

Internal Audit, Control and Organization Culture and how it helps in fraud detection

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Abstract: The internal audit is a corporate control mechanism to address fraud risk (IIA, 2003). This study addresses the prevalent risk of fraud by inspecting individual internal auditor's observations of the determinants of auditor expert performance in fraud detection. The anticipated premise of this study is that expert presentation in fraud detection is a function of the individual internal auditor's fraud detection skills. Internal controls consist of interrelated components that are combined and should be managed daily. Maintaining and balancing effective internal controls is continuous and cyclical process. Internal audit objectives effect the control system and its monitoring. It also has its impact on the information to be communicated. apart from influencing the monitoring aspect it also has its influence on risk assessment procedure of internal control system.

Introduction:

Internal audit, as demarcated by the Institute of Internal Auditors, is an autonomous, objective, guarantee and checking activity proposed to add value and increase an organization's operations. It helps an organization achieve its objectives by fetching a systematic, well-organized approach to evaluate and improve efficiency of risk management, control, and governance processes. There is a relationship between these two as internal audit functions normally is spread afar checking of financial transactions and is probable to cover comments on internal control systems, risk management, propriety aspect of transactions. Internal audit process and effectiveness of internal controls can be affected by organization's culture or behavior. Organizational behavior is closely associated with behavior and attitude of people who are directly attached to the business. These business entities are different in sizes and structure that manipulate their attitude. This is considered to be organizational culture.

According to The IIA which manages the profession of internal auditors, it is determined as a desperate, purpose guaranteed and talking to movement planned to add value and get better the company's functions. It allows a company to achieve its goals by providing an effective, regimented strategy to calculate and enhance the performance of danger management, management and power processes.

"Internal auditing is a sovereign, objective promise and talking to activity designed to add charge and recover company's functions. It allows a company to accomplish its goals by providing aeffective, limited strategy to calculate and enhance the success of management and power processes."

Internal auditor actions can play an important part and support the board and management in satisfying an extremely important component of their power and authority systems. The internal auditor gives research, evaluations, suggestions, advice and information in regards to the activities analyzed. The internal auditor can suggest ways for falling expenses, attractive income, and improving income. Internal Audit is responsible for coordinating audit planning and scheduling activities with external auditors. To be efficient, auditors must provide as objective promise providers and advisors to the further participants in the governance procedure like Board of Directors and the audit commission; provide supervision on improving operational effectiveness and control; estimate risk and advise the administration on risk classification, risk patience and risk executive.

Background:

As far returning as 4000 B.C., researchers believe, formal record-keeping techniques were first provided by managed company and government authorities in the Eastern to eliminate their issues about properly accounting for earnings and expenditures and gathering taxation. As well enhancements occurred with regards to the Zhao kingdom in Chinese suppliers (1122-256 B.C.). The need for and alerts of audits can be tracked returning to community finance techniques in Babylonia, Portugal, the Roman Empire, the City Declares of Tuscany, etc., all of which developed a specific program of assessments and counterchecks. Specifically, these government authorities were concerned about inexperienced authorities prepared to to creating accounting mistakes and discrepancies as well as illegal authorities who were motivated to perform scams whenever the opportunity transcends.

The roots of auditing, in general, are naturally described by accounting historian Rich Darkish (1905, estimated in Mautz & Sharaf, 1961) as follows:

“The source of auditing goes returning to times hardly less distant than that of accounting...Whenever the enhance of society introduced about involve one man being intrusted somewhat with the property of another, the advisability of some kind of examine upon the constancy of the former would become obvious.”

The Western techniques of accounting and auditing were provided into the United Declares. As company actions increased in size, opportunity, and complexity, a serious need for a unique inner confidence operate that would confirm the (accounting) details used for decision-making by management occurred. Gradually, the inner review operate became responsible for “careful collection and useful confirming of selected company facts” to enable management to keep track of significant company improvements, actions, and results from various and large dealings (Mautz, 1964).

The United states Institution of Accounting firms first described the term inner management in 1949, followed by further clarifications in 1958 and 1972. In 1977 it was executed under the law that all the community held organizations should apply inner manages to protect their economical details. A report by the Panel of Supporting Companies in 1992 and the Sarbanes-Oxley Act of 2002 are more modern documents explaining inner manages.

