s (BOD’s), management, and other personnel, designed to provide reasonable assurance regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations.

Pickett, 2005, also stated the role of internal audit as “internal audit set what is found during an audit against what should be present to ensure good control.”

Hermanson, (1989), also mentioned that internal audit ensure compliance with management’s policies, plans, procedures and any applicable laws and regulations.

5.2. Role in Corporate Governance

Codjia, (2010), noted the importance of internal audit in corporate governance mechanisms of organizations through evaluating corporate activities control or procedures and ensures that they are adequate and in compliance with senior management’s recommendation and human resources guidelines. An internal audit also helps a firm adhere with regulatory standards and industry practices.

Internal auditors are critical to effective corporate governance and achievement of organization objectives, because they spend all of their time within on company as a result they have much greater knowledge about the companies as a result they have much greater knowledge about the company’s operations and internal control than external auditors and hence in providing better recommendations (Elder, et al, 2010)

5.3. Role in Risk Management

According to international standards for the professional practices of internal auditing, (2011) determining whether

risk management processes are effective is a judgment resulting from the internal auditors assessment that significant risks are identified and assessed, appropriate risk responses are selected that align risks with the organization's risk appetite, and Relevant risk information is captured and communicated in timely manner across the organization, enabling staff, management and the board to carry out their responsibilities. (IIA 2120)

5.4. Role In Minimizing Cost of External Audit

According to Elder (2010), external auditors rely on internal auditors on assessment of control risk. If internal auditors are effective, the external auditors can significantly reduce control risk and thereby reduce substantive testing. As a result, external auditors may reduce their fees substantially when the client has a highly regarded internal audit function. The external auditor may use the internal auditor for direct assistance on the audit. By relying on internal audit staff for performing some of the audit testing, external auditors may able to complete the audit in less time and at a lower fee, too.

5.5. Internal audit as Strategic Advisor

Internal auditors, as stated in institute of internal auditors professional practice frame work, provide consulting activity designed to add value and improve an organization's operations. They also provide information which is reliable and used for strategic business decisions. As a result they minimize information risk, too, which is the possibility that the information up on which the business risk decision was made inaccurate, as defined by Elder, (2010)

5.6. Role in Improving Economy and efficiency

Internal audit in its finding determines whether the entity is managing and utilizing its resources (Such as personnel, property) economically and efficiently, identifies the causes of inefficiencies or uneconomical practices, and whether the entity has complied with laws and regulations consuming matters of economy and efficiency. Thus internal audit provide how to improve weakness and maintain strengths which intern increases economic use of resources and efficiencies by avoiding misuses. (Hermanson, 1989)

5.7. Internal audit in establishing good internal communications

The internal auditor's duties bring him into contact with all department of his organization, since his role is to check on the effectiveness of the system and the security of its assets at all levels. Naturally he will want to know the organization of responsibilities and manuals of operation of each department and provide remedies for inefficiencies of each unit in the organization and creating common understanding between the auditor and managers or other senior officers (Bigg and Davies, 1980). An audit report prepared by internal auditors, provide top management, departmental heads and segment level employees with relevant information about operating processes and weakness. Such data is important because it help various readers understand potential risks (and losses) that help typically may affect a company's operations (Codjia, 2010).

5.8. Role in discharge of responsibilities of employees

The institute of internal auditors (IIA), Stated that the objective of internal auditing is to assist members of the organization in the effective discharge of their responsibilities. To this end, internal auditing furnishes them with analyses, appraisals, recommendations, counsel and information concerning the activities reviewed "As cited in Hermanson 1989). Millichamp, 1986, also expressed internal auditing as" it is an independent appraisal activity". Internal audit initiates the activities of others through creating conducive environment in work place and serving as information communicator.

6. Research Methods

6.1. Research Design

This study is a descriptive research, which is concerned with investigating the roles played by internal audit on achievement of organizational objectives in financial institutions, especially on banks. To this end, the research was a case study focusing on Commercial Bank of Ethiopia (CBE).

The researcher has used both primary and secondary data, where primary data was collected through questionnaire and interview. Questionnaire was distributed to internal auditors, including team leaders and interview was made with Chief Audit executive. Secondary data was collected from printed materials of the bank.

