

Corporate Governance: An Investigation of the Competence of the Head of Internal Audit Function in Nigerian Listed Firms

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Abstract

The role of the Internal Audit Function in corporate governance is significant as the key insider activity, which gives the Audit Committee and the Board of Directors a clear view of what is going on in the firm to enable the Board of Directors and the Audit Committee exercise their oversight functions. This is crucial as the quality of the oversight of the Board of Director and the Audit Committee directly affects the quality of financial reporting and stakeholders' interests. To fulfill this role requires a Competent Head of Internal Audit Function. This paper examines the Competence of the Heads of the Internal Audit Function in the firms listed on the Nigerian Stock Exchange through a qualitative approach using two stage interviews: in-depth interviews and follow up interviews of the Heads of Internal Audit Functions, in the non-financial listed firms. The results show the existence of the strong presence of ingredients of competence in the Heads of Internal Audit Function. We conclude that the Internal Audit Function in Nigerian listed firms is an effective corporate governance mechanism.

Keywords

Corporate Governance, Corporate Governance Mechanisms, Internal Audit Function, Head of Internal Audit Function, Audit Committee, Board of Directors

I. Introduction

The governance activity of the Audit Committee (AC) and the Board of Directors (BoD) is complemented by the roles of the Internal Audit Function (IAF). The three actors or mechanisms for effective corporate governance are: the board of directors, the Audit Committee and the Head of Internal Audit Function [12]. The interaction of these three actors makes up the internal corporate governance mechanism of a firm [12]. The competence of the IAF is critical for the oversight effectiveness of the AC and for the independence and visibility of the IAF [16,18]. Consequently, the IAF should be the focus of the highest level of authority in the firm [6,10,11]. Researchers have documented that the competence of the IAF influences the other key attributes for its relevance and effectiveness in assisting the AC to monitor the activities of the firm and ensure quality financial reporting [1,5,16,14,8]. The other attributes of the IAF, which rests entirely on the competence of the H-IAF as discussed in the literature are: interaction between the IAF and the AC [19,13,3], the quality of the IAF [8,9,14]. The objective of this paper is to examine the competence of the IAF of Nigerian listed firms in comparison with the empirical findings in the existing literature, on the attributes of effective IAF as a corporate governance mechanism. The findings from this research will establish the extent of the effectiveness of the

IAF as a corporate governance mechanism in the firms that are listed on the Nigerian Stock Exchange.

A. Research Question

How does the level of Competence of the Heads of Internal Audit Function in Nigerian listed companies compared to the literature and assist as an effective corporate governance mechanism?

II. Literature Review

As discussed in Section 1.0, the measures of competence of the H-IAF are: level of experience measured by the cumulative years of experience of the H-IAF, professional certifications, prior experience with any of the big audit firms, attendance of mandatory continuous professional education, degree of formal and informal interaction between the H-IAF and the AC. These attributes are briefly examined in the empirical literature in the following subsections.

A. Competence of the Head of Internal Audit Function

As stated earlier, the IAF plays a crucial role as a corporate governance mechanism. It is the insider avenue by which the board of directors through the AC is able to know what is going on in the company. It is expected, therefore, that the person occupying the office of the Head of Internal Audit Function (H-IAF) should be competent. [13] argued that, the competence of the H-IAF has an effect on the quality and extent of both the formal and informal interaction between the AC and the H-IAF. [19] identified the ingredients of competencies required of the H-IAF as: professional qualification in internal auditing or accounting such as CPA, ACA or ACCA; previous experience with a reputable audit firm or with any of the 'Big Four'; number of hours that the H-IAF spent annually on Mandatory Continuing Professional Education (MCPE), and the amount of time in hours spent by the H-IAF on behavioral skills outside the technical and knowledge areas [19].

[19] combined the above four factors into two composite parts of data analysis convenience. The first composite part has to do with professional auditing or accounting qualification and previous experience in internal or external auditing. The second composite part comprises of the number of the MCPE hours and the fraction of the MCPE hours utilized to acquire behavioral skills. [2] argued that, these composite parts of competence framework for the H-IAF is important if the AC will be able to recognize areas in the organization that are prone to accounting misstatements, irregularities and income smoothening or earnings management as a corporate governance mechanism. These four indicators were extended to include both formal and informal interaction of the H-IAF with the AC [19,13,3]. In summary, the competence of the

H-IAF in Nigerian listed firms will be examined in the context of the composite parts suggested by [19] and extended to include both the formal and informal interaction between the H-IAF and the AC.