An earlier success in the Spanish-American War introduced about an growth of the whole economic climate and the measure of businesses in the U.S. after the turn of the century. Until those days “detailed audit” was started on all the target items as an review of fiscal reports, but a quick enhance in business range made it essentially unbearable to carry on the practice.

Therefore, a “sampling test” was provided containing examination of examples taken from the objectives, supposing that organizations conduct their own examination (System of assessments and balances) whereby possible scammers and mistakes in functions are commonly examined within organizations. This inner examine program efficiently noticeable the birth of the idea of inner management.



It should be mentioned that most Government Frameworks uses an ICS because of the need to evaluate and management chosen factors of company procedures. An performance of a Government Structure needs a (re)design of the ICS since new manages need to be included. After performance the recognized ICS manages are used at the performance stage for tracking of operating company procedures.

As with Government Frameworks, several designs for Inner Control Program are available. One of the most finish and comprehensive style that is commonly used is COSO’s Inner Control Incorporated Structure. It includes five components:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Interaction and
- Monitoring

Elements of COSO ICS are often portrayed by means of a triangular.

Key Definitions:

Internal Audit:

The word “audit” derived from the Latin word *audire*, meaning “to hear”.

The Auditing Standard defined an audit as the independent scrutiny of and communication of view on the financial statement of an enterprise by an appointed auditor in enactment of that appointment and in compliance with any relevant constitutional obligation.

Lawrence R. Dicksee puts it this way “an audit is an examination of accounting records undertaken with a view to establishing whether they correctly and completely reflect the transactions to which they relate. In some instances, it may be necessary to ascertain whether the transactions themselves are supported by authority.”

It is clear from the above definitions that auditing is the organized and scientific scrutiny of the books of accounts and records of a business.

Internal Control:

Procedures put in place by a company to confirm the honesty of financial and accounting information, encounter operational and profitability goals and diffuse management policies all through the organization.

“Internal control is a procedure that gives reasonable assurance about the achievement of organizations objective that is affected by management and other personnel of the organization. The objectives may include:

Consistency of financial treatment

Observance with relevant laws

Usefulness and competence of operations

Organization Culture:

Organizational culture is the mutual manner of humans that are element of an organization, it is also formed by the organization values, visions, standards, working language, systems, and symbols. It includes attitude and behavior. It is also the array of such communal conducts and conventions that are trained to new organizational members as a way of recognizing, and even thinking and feeling. Organizational culture affects the way people and groups intermingle with each other, with clients, and with stakeholders. Ravasi and Schultz (2006) affirm that organizational culture is a set of communal mental outlook that usher augmentation and actions in organizations by outlining applicable actions for several positions.

Objective:

The main objective of study is to assess the relationship between internal audit, internal control and organization culture. It also need to be ensured that information given by the management is accurate. It is also the responsibility of auditor to protect organizations risks and adequately implement those steps that helps in making decisions about those risks. Internal controls are the policies that ensure that financial statements give true and fair view of the financial information. Auditing habitually has involved reviewing and testing established policies, practices, procedures, and processes for indication of non-compliance. The effect of this type of auditing is that the auditor successfully becomes the internal control cop. The auditor has to find abnormalities from the current internal control system; the auditor provides little value afar that to the client.

Problem Specification:

There are some snags ascends in the path of accomplishment of the objectives of the organization, and these snags sometimes make a immense risk for the organization due to the lack of monitoring and supervision. Internal controls rather physical or otherwise makes big difference to company’s position. If these controls do not work properly it leads to disaster. Proper procedure and efficiency of internal control should be implemented to avoid any risk and consequences resulting due to organizational culture. These risks may be inborn and some are due to management’s part like control risk, cash risk and financial risk.

Research Questions:

1. The importance of Internal Audit in Fraud Detection?
2. Relationship between internal audit, internal control and organization’s culture?
3. Is the Culture of the Internal Audit Section Influenced by the culture of the Organization as a whole?

Literature Review:

To figure out the concepts of internal audit performance evaluation is essential to evaluate the conceptual structure of internal audit (Savcuk, 2007). According to the Institution of Internal Auditors (IIA, 1991, Taylor and Glezen, 1991, II, 1995), internal audit is "a separate evaluation function established within an organization to analyze and assess its actions as a service to the organization ". By calculating and assessing the potency of the manages of the organization, internal audit, itself, is an essential control device (Carmichael et al., 1996), which is directly connected to the business structure and general rules the organization (Cai, 1997).