Data about independence and competence of auditors, factors that were barrier to successful audit, and audit practice of CBE were collected through questionnaire. More over the perception of auditors towards how internal audit contributes to achievement of organization objectives were also collected through questionnaire. But, interview was used to collect additional data, as to the perception of Chief Audit executive towards the role internal audit on achievement of organizational objectives, and as to techniques used to measure competence of internal auditors, and barriers they face in performing the audit function.

6.2. Data Analysis Methods

Data collected are analyzed through both qualitative and quantitative methods. Percentages and tables are used for analysis of data collected through questionnaire, which were distributed to 13 auditors out of 77 auditors, representing 17% of the total population. The researcher has used convenience sampling technique because auditors were not easily accessible as they are working at different location.

6.3. Sampling Design

Percentages and tables are used for analysis of data collected through questionnaire, which were distributed to 13 auditors out of 77 auditors, representing 17% of the total population. The researcher has used convenience sampling technique because auditors were not easily accessible as they are working at different location.

7. Findings of the Study

This section presents the data collected using questionnaire and interview. Open-end questions are analyzed independently with data collected through interviewing the chief Audit executive of Commercial Bank of Ethiopia. The study was conducted in the internal Audit Department of CBE. Given the nature of questions, the questionnaires were distributed to internal auditors and team leaders. Out of 15 questionnaires distributed, 11 of answered questionnaires were collected. Of which 7 were internal auditors and 4 were team leaders.

7.1. Background of Respondents

Table 1: Shows the General Background of The Respondents

No.	Description	Frequency	% of respondents
1	Educational Level		
	Certificate	-	-
	Diploma	1	90.1
	Degree	10	90.9
	MA/MSc	-	
	Certified Internal Auditor	-	
	Total	11	100
2	Qualification		
	Accounting	4	36.4
	Economics	2	18.2
	Management	3	27.3
	Law And Management	1	9.1
	Banking And Management	1	9.1
	Total	11	100
3	Years Of Experience		
	<1	-	-
	1-3	1	9.1
	4-6	5	45.5
	7-10	2	18.2
	>10	3	27.3
	Total	11	100
4	Job Title		
	Internal Auditor	7	63.6
	Team Leader	4	36.4
	Total	11	100

Audit department shall be composed of different individuals qualified in different discipline having different level of experience. Because audit function is engaged in different type of matters, as a result economic issues shall be investigated by economist and the same is true for others. This enables the audit department to see things from different direction and increases the value of audit.

As shown in Table1 above 63.6% of the respondents were internal auditors while the rest 36.4% were team leaders. Educational qualification and year of experience of auditors shows their competence, because the more they are educated and have an experience, the more they become efficient and hence, all except one respondents were qualified by degree program. 36.4% of the respondents were accounting graduates 27.3% and 18.2% were graduate in management and economics, respectively. 18.2% of the respondents were qualified in more than one field. Almost 90.1% of respondents have an experience of at least four years. Which indicates the audit department has good mix of professionals.

7.2. Internal audit practice of CBE

Table 2: shows structure of audit department and implementation of recommendation

No	Description	Auditors		Team leader		Total	
		Frequency	%	Frequency	%	Frequency	%
1	Have the responsibility of internal audit department been properly determined and set out formally?						
	Yes	7	100	4	100	11	100
	No	-	-	-	-	-	-
	Total	7	100	4	100	11	100
2	Is there a properly defined division of staff in to section covering different service?						
	Yes	2	28.6	2	50	4	36.4
	No	5	71.4	2	50	7	63.6
	Total	7	100	4	100	11	100
3	Internal audit recommendations and finding are being implemented properly						
	Strongly agree	-	-	1	25	1	9.1
	Agree	6	85.7	2	50	8	72.7
	Neutral	-	-	1	25	1	9.1
	Disagree	1	14.3	-	-	1	9.1
	Strongly disagree	-	-	-	-	-	-
	Total	7	100	4	100	11	100

Determining the responsibility of internal auditors is important for efficient and effective audit work. Hence, all respondents agree that the responsibility of each auditor is set out formally. 71.4% of internal auditors and 50% of team leaders answered that there is no properly defined division of staff into section covering different service, while the rest 28.6% of internal auditors and 50% of team leaders agree that three is properly defined division of staff in to section covering different services.