III. Methodology

The research methodology of this paper is qualitative method by way of phenomenological study through in-depth interviews and follow up interviews.

A. Research Instrument

The research instrument is a questionnaire divided into two parts as presented in Appendix A-2. The first part of the questionnaire is the participant profile. This is designed to recognize the role of the IAF as a corporate governance mechanism. The aim is to capture the gender, the job title, academic and professional qualification, years of experience, age range, place of birth, religious and philosophical upbringing. We considered these features as important because they are capable of influencing the participants' responses and the degree of their understanding of corporate governance issues. The second part is the research questionnaires. This comprises six open ended questions designed with the aim of gaining deeper understanding of the quality of the interaction between the IAF and the AC, the quality of the IAF and the competence of the head of the IAF.

We pre-tested the research instrument through the test-re-test method by administering the questionnaire on a sample of chartered accountants practitioners, practicing auditors and accounting and finance professionals in academia with internal consistency and reliability measured by Pearson Product Moment Correlation of 0.95 indicating that the research instrument is effective. We use the open ended questionnaire to enable the respondents provide answers to the questions in their own words and in their usual day to day manner of speaking. This approach is suitable to harness the hidden meanings and beliefs personally held by each of the respondents without imposing the external thoughts, feelings and beliefs on the participants [4, 20].

B. Data Collection Techniques

The data collection technique was as face to face recorded two staged interviews: the initial and follow up interviews. At the initial stage, twenty five heads of IAF representing twenty five companies and ten NSE sector classifications were contacted through the emails and telephone and were sent the electronic copies of the introductory letters, consent forms and research subject approval forms. In the end, only five individuals representing five organizations and five sectors participated in the initial interviews while three individuals representing three organizations participated in the follow up interviews between the months of July and September, 2014. Each individual was initially given 2 weeks to confirm their willingness to participate in the research. However, because of low response rate, we gave additional 2 weeks. Where there was no response afterwards, the participants were removed from the process because of the voluntary nature of the participants required and the need to complete the research within a reasonable time frame. The final sample of the head of Internal Audit (H-IAF) represents those who responded to the email, communicated their willingness to participate in the research and showed consideration for the research timeframe. The final sample is adequate for research saturation. In phenomenological studies, a long interview with 2 to 10 participants is sufficient to form saturation [4].

We collected the data in face-to-face interviews using a Samsun GT-S762 recording device. The recorded interviews were transcribed through a play-replay method. The transcribed copy of the interviews was sent to each of the participants for them to individually confirm that the transcribed copy represents the expression of each of the participants. Where the participant made amendments, these were done and sent back for agreement by the participants. Thus we obtained written confirmation from each of the participants on the contents of the interviews before we proceed to the data analysis stage. We followed the same procedure for the follow up interviews.

C. Data Distillation

The responses from the participants were broadly categorized into two parts. The participants' profile and the characteristics survey. Six (6) classification categories originated from the characteristics survey. Thereafter, we coded and allocated to tally charts and tables all of these six (6) categories to express the results as indicated in section 4 below. It is believed that this method provides enhanced understanding of the phenomenon of study and deepens the understanding of the subject matter of the research [17, 15]. This detail is presented in section 4 below.

IV. Data Presentation

A. Category One: Experience Level of the Head of Internal Audit Function

In this section, H-IAF was asked to provide an answer to the following questions: (1) How many years of Internal Audit Experience do you have? And (2) What is your Audit function experience before moving to your current role? The responses provided were collected and those responses are documented in Table 4.1.1 and 4.4.2

1. Combined Results on the Years of Internal Audit Experience

In Table 4.1.1A similar data and common terms were highlighted and generated into units of meanings to provide a clear overview of length and depth of experience of the H-IAF. There were four words or phrases used to express the views of the H-IAF. These terms are not ranked in any order of importance. In Table 4.1.1B, we produced the tally chart to analyze the value of each H-IAF in explaining the experience level of the H-IAF. The tally chart provided a significant visual measure of how many times each H-IAF employs the use of these categories. There were 4 categories generated from Table 4.1.1A