One of the most extensive definition of Sawyer (2003), who announced that the internal audit is "a methodical, purpose evaluation of the internal auditors of the various functions and manages within an organization to figure out whether (1) financial and functional details is precise and reliable, (2) threats to the organization determined and reduced, (3) exterior rules and appropriate inner policies and procedures are followed, (4) appropriate operating requirements are pleased, (5) resources are used efficiently and financially and (6) company's goals are effectively obtained all with the aim to seek advice from with control and to help members of the organization for effective release of their government obligations. "

On the institutional structure, based on an evaluation of the potency of inner review may be using a lot of value can be determined. This paper explains the trial proof of the components in assessing the internal audit report on internal manages COSO) to assess the increase of the above. According to the above, the five related components (or criteria): (Rezaee, 1995; Konrath, 1996, and Guan, 2004): control environment, risk evaluation, control actions, details and tracking and Communication.

Abu Musa, (2004) observed the presence and suitability of security controls are implemented in the Egyptian organizations. The survey results underlined that the immensebulk of Egyptian organizations safety measure are in place. The outcomes also showed that the services relatively need more attention to technical safety measure, while the internal audit sectionobserved several security checks on organizational behavior. In conclusion, the study provides cherishedpractical evidence of deficiencies in the application of precautions CAIS, and introduces some suggestions to toughen and increaseprotection in EBS. He also scrutinizes the presence and acceptability of security controls executed for computerized accounting information at the subdivision level organizing Arabia. The survey outcomesshows that the immense majority of Saudi Arabian organizations have adequate safeguards are in place. The fallouts also help organizational influential and practitioners to better sheltered their computer systems of financial and bout for the security of information technology to flourish in their organizations.

Faudziah Hanim Fadzil, Hasnah Haron, Muhamad Jantan, (2005) instigates that management of internal audit sector, talentedexpertise, and studyintenselydistress the scrutiny aspect of the internal control system.Work and presentation of audit work expressivelyeffects the information and communication part of the internal control system whereas performance of audit work, certifiedknow-how and neutralitypointedlyforce the control environment stage of the internal control system. The study also displays that management of internal audit sector, performance of audit work, audit program and audit reporting meaningfullysways the risk assessmentpart of the internal control system. Last but not least, performance of audit work and audit reporting noticeably influences the control activities phase of the internal control system.

R.E. Wright, (2009) researched on organization culture and the sub culture within the organization and the relationship between organizations culture and the culture of internal audit department. It also refers to how this relationship can influence the use of internal controls.

Craik & Lockhart, (1972) studies the total of auditor commitmentset to information during internal control citationsdealings, and the upshot of this attention on internal control information attainment and risk assessment. Based on levels-of-processing, the carevital to complete an internal control questionnaire (ICQ) is prophesied to result in the achievement of more internal control information than when aaccomplished ICQ is reviewed. In adding, auditors who thorough an ICQ should judge control risk identical experts' than auditors, who review an ICQ finalized by another singular.

Lemma Argaw, (2000) researched on internal auditing as a job and segment of internal control. However the second part of the 1940s observed the institution of Internal Audit functions in the Ministry of National Defense, Ministry of Education, and Ministry of Finance. It was also at this time that the Internal Auditing divisionsinitiated to shoot in non-budgetary public sector (Public enterprise) like Highway Authority, Airlines, Telecommunication, and financial sector that formed the modern layer of the National Economy.

Aldridge and Colbert, (1994) illuminates that the control environment, internal audit and financial management policies mirror the outlook of the unit. On one hand, control environment, culture, history and economic unit, in a way to sway the company a reflective effect on the internal control and careful management of positive and helpful attitude is set. With regard to risk assessment, it is argued that the relevant business objectives associated with risk identification and analysis can be achieved. Therefore, controlling the activities of the policies, procedures and processes governing the management of **Hevesi**, (2005) to be strong. One hand and information and communication materials to identify the top line, capture and disseminate relevant information in an appropriate form and time frame for financial reporting **Aldridge and Colbert**, (1994) accomplish. On the other hand, the effective communication of information floating down a broad, across and up the organization should go. Finally, it is generally accepted that the internal control system must be monitored during the performance can be measured. So by monitoring, audits and other reviews that the immediate result of the decision is confirmed.