The importance of internal audit is grasped when its recommendations and findings are implemented properly .25% of team leaders strongly agree ,85.7% of internal auditor and 50% of team leaders agree ,25% of team leaders are neutral ,and 14.3% of internal auditors disagree that there recommendations and finding are being implemented.

Table 3: Shows belief of the respondents as to the responsibility of internal audit division.

Description	Auditors		Team leaders		Total	
	Frequency	%	Frequency	%	Frequency	%
Examining and evaluating the reliability of information	6	85.7	4	100	10	90.9
Establish policies and plans	2	28.6	3	75	5	45.5
Identify and assess actual and potential risks to bank's operations.	5	71.4	4	100	9	81.8
Appraise use of resources with regard to economy, efficiency and effectiveness	3	42.9	3	75	6	54.5
Provide consulting service	5	71.4	3	75	8	72.7
Follow up recommendation to make sure that effective action is taken	6	85.7	4	100	10	90.9
Facilitate the achievement of organizational objectives	5	71.4	3	75	8	72.7

Information, which is relevant for decision-making, may be collected from various departments. This information shall evaluate to check it reliability by audit department. Absolutely, as all respondents answer it is the responsibility internal audit department to insure this.

Audit department is independent when it does not perform management functions. It cannot plan and establish policies rather it provides consultation and reviews whether they are attainable. 28% of internal auditors and 75% of team leaders respond that it is the responsibility of internal audit department to establish policies and plans.

The above table also shows that 71.4% of internal auditor and all team leader respondents believe that internal audit department is responsible to identify and assess actual and potential risks to bank's operations. With regard to appraising efficient and effective use of resources, 42.9% of internal auditor and 75% of team leader respondents believe that the audit department is responsible for this .71.4 of internal audit department is also responsible to provide consulting service.

Recommendations provide are valid when appropriate action is taken. As 85.7% of internal auditor and all team leader respondents' state, it is the responsibility internal audit department to follow up
 The organization (bank) is established for achieving an objective, and internal audit play an important role. From the total respondents 71.4% of internal auditors and 75% of team leaders responded that, it is the responsibility of

internal audit to facilitate the achievement of objectives in addition to top management.

Table 4: shows the function of internal audit

Description	Auditors		Team leader		Total	
	Frequency	%	Frequency	%	Frequency	%
Internal audit function						
i. Addresses third party and vendor risk	1	14.3	2	50	3	27.3
ii. Advocate ethical conduct throughout the organization	7	100	4	100	11	100
iii. Manage information system risk proactively(before it occurs)	-	-	3	75	3	27.3
iv. Structured on a fluid and flexible framework.	-	-	3	75	3	27.3

Effective internal audit function manages risks proactively, advocate ethical conduct throughout the organization, and structured on a fluid and flexible framework. 14.3 of internal auditors and 50% of team leader respondents agree that internal audit function (IAF) addresses third party risk and vendor risk, while all respondents agree that IAF advocates ethical conduct throughout the organization. Moreover 75% of team leaders and no auditor respondents agree that IAF manages information system risk proactively before it occurs, the same is true as to the structure of IAF on a fluid and flexible framework.

Table 5: shows types of audits performed by internal auditors mostly

Which role do you perform mostly?	auditors		Team leaders		Total	
	No	%	No	%	No	%
System and operational audit	2	28.6	1	25	3	27.3
Financial audit	4	57.1	2	50	6	54.5
Compliance audit	7	100	4	100	11	100
Other	-	-	-	-	-	-

All respondents believe that, most of the time they perform compliance audit, which enable them to identify an activity which is not compatible with objectives and rules and regulations of bank. System and operational audit is an audit activity performed to identify inefficiencies, and improving effectiveness. But, only 28.6% of auditors and 25% of team leaders believe that they are performing this function. Financial audit is evaluation of financial reports made by accounting department to increase the relevance of information for decision making. And auditors of CBE are performing this role as it is supported by 57.1% and 50% of auditors and team leader, respectively.