2. Combined Result on the Prior Experience and Years of Internal Audit Experience

In Table 4.1.2A similar data and common terms were generated into units of meanings to provide a clear overview of length and depth of experience of the H-IAF. There were five words or phrases used to express the views of the Heads of the IAF. These terms are not ranked in any order of importance. In Table 4.1.2B, we produced the tally chart to analyze the value of each H-IAF in providing an explanation to the length of prior experience H-IAF before their various appointments. There were 5 categories generated from Table 4.1.2A.

B. Category Two: Professional Qualifications of the Heads of Internal Audit Function

In this section, H-IAF was asked to provide an answer to the

following question: What professional Accounting or Internal Auditing qualification do you possess? The responses provided were collected and those responses are documented in Tables 4.2.1

1. Combined Result on Professional Accounting or Internal Auditing Qualification

In Table 4.2.1A similar data were highlighted and common terms were generated into units of meanings that can provide a clear overview of professional qualifications of the H-IAF. There were five words or phrases used to express the views of the H-IAF. These terms are not ranked in any order of importance. In Table 4.2.1B, we produced the tally chart to analyze the value of each H-IAF in explaining the professional accounting or auditing qualifications held by the H-IAF. There were 5 categories generated from Table 4.2.1A

C. Category Three-Continuing Professional Development of H-IAF

In this section, we asked each H-IAF to provide an answer to the following question: How many hours of Continued Professional Development Training (CPD) did you attend: (1) In the last 12 months? And (2) In the last 24 months? We collected the responses and documented them in Table 4.3.1 and 4.3.2 respectively.

1. Combined Result on the Head of IAF 12 Months attendance of CPD

In Table 4.3.1A similar data were highlighted and we generated common terms into units of meanings to provide a clear overview of the attendance of CPD by the Heads of IAF. The H-IAF used five words or phrases to express their views. These terms are not ranked in any order of importance. In Table 4.3.1B, we produced the tally chart to analyze the value of each H-IAF in providing an explanation to the subject matter of the attendance of CPD by the heads of IAF. There were 5 categories generated from Table 4.3.1A

2. Combined Result on the Head of IAF 24 Months attendance of CPD

In Table 4.3.2A we highlighted similar data and generate common terms into units of meanings so that we can provide a clear overview of the attendance of CPD by the Heads of IAF. The H-IAF used five words to express their views. These terms are not ranked in any order of importance. In Table 4.3.1B, we produced the tally chart to analyze the value of each H-IAF in explaining the 24 months attendance of CPD by the H-IAF. There were 5 categories generated from Table 4.3.2A

D. Category Four- Attendance of the H-IAF At Audit Committee Meetings

In this section, H-IAF was asked to answer the following question: How often do you attend Audit Committee Meetings as the Head of Internal Audit Function? We documented the responses provided in Table 4.4.1.

1. Combined Result on the Attendance of Head of IAF at Audit Committee Meetings

In Table 4.4.1A we highlighted similar data and generate common terms into units of meanings to provide a clear overview of the frequency of the attendance of the head of IAF at the Audit Committee meetings. Four words or phrases were used to express the views of the H-IAF. These terms are not ranked in any order

of importance. In Table 4.4.1B, we produced the tally chart to analyze the response of each H-IAF on the subject matter of their attendance at the AC meetings. Furthermore, the tally chart was a significant measure to visualize how many times each H-IAF employs the use of these categories. There were 4 categories generated from Table 4.8.1A

E. Category Five- Informal Interaction of AC Members And the Head of IAF

In this section, H-IAF was asked to answer to the question: What other informal avenues for meeting the Chair of the Audit Committee and other members of the Audit Committee are open to you? We documented the responses provided in Tables 4.5.1

1. Combined Result on the Informal Interaction of AC and the Head of IAF

In Table 4.5.1A we highlighted similar data and generate common terms into units of meanings to provide a clear overview of the avenues for informal interaction between the AC and the H- IAF. There were 9 words or phrases used to express the views of the H-IAF. These terms are not ranked in any order of importance. In Table 4.5.1B, we produced the tally chart to analyze the response of each H-IAF on the avenues and extent of informal interactions between the AC and the head of the IAF. There were 8 categories generated from Table 4.5.1A

