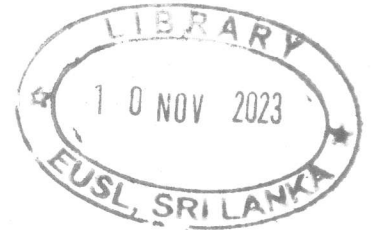


**THE FACTORS IMPACT ON THE  
EFFECTIVENESS OF INTERNAL AUDIT  
IN STATE UNIVERSITIES OF SRI LANKA**

By



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## ABSTRACT

This study aims to examine the Factors that influence the Effectiveness of Internal Audits in State Universities of Sri Lanka. This study was implemented with Four independent variables of Independence of Internal Audit, Competency of Internal Auditor, Audit Committee and Management Support as well as the dependent variable of Effectiveness of Internal Audit. This study eliminates the empirical knowledge gap in the universities Internal Audit departments regarding this topic. Using a structured questionnaire, the 140 questionnaires were distributed among Financial Officers, Internal Auditors, and Audit Assistants in State Universities of Sri Lanka, of which 132 were returned completed and the collected data were analyzed by using descriptive statistics, correlation, and regression analysis.

The finding of the study revealed that all variables namely, Independence of Internal Audit, Competency of Internal Auditor, Audit Committee, and Management Support are serious determinant factors, which must not be ignored by the management, the study also found Audit Committee and the Management Support are highly influence on the Effectiveness of Internal Audit. The finding shows there is a strong positive impact on Effectiveness of Internal Audits and the Independence of Internal Audits, Audit Committees, and Management Support. However, the impact between the Competency of Internal Auditors and the Effectiveness of Internal Audits had shown moderately positive. Therefore, its concluded that the Independence of Internal Audits, Competency of Internal Auditor, Audit Committees and Management Support are impact on the Effectiveness of Internal Audit.

The study recommended that management has to take more emphasis to implement the Audit Recommendations made by the Internal Auditor's report and Management must be engaged in preparing the Internal Audit plan. Management should also enhance the development of Internal Auditors by organizing more seminars and workshops where they could enhance their audit skills. The management should give more autonomy to the Internal Audit by minimizing interferences, availing documentation whenever required, and giving them permission for access to any office or documentation in the organization/departments. Finally, an Audit committee is important to the universities to review the University's risk management strategy and implementation,

**Keywords:** Independence of Internal Audit, Competency of Internal Auditor, Audit Committee, and Management Support

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