7.3. Role of Internal Audit

Table 6: shows the role of internal audit

No.	Description	Auditors		Team leaders		Total	
		No.	%	No.	%	No.	%
1	Assessment of adequacy and effectiveness of internal control	7	100	4	100	11	100
2	Identifying and monitoring risk factors	3	42.9	2	50	5	45.5
3	Ensuring the economic and efficient use of resources	4	57.1	3	75	7	63.6
4	Ensuring compliance with company objectives	6	85.7	4	100	10	90.9
5	Providing advisory service for key business and strategic decisions	5	71.4	3	75	8	72.7
6	Facilitating and appraising effective discharge of employees responsibility	3	42.9	3	75	6	54.5
7	Providing assistance to management in evaluation, appraisal and monitoring of individual schemes.	1	14.3	3	75	4	36.4

As shown from the above table, all respondents perceive the role of internal audit on assessment of adequacy and effectiveness of internal control. As shown from table 6 all team leaders and 71.4% of auditors believe that assessing both actual and potential risk is the responsibility of internal audit, but only 42.9% of internal auditors and 50% of team leaders respondents perceive the role of internal audit on risk management.

Moreover, from table 6 42.9% of auditors and 75%team leaders perceive the responsibility of internal audit on improving efficient and effective use of resources. But above 57.1% of internal auditors and 75% of team leaders believe that internal audit is performing to ensure the economic and efficient use of resources. 85.7% of internal auditors and all team leaders' respondents believe that internal audit is playing an important role in insuring that the activities of the bank's operations are in compliance with its objectives.

71.4% of internal auditors and 75% of team leaders agree that internal audit department plays an important role in providing advisory services for key business and strategic decisions. 42.9% of international auditors and

75% of team leaders believe that internal audit department is important to facilitate and appraise effective discharge of employee's responsibility. Furthermore, 14.3% of internal auditors and 75% of team leaders believe that internal audit department provides assistance to management in evaluation, appraisal and monitoring of individual schemes.

7.4. *Factors Affecting the Performance of Internal Auditors.*

Table 7: shows factors that affect the performance of internal auditors.

No.	Description	Auditors		Team leader		Total	
		No.	%	No.	%	No.	%
1	Internal auditors are constantly encouraged by management of the corporation to find creative ways to achieve organizational objective and add value to the organization						
	Absolutely	-	-	1	25	1	9.1
	Very	1	14.3	2	50	3	27.3
	Somewhat	1	14.3	-	-	1	9.1
	Not at all	5	74.4	1	25	6	54.5
	Total	7	100	4	100	11	100
2	The audit department has technical and professional related training for better achievement.						
	Strongly agree	2	28.6	1	25	3	27.5
	Agree	2	28.6	2	50	4	36.4
	Neutral	3	42.9	1	25	4	36.4
	Disagree	-	-	-	-	-	-
	Total	7	100	4	100	11	100
3	Does the organizational provide an opportunity to internal auditors for further education?						
	Yes	3	42.9	1	25	4	36.4
	No	4	57.1	3	75	7	63.6
	Total	7	100	4	100	11	100

Internal auditors are expected to find creative ways to cope up with dynamic environment that will add value to the organization. This is achieved mainly when there is encouragement by the management. 25% of team leaders absolutely agree, 14.3% of internal auditors and 50% of team leaders respond very, 14.3% of internal auditors respond somewhat while 71.4% of internal auditors and 25% team leaders insure that there is no constant encouragement from management so as to achieve better performance.

Auditors shall be provided with technical and professional related training for better achievement 28.6% of internal auditors, and 25% of team leaders agree, 28.6% of internal auditors and 50% of team leaders respond neutral, and 42.9% of internal auditors and 25% of team leaders disagree as to the existence of technical and professional related training.

To improve technical and professional skills, it is good for internal auditor to have access to further education. 42.9% of internal auditors and 25% of team leaders responded that there exists access to further education. But 57.1% of internal auditors and 75% of team leaders agree that the bank is not providing access to further education. As per the chief audit executive, there was previously training provided by the general accounting office (GAO), but it is now discontinued.

7.5. *Barriers to internal audit function.*

Interview and questionnaire result obtained show that, the following are considered as barriers to their function:

- Absence of sufficient training to improve professional knowledge and get better satisfaction for higher performance.
- No /little/ encouragement by the management of the corporation to find creative ways of better performance.
- Lower acceptability of finding by management.
- No access to see current international practice of internal auditing.

For efficient audit function, internal auditors' performance and their competence shall be periodically reviewed by concerned party of the corporation. As of chief audit executive, internal auditors of CBE are evaluated through:

- ✓ Looking the quality of internal auditors working paper documentation or quality of audit report and finding.
- ✓ Supervision and review of internal auditing activities.