F. Category Six -Annual Budget Of IAF

In this section, H-IAF was asked to provide an answer to the following question: What is the annual budget of the Internal Audit Department in the last three (3) years? The responses provided were collected and those responses are documented in Tables 4.6.1A and 6.2.1B

1. Combined Result on Internal Audit Function Annual Budget

In Table 4.6.1A and 4.6.1B, the Head of Internal Audit Function (IAF) office holders was asked to provide an explanation of the Annual budget of the Internal Audit Function in the last three years. In Table 4.6.1A we highlighted similar data and generate common terms into units of meanings so that we can provide a clear overview of the average annual budget of the IAF in the last three years. There were six words or phrases used to express the views of the Heads of the IAF. These terms are not ranked in any order of importance. In Table 4.6.1B, we produced the tally chart to analyze the value of each H-IAF in explaining the average annual budget for the IAF. In addition, the tally chart was a significant measure to visualize how many times each H-IAF employs the use of these categories. There were 6 categories generated from Table 4.6.1A

V. Discussions of Findings and Conclusion

As discussed in section II, in the literature review, the IAF is the medium within the company by means of which the directors and shareholders could be, abreast of the activities within their firm [9]. The level of competence of the IAF therefore will affect the extent and level of communication between the internal audit department (IAD), and the AC. The reason for this is because both the formal and informal interaction between the IAD and the AC goes through the H-IAF who must be a competent and thoroughbred, professional who is on top of his functions [13]. The indices of competence level require of the H-IAF is identified by [19] as: professional accounting qualifications, previous auditing

and accounting experience, attendance of mandatory continued professional education (MCPE), and attendance of other trainings. These four indicators were extended to include both formal and informal interaction of the H-IAF with the AC [19,13,3].

In the qualitative research, we captured the indicators of professional accounting qualification (Table 4.2.1A, and Table 4.2.1B), experience level of the H-IAF and the previous auditing and accounting experience (Table 4.1.1A, 4.1.1B, Table 4.1.2A and Table 4.1.2B), attendance of MCPE (Table 4.4.1A and Table 4.4.1B) and attending other trainings (Table 4.6.1A and Table 4.6.1B)

A. Professional Certifications

In Tables 4.2.1A and 4.2.1B, we captured qualitative data on the professional accounting qualification of the heads of the IAF (HIAF). The tally chart showed that all (100% of the H-IAF respondents) have a professional accounting qualification, 40% of the H-IAF respondents are ACA-Nigeria Charter holders, 20% of the H-IAF respondents are ACA-Indian Charter holder, while 40% of the H-IAF are FCA-Nigeria Charter holders. In addition to the professional accounting qualification, 40% of the H-IAF respondents have the Charter of the Chartered Institute of Taxation of Nigeria. Thus, we document that the H-IAF of Nigerian listed firms meet up with the indicator of competence through appropriate accounting certifications. Furthermore, we found evidence to argue that IAF is an effective corporate governance mechanism in the Nigerian listed firm.

B. Combined Accounting and Auditing Experience

In Tables 4.1.1A and 4.1.1B, we captured the Auditing and Accounting experience of the HIAF. From the data, the minimum years of experience of the HIAF in our sample companies is 7 years; while the maximum experience level is 22 years and the range is 15 years. The average number of years for all the H-IAF is 14 years 4 months. In Tables 4.1.2A and 4.1.2B, we captured the length of previous experience of the H-IAF in auditing or accounting function before their current appointment as the H-IAF. We captured that the minimum experience level to be 5 years and the maximum to be 13 years. The average numbers of prior appointment accounting or auditing experience for all the H-IAF is 9 years, 7 months. This is against the benchmark of minimum of 5 years prior experience benchmark of the Institute of Internal Auditors[7]. This detail indicates that the H-IAF have a sufficient experience level above the mandatory minimum level of experience for anyone to be appointed to the office of the H-IAF. Thus, we document that the H-IAF of Nigerian listed firms meet up with the indicator of competence through appropriate level of prior accounting and auditing experience. This provides us with the evidence to argue that IAF is an effective corporate governance mechanism in the Nigerian listed firm.