Cattrysse J., (2005) researched about the scandals that took place in the nineties of the twentieth century, large corporations and the power company (Enron) and telecommunications WorldCom company, the other has shaken investor confidence and raised questions about how they allowed large companies to such scandals. Therefore, the collapses occur in the boards and senior management and supervisory bodies of management and internal and external auditors. And the result was achieved perhaps the longest accounting fraud in history until then, followed by a comprehensive reform of the regulation. These serious incidents have demonstrated the crucial role played by boards of directors in strengthening corporate governance, especially as the bore ultimate responsibility for internal control systems in their organizations where the internal audit function plays a key role in helping councils to carry out the tasks of government is primarily responsible for them, they should be answer the following question: What are the board of directors and audit committee that it derives convinced that the internal audit functions effectively and efficiently?

Pálfi and Muresan, (2009) investigated the importance of a well-organized system of internal control as regards the organization with the business. The sample was based on 25 credit institutions in Romania. Analysis of responses shows that the cooperation continues, based on regular meetings between all the organizational structures that characterize an effective internal audit.

B. J. Cooper, P. Leung, G. Wong, (2006) indicates a paradigm shift in the activities performed by internal auditors. The progress in business operations in Asia and an important detonation in the IT department has opened some gigantic challenges for internal auditors. Although in 2004, The IIA responded to the varying organizational atmosphere by updating the skilled practices framework, more work needs to be done to set up internal auditors for the prolonged set of skills and knowledge obligatory to execute audits of the future.

Ben (C) Fletcher, Fiona Jones, (1992) introduces an appliance for measuring entity's audit culture. Argument of the idea precedes dialogue of the troubles of dimension and the customs and theory on which plan of the instrument draws. Summarizes the dimensions to be considered in requisites of four common bipolar expressive types: homogeneous v. heterogeneous; developed v. managed; developing v. stationary; balanced v. harsh. Objects in the cultural audit instrument are grouped in sections; the causes of troubles; the outcomes; the representative.

For each reaction factor the instrument measures the person's perceptions of their own and others' situations in the organization and of their ideal condition.

Theoretical Framework:

The nature of research is descriptive and, in this section, I'll discuss what kinds of theories and models were used in the different time periods. According to my research topic internal audit, internal control and organization's culture, there are standards set by Institute of Internal Auditor (IIA). Standards on internal control are ISA402, ISA265 and ISA450. Edgar H. Schein's, (1992) Model of Organizational Culture and a model by Don Arendt, (2008), Hofstede, (1991) Multi-Dimensional cultural model, Ouchi, (1981) and Macintosh, (1985) Models on organizational culture

Relationship between Internal Audit and Internal Control:

Internal auditing function is to bring improvement in internal control. Internal control is a procedure that gives reasonable assurance about the achievement of organizations objective that is affected by management and other personnel of the organization. The objectives may include:

Consistency of financial treatment
Observance with relevant laws
Usefulness and competence of operations

ISA 265 summarize that the objective of the auditor is to correspond rightfully to those charged with governance and management paucities in internal control that the auditor has acknowledged throughout the audit and that, in the auditor's skilled finding, are of adequate value to virtue their applicable special treatment. This International Standard on Auditing (ISA) deals with the auditor's liability to transmit suitably to those charged with governance and management deficiencies in internal control that the auditor has acknowledged in an audit of financial statements. This ISA does not ratify supplementary responsibilities on the auditor regarding obtaining an accepting behavior towards internal control and manipulating and performing tests of controls on top of the necessities of ISA 315 and ISA 330.

ISA 402 objective is to find and understand the nature and importance of the services provided by the service groups and their outcomes on the user entity's internal control linked to the audit, plentiful to classify and judge the risks of material misstatement; and to chart and present audit procedures receptive to those risks.

HOFSTEDE'S model gives the idea of cultural differences within one organization across the national limits (Hofstede 1981). In this study he focused his attention towards the difficulties that organizations face having their subsidiaries in different countries that have different culture. In order to know the results and know that how culture influences: he takes an experiment by studying the behavior of employees at different branches and locations even in different.