Evaluating customer satisfaction by distributing a questionnaire to management and BOD's.

8. Recommendation

Based on findings of this study the following recommendations are drawn.

- ✓ The bank shall create a conducive environment for internal auditors to achieve more (better) through providing constant encouragement by the management, creating a monthly or semiannual basis of training for them and experience sharing environment or program among experienced and less experienced auditors.
- ✓ To facilitate work and be efficient it is good for audit department to be structured on fluid and flexible manner where each auditor is assigned to some specific tasks.
- ✓ To increase the perception of workers towards the role of audit departments to the achievement of organization objective, the audit department shall advocate its role through organizing different programs, and should also increase frequent direct contact and discussion with management to increase harmonious relationship.
- ✓ The audit department's importance is known when its recommendations are properly implemented. Because recommendations are provided to improve inefficiencies which in turn increases the probability of objectives to be realistic. As a result, the management should increase tendency of accepting audit findings and give due emphasis to suggestions provided.
- ✓ Providing higher concern to increase the role of internal audit to facilitate the achievement of organizational objectives and to manage risk factor increases the value adding role of internal audit for the banks performance and long lived relationship with customers. As a result, it is good for the management to encourage and provide support to audit department.

References

- Ah millichamp,1986, *Auditing*,4th edition ,Dp Publication LTD ,England
- Arens, A.A Loebbecke, J.K (1991), *Auditing an Integrated Approach*, prenrco Hall international Englewood Cliffs N.J
- Barac,etal,2009 ,*Value Adding Role Internal Audit* ,south Africa, unpublished, as retrieved from WWW.academicjournals.org/ajbm/pdf/pdf2009/Decx/Barac%20et%20al.pdf.
- Basu, 2006, *Auditing: principle and Techniques*, as retrieved from <http://books.google.com/books?isbn=8177581783>.
- Big and Davies', 1980, *Internal Auditing*, 5th edition ,HFL publishers LTD, England .
- Daniel G.Brathwaite, 1988, *Comprehensive Auditing: A new Approach for internal Auditors*,1st edition, Dand J publishing ,Ottawa, Canada.
- David N.Ricchiante, 1982, *Auditing : concepts and standards*,south western publishing co;USA.
- Dereje Workie, 2007,*Role of internal Audit in public enterprise; the case of Ethiopian electric power corporation*, Faculty of Business and Economics:AAU (unpublished)
- Ernst and young ,2010, *Unlocking the value of internal audit* ,as retrieved from <http://www.ey.com/GL/en/services/Advisory/Risk/Internalaudit/>
- Gameda Miessa, (1999), *Assessment of computer based information system*. The case of Cmmercial Bank of Ethiopia, AAU,(Un published)
- H. Spencer pickett,2005, *The Essential Handbook of internal Auditing* ,Johnwiley and sons LTD ,England.
- IIA,2011 ,*International standards for the professional practice of internal Auditing* ,as retrieved from <http://www.theila.org/guidance/standards-and-guidance/ippt/standards/full-standards/>.
- Mark R.simons,2010,*Internal Auditing* ,as retrieved from <http://www.facilitatedcontrols.com/internal-auditing/GAO-ia-shtm/>
- Marquis codjia, 2010, *Role of internal auditing*, as retrieved from <http://www.Ehow.com/about-66114339-role-intrnal-auditing-corporate-governance.html>
- Metadel Abera, (2006), *Internal Audit practice of GTZ*,AAU, (Un published)
- Nigussie Fantaya,2007,*Internal audit practice of development bank of Ethiopia* ,AAU, (unpublished)
- Randal J.Elder,Marks s.Beasley,Alvin A.Arens,2010,*Auditing and assurance services*,13th edition ,person international edition.
- Roger H.Hermanson,Jerry R. Strawser ,Robert H.strawser,1989,*Auditing Theory and practice* ,5th edition, USA
- *Wikipedia*, 2011, *Internal Audit*, as retrieved from <http://en.wikipedia.org/wiki/internalaudit>.
- Wolde Georgis wolde-ruphael,1998,*Ethiopia looking to the further* ,retrieved from <http://www.highbeam.com/doc/1G1-20568150.htm>