C. Continued Professional Development (CPD/MCPE)

We captured the data relating to the attendance of the mandatory continuing professional education (MCPE) by the H-IAF in Tables 4.3.1A, 4.3.1B, 4.3.2A and 4.3.2B. We document that, within the previous 12 months, 20% of the H-IAF respondents have attended 24 MCPE hours. Furthermore, 20% of H-IAF attended 68 MCPE hours, while another 20% have attended 48 MCPE hours. Also, 20% of the H-IAF have attended 38 CPE hours, while 20% of the H-IAF have not attended any MCPE hours within the previous 12 months. The average MCPE hours attended by all the H-IAF in our sample stands at 35.6 hours of MCPE. Over the previous

24 months, the number of MCPE hours attended show that 20% of the H-IAF respondents attended 48 hours of MCPE, 20% of the H-IAF respondents attended 120 hours of MCPE, 20% of the H-IAF respondent attended 96 hours of MCPE, 20% of the H-IAF respondent attended 76 hours of MCPE, while 20% of the H-IAF respondents attended zero hours of MCPE. It is observed that, while 40% of the H-IAF attained the recommended minimum of the MCPE hours recommended by the IIA, 40% of the H-IAF fall short of the recommended minimum, with 20% recording 38 MCPE hours and 20% recording 24 MCPE hours. It is also observed that 20% did not record any of MCPE hours in a period of 24 months. As documented in the literature and the guidelines of the IIA, there is a need for the H-IAF to continue to update their skills with the latest knowledge in the field which is available through the MCPE. The lack of MCPE hours can have a potential negative effect on the competence of the H-IAF as they may not be abreast with the latest technology, methodology and approach to integrative internal audit issues without continuing professional education [13, 7].

D. Formal and Informal Interaction between the H-IAF and AC

In Table 4.4.1A and 4.4.1B, we observed that 80% of the H-IAF attends all the AC meetings while 20% do not physically attend the meeting, but forward the IAF reports on a quarterly basis to the AC for consideration through the office of the Board Chairman. Also, a related measure of good interaction between the AC and the IAF is the possibility of informal interaction between the AC and the IAF. In Tables 4.5.1A and 4.5.1B, 100% of the respondents said that they have cordial relationship with the AC Chair. In addition, 100% of the H-IAF interviewed said that they have unrestricted access to the AC Chair. The H-IAF employed the use of different terms and phrases to capture their access to the AC. 80% of the H-IAF respondents said they have excellent informal interaction with the AC Chair and the AC members, 80% of the H-IAF respondents said they have unlimited avenues for one-on-one interaction with the AC members and the AC Chair, 80% of the H-IAF respondents said that, they have social platforms for informal interaction with the AC Chair and AC members. Additional 40% of the H-IAF respondents said the cordiality of their relationship with the AC is based on mutual trust while only 20% of the H-IAF respondents said that, they have minimal informal interaction with the AC. Thus, as documented by the findings discussed in Tables 4.4.1A.4.4.1B, 4.5.1A and 4.5.1B discussed in this paragraph, we argue that, there is an open and cordial relationship between the AC and the H-IAF facilitated by the degree of competence of the H-IAF in the companies that are listed on the Nigerian Stock Exchange.

E. Other Trainings

In Tables 4.6.1A and 4.6.1B, we use the annual budget of the IAF as an indicator of deliberate planning for the training costs of the H-IAF and other IAF staff. We obtained that while 40% of the H-IAF stated that the IAF has a separate budget, they could not provide the annual budget amount for the training of the H-IAF and the other IAF staff. Furthermore, 80% of the H-IAF stated that they operate a central budget with the organization, but could not state specifically the training components of the budget. The centralization of the IAF budget may impair the ability of the IAF to independently execute its training programs. Also, only 20% stated that they operate an independent budget and was able to provide the training component of the budget.