When the outcome came he discovered out four measurements by which he determined the breaks in societies.

In his beginning research, Hofstede analyzed the different societies in workplaces of different nations of one company that have his subsidiaries in these nations. His outcome creates him suitable to put ahead a design of lifestyle depending on the following dimensions:

1. Power distance;
2. Masculinity/femininity;
3. Uncertainty avoidance; and
4. Individualism/collectivism.

1. The outcomes of this study indicated that different nations give different abilities to their workers at different stages of their job position. It also concentrates on the methods that how these variations in abilities should be settled within the company within the nation.
2. We all know that we are residing in a community that is men taken over. Men usually have more privileges than women. The idea of equivalent privileges between individuals is missing. That's why he calls that dimension masculine/feminine instead of confrontation/negotiation.
3. He also mentioned that in nations where the inhabitants likely to be not much enthusiastic about doubt evading there seem to be a "horror of official rules".
4. Hofstede, (1991) registered that the mind-set of employees towards their individual objectives are relatively great to the companies objective. This he regarded a individual sizing of lifestyle that differed across the different nations examined.

Ouchi (1981) And Macintosh (1985)

Ouchi on the other hand analyzed the social variations between Asia and The united states. Instead of providing four measurements that hofstede gives and that was mentioned earlier: he gives three perspective design of lifestyle. The three different types of company identified by Ouchi are paperwork, group, and industry (Ouchi, 1981). Ouchi's design was further refined by MACINTOSH, but the three size of Ouchi continues to be the same.

Bureaucracy:

The bureaucracy is a appropriate framework, and arranged techniques that must be followed. In bureaucracy there is no area for versatility and any short-term activities. Ad hoc activities is highly frustrated. It is an arranged strategy. As there is no versatility, it is very unusual to carry modify and changes the surroundings according to the need. It also makes problems in advancement. This is not to say that bureaucracy does not have its place. Where the tight conventional is to be calculated and the firm techniques are to be followed, this way of business framework will provide very effectively.

Market:

The companies that are industry motivated knows the popularity and significance if industry. So, they provide much time knowing the industry and also notice how to evolve themselves with the modifying activities of the industry. In this respect it can be regarded as flexible lifestyle. In a genuine market-driven company, the attention is to satisfy the goals and contest with the opponents to stay in existence in industry. It is not a query what the industry wants in long lasting and short-term. These concerns are mismatched.

Clan:

Apart from bureaucracy, the clan structure is relatively friendly and flexible. Rather than adhere to standards it sets a team to achieve the goals. The team then adapts itself to the current structure and brings out changes if necessary in order to achieve the goals. The team works as a team and have confidence in what they are doing. All team members are equally important and valuable. As a result, the friendly environment ultimately approaches the position of an extended family.

The Competing Value Framework:

The competing value framework was proposed by several authors but two of them are noticeable Cameron and Quinn (Cameron & Quinn, 1999).

The basic purpose of this framework is to study the concept behind the communication within an organization: however, it was realized by Cameron and Quinn (1999) that the framework also used to help the study of culture of an organization.

The issue with the Ouchi/MacIntosh design mentioned above is that it announces a company to be a group or industry motivated. It is not possible to be a mix of both in previously research. But this structure gives a way to be a mix of both the concepts. Cameron and Quinn (1999) suggested a design of lifestyle with an additional sizing to the Macintosh/Ouchi design previously mentioned.

An evaluation between these two designs is described as:

Macintosh/Ouchi v Quinn/Cameron

Macintosh/Ouchi Quinn/Cameron

Clan	Clan & Adhocracy
Bureaucracy	Hierarchy
Market	Market

Here adhocracy is one extra dimension that was given by Cameron and Quinn.

Research Methodology:

Types of Data:

The topic reflects that the main mode of collecting data is questionnaires and interviews. The mode of collecting data is from audit firms and organizations through interviews. The unit of analysis which describes my topic are audit firms and the companies having internal audit function.

Sources of Data:

Sources of data can be primary and secondary. Primary sources of my research work are

- Interviews and journals relating to audit.
- Articles containing research.
- Newspaper and magazines.

Secondary sources are:

- Textbooks.
- Review articles and audit analysis essays.
- Articles that other people published and events from the past events that has already happened.