In conclusion, we document evidence of relevant professional qualification and work experience for the H-IAF to enable the H-IAF carry out its function with a desirable level of competence. Furthermore, we document evidence that there is strong formal and informal relationship and interaction between the H-IAF and the AC, which suggests the AC's expression of confidence in the competence of the H-IAF. However, we do not find conclusive evidence to document that the H-IAF meet up with the 40 hours recommended minimum MCPE by the IIA. Furthermore, we do not have conclusive evidence to document that the H-IAF attends other trainings outside the MCPE which could equip them with the knowledge of the latest technology and technique of internal auditing. Notwithstanding the inconclusive nature of our findings on other trainings attended by the H-IAF, we document conclusive evidence that the ingredient of competence of the H-IAF outweigh the inconclusive evidence of other training. Furthermore, we found conclusive evidence that the competence level of the H-IAF in Nigerian listed firms is consistent with the existing literature in this field and that the IAF is an effective corporate governance mechanism in Nigerian listed firms.

This paper contributes to the existing literature in this field. Furthermore, this paper would be of interest to corporate governance actors especially, the board of directors, the audit committees, the shareholders and other stakeholders of the firm. The paper would also be of interest to the Nigerian Stock Exchange and the Security and Exchange Commission, the organs charged with the responsibility of ensuring strong corporate governance in Nigerian listed firms. This paper would also be of interest to the academic community and scholars within the domain of corporate governance research and is expected to trigger further research on this subject. It is suggested that future research should examine the direct effect of other trainings outside the technical trainings through the MCPE on the interpersonal relationship of the H-IAF with other line managers and the AC.

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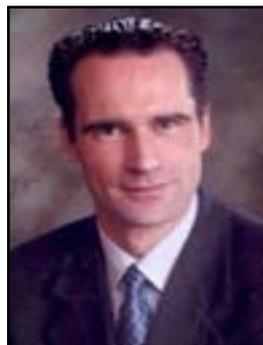
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Foundation of Canada. He currently teaches Critical Care and Life Support procedures to new M.D.s during their residency periods. Professor York holds a D.Phil. In Business Research degree with distinction from UGSM-Monarch Business School Switzerland, where he also earned a Master of Philosophy in Business Research with distinction. He holds a B.A. in Behavioral Neuropsychology from McGill University in Montreal where he also completed a Graduate Diploma in Leadership. Presently, he is completing a Master of Arts in Spirituality & Counselling at the University of St-Paul, a college of the University of Ottawa.



Prof. Dr. Jeffery Shawn Henderson, holds the positions of Dean of Studies and is a Member of the Academic Board of UGSM-Monarch Business School. Before assuming the position of Dean at UGSM-Monarch Dr. Henderson was an affiliate professor at the Grenoble Graduate School of Business, France. Dr. Henderson has also been a lecturer for real estate finance within the Faculty of Management at McGill University, Montreal, as well as a guest lecturer

for Corporate Social Responsibility at both the European School of Management, the University of Monaco and the London School of Business and Finance. Dr. Henderson returned to the academic field after a 20 year professional career in real estate development having held Vice-President positions at: Bentall Capital, Brookfield Properties, Kolter Properties and KPMG Canada LLP.

Appendix A-1 Research Instrument

PART A- Participant Profile

1. Gender:
2. Title:
3. Career Level in the Company: Manager/Senior Manager/AGM/DGM/GM
4. Years with the Company:
5. Age Range:
6. Place of Birth:
7. Religious or Philosophical upbringing:

PART B- Characteristics Survey

- 1 (a) How many years of Internal Audit Function Experience do you have?
- 1 (b) What is your Audit function experience before moving to your current role?
2. What professional qualification in Internal Auditing or professional Accounting do you possess?
- 3 How many hours of Continue Professional Development Training (CPD) did you attend in the last 12 months? Last 24 months?
4. How often do you attend Audit Committee Meetings as the Head of Internal Audit?
5. What other informal avenues for meeting the Chair of the Audit Committee and other members of the Audit Committee are open to you?
6. What is the annual budget of the Internal Audit Department in the last three (3) years?

Source: Akindete, York & Henderson (2014)

Appendix A-2:

TABLE 4.0: PARTICIPANTS PROFILE- HEAD OF INTERNAL AUDIT FUNCTION

	H-IAFI	H-IAF2	H-IAF3	H-IAF4	H-IAF5
Gender	Male	Male	Male	Male	Female
Title	Internal Auditor	Head of Internal Audit	Head of Audit & Finance	Head of Internal Audit	CC Director
Career Level	Manager	DGM	SM	DGM	Director
Professional Qualifications	ACA, ACTI	ACA, ACTI, MNIM	ACA –Ind.	FCA, FCTI, MNIM	FCA, FCTI
Years with the Company	4 years	14 years	2 years	7 years	11 years
Age Range	45-50 years	40-45 years	40-45 years	45-50 years	40-45 years
Birth Place	Delta	Delta	Andhra, Pradesh, India	Ibadan	Lagos
Nationality	Nigerian	Nigerian	Indian	Nigerian	Nigerian
Religion, Philosophy	Christianity	Christianity	Hindu	Christianity	Christianity

LEGENDS

- 1. Corporate Governance # Head of Internal Audit Function# =CORPGOV#IAF#
- 2. Deputy General Manager = DGM
- 3. Senior Manager = SM
- 4. Compliance and Control Director =CC Director
- 5. Associate of Institute of Chartered Accountant of Nigeria= ACA
- 6. Associate of Chartered Taxation Institute of Nigeria= ACTI
- 7. Member, Nigerian Institute of Management =MNIM
- 8. Fellow of the Institute of Chartered Accountants of Nigeria= FCA

- 9. Fellow of the Chartered Taxation Institute of Nigeria =FCTI
- 10. Associate of Chartered Accountants Institute of Indian= ACA-Ind.

Source: Akinteye, York & Henderson (2014)

Appendix B-1:

Years of Experience on Current Role as H-IAF

TABLE 4.1.1A
Explaining the Years of Experience of the Heads of IAF

1. 7 Years	3. 22 Years
2. 14 Years	4. 15 Years

Source: Akinteye, York & Henderson (2014)

TABLE 4.1.1B
Years of Experience of Heads of Internal Audit Function Terms Tally

H-IAF#	7 Years	14 Years	15 years	22 Years
1	x			
2		x		
3		x		
4			x	
5				x
TOTAL	1	2	1	1

Source: Akinteye, York & Henderson (2014)

Appendix B-2 :

No Of Prior Audit And Finance Related Experience

TABLE 4.1.2A
Explaining the Pre-Appointment Audit Experience of the Heads of Internal Audit Function

1. 5 years	4. 8 years
2. 10 years	5. 13 years
3. 12 years	

Source: Akinteye, York & Henderson (2014)

TABLE 4.1.2B
Pre Appointment Years of Audit Experience of Heads of IAF Term Tally

H-IAF#	5 years	10 years	12 years	8 years	13 years
1	x				
2		x			
3			x		
4				x	
5					x
TOTAL	1	1	1	1	1

Source: Akinteye, York & Henderson (2014)

Appendix C: Professional Qualifications

TABLE 4.2.1A
Explaining Professional Qualification of the Heads of Internal Audit Function

1. Associate, Institute of Chartered Accountants of Nigeria (ACA-Nigeria)	4. Fellow, Institute of Chartered Accountants of Nigeria (FCA-Nigeria)
2. Associate, Chartered Taxation Institute of Nigeria (ACTI-Nigeria)	5. Fellow, Chartered Taxation Institute of Nigeria (FCTI-Nigeria)
3. Associate, Institute of Chartered Accountants of India (ACA-India)	

Source: Akinteye, York & Henderson (2014)

TABLE 4.2.1B
Professional Accounting or Auditing Qualifications of Heads of IAF Terms Tally

H-IAF#	ACA-Nigeria	ACTI Nigeria	ACA-India	FCA-Nigeria	FCTI Nigeria
1	x				
2	x	x			
3			x		
4				x	x
5				x	
TOTAL	2	1	1	2	1

Source: Akinteye, York & Henderson (2014)

Appendix D: Hours Of CPD By The Head Of IAF

TABLE 4.3.1A
Explaining 12 Months Attendance of CPD by the Heads of IAF

1. 24 hours of CPD	4. Zero Hours of CPD
2. 68 hours of CPD	5. 38 hours of CPD
3. 48 hours of CPD	

Source: Akinteye, York & Henderson (2014)

TABLE 4.3.1B
12 Months CPD attendance by Head of IAF Terms Tally

H-IAF#	24 hours of CPD	68 hours of CPD	48 hours of CPD	Zero hours of CPD	38 hours of CPD
1	x				
2		x			
3			x		
4				x	
5					x
TOTAL	1	1	1	1	1

Source: Akinteye, York & Henderson (2014)

TABLE 4.3.2A
Explaining the 24 Months Attendance of CPD by the Heads of IAF

1. 48 hours of CPD	4. Zero Hours of CPD
2. 120 hours of CPD	5. 76 hours of CPD
3. 96 hours of CPD	

Source: Akinteye, York & Henderson (2014)

TABLE 4.3.2B
24 Months CPD attendance by Head of IAF Terms Tally

H-IAF#	48 hours of CPD	120 hours of CPD	96 hours of CPD	Zero hours of CPD	76 hours of CPD
1	x				
2		x			
3			x		
4				x	
5					x
TOTAL	1	1	1	1	1

Source: Akinteye, York & Henderson (2014)

Appendix E: Frequency of Attendance At AC Meetings

TABLE 4.4.1A
Explaining the Frequency of Attendance of the Head of IAF at AC Meetings

1. Head of IAF does not attend AC meetings	3. Head of IAF attends all AC meetings
2. Head of IAF attends AC meetings four times a Year (once quarterly)	4. Head of IAF only sends his reports to AC quarterly

Source: Akinteye, York & Henderson (2014)

TABLE 4.4.1B
Attendance of Head of IAF at AC Meetings Terms Tally

H-IAF#	Head of IAF does not attend AC meetings	Head of IAF attends AC meetings 4 times a year	Head of IAF attends ALL AC meetings	Head of IAF reports to AC	Head of IAF ONLY sends IAF reports to AC
1	x				x
2		x			
3		x			
4			x		
5			x		
Total	1	2	2	1	

Source: Akinteye, York & Henderson (2014)

Appendix F: Informal Interaction between the AC and the H-IAF

TABLE 4.5.1.A
Explaining Informal Interaction between the AC and the Head of IAF

1. Cordial interaction with AC Chair	5. Mutual trust between AC Chair and Head of IAF
2. Minimal interactions with AC members	6. Unrestricted access to the AC Chair and AC members
3. Relationship and interaction with AC members beyond mere professional association	7. Excellent relationship with AC members
4. AC Chair is always available to listen to the Head of IAF	8. Informal interaction at social events
	9. Informal interactions at Clubs and sporting events

Source: Akinteye, York & Henderson (2014)

TABLE 4.5.1B
Informal Interaction of the AC Chair and AC members with Head of IAF Terms Tally

H-IAF#	Cordial interaction with AC Chair	Minimal Interaction with AC members	Unrestricted access to AC Chair	Avenues for ono-on-one interactions with AC Chair	Excellent informal Interaction with AC Chair and AC members	Informal Interaction at Social events	Informal interaction with AC members at Clubs & Sporting events	Informal interaction based on mutual trust
1	x	x	x	x				
2	x		x	x	x	x	x	x
3	x		x		x	x	X	
4	x		x	x	x	x	x	x
5	x		x	x	x	x	x	
TOTAL	5	1	5	4	4	4	4	2

Source: Akinteye, York & Henderson (2014)

Appendix G: Annual Budget of IAF

TABLE 4.6.1A
Explaining the Annual Budget of the Internal Audit Function

1. IAF has separate annual budget	4. IAF annual budget averages N12 million
2. IAF does not operate separate annual budget	5. IAF annual budget averages N45-50million
3. IAF annual budget is part of the central company overhead budget	6. Cannot say what the actual budget really is

Source: Akinteye, York & Henderson (2014)

TABLE 4.6.1B
Annual Budget of the Internal Audit Function Terms Tally

H-IAF#	IAF has separate Annual budget	IAF operates centralized budget system with the company	IAF Average Annual budget is N12 million	IAF average annual budget is N45 million –N50 million	IAF does not have separate budget	Can not say what the exact IAF annual budget
1		x			x	
2	x	x				x
3		x	x			
4	x			x		
5		x				x
TOTAL	2	4	1	1	1	2

Source: Akinteye, York & Henderson (2014)