Time Horizon:

There are two types of time horizons or time dimensions to choose between. The two-time dimensions are cross-sectional and longitudinal studies. The first dimension is used as a “snapshot” because the research is made at a particular point of time or at a given period of time. This method is commonly used for research projects that have a time limit. My study is a cross-sectional research because it has a time limit and it is made at a particular span of time.

Sample Selection:

Sampling means that I collect data from a small group of people rather than from a large audience. Time and budget limitations make it difficult for me to collect data from a total population or a large audience; therefore, it urges me to select a sample. Sampling also makes it easier for me to collect data as I have less people instead of large group.

Limitations:

The major limitation of this study was the relatively small sample size. Internal audit teams in most organizations are small in size. It is expected that an increased sample size could increase the statistical significance of the determinants. For example, the continuous learning results for in-house internal auditors and the mentoring results for outsourced internal auditors are close to significant.

Comparatively, the larger sample size for all internal auditors produced a greater level of statistical significance compared to a smaller data set, specifically, internal auditors who had reviewed suspicions of fraud. Moreover, answers to all question regarding culture should have to be answered to clearly shows how the culture affects internal audit work.

Findings and Analysis:

Answers to Research Questions:

The objective of my study is to answer all the research questions on the basis of surveys and questionnaires. Internal audit can play a significant role in fraud detecting. Fraud is an inevitable cost of doing business. Organizations are responding to the pervasiveness of fraud by employing increased fraud risk management strategies (KPMG, 2008).

The internal audit function is a corporate control mechanism available to management to address fraud risk (IIA, 2003). This study addresses the pervasive risk of fraud by investigating individual internal auditor's perceptions of the determinants of auditor expert performance in fraud detection. The proposed premise of this study is that expert performance in fraud detection is a function of the individual internal auditor's fraud detection capabilities. Internal auditor is very important and an extensive procedure. It can be viewed when one observes the nature of the work he is doing. Management segregates the work because of the audit's negative connotation and they consider that by using the word audit may have the adverse affect the way the management uses that word.

Study aimed to test internal auditors' perceptions of factors that impact on their fraud detection capabilities. The survey results identified these factors as certification, continuous learning, analytical reasoning, the ability to work within a team, and an effective control environment.

Fraud detection was considered to be an unstructured audit task with an impoverished learning environment (Libby and Luft, 1993; Libby and Tan, 1994). Therefore, the learning processes for developing internal auditors' knowledge of the fraud detection task would have to be unique to the fraud detection task. In this study, 3 of the 4 strategies that were reported to impact on auditor expert performance in fraud detection are certification, continuous learning, and mentoring. Although mentoring was found in this study to be almost statistical significant, it provides valuable insight into the strategies that the internal audit profession can adopt to develop internal auditors' knowledge of fraud and fraud detection.

I suggest that continuous learning is the most effective method of developing internal auditors' knowledge of fraud and fraud detection. While internal auditors did not perceive that certification had a significant impact in developing their knowledge of fraud and fraud detection, certification is still a method to provide the foundation for an internal auditor's further development of such knowledge. It is proposed that the internal audit profession considers the revision of existing certification and continuous learning programs to emphasize the development of internal auditors' knowledge of fraud and fraud detection. The revision of these programs can provide internal auditors with the advantage of learning about the types of fraud, how fraud can be perpetrated and detected, and responses to incidences of fraud. These programs can provide internal auditors with knowledge of cases of fraud and fraud risk management strategies. This proposal is made in the context of the mandatory obligation imposed by IPPF performance standard to close the expectations gap by equipping internal auditors with knowledge of fraud and fraud detection.

The query that how the lifestyle of the company and the lifestyle of internal audit area impacts each other is the most difficult query to response this is due to the factor that lifestyle of the company is described in a different way by both the areas i.e. the internal audit area and the professionals of the company. This is because of the factor that internal auditor views company as a industry motivated and the professionals however consider it as an adhocracy. The line administrator announced that worry sometimes can be used a device to management. The functional internal auditor did not announce that reality as a management device in start but

they also view that worry is in a roundabout way a management device to management team on various activities.

The functional internal audit area should have to be industry motivated that have the versatility to come part by part with the professionals. Actually, this designed a conflict within the internal audit area that is about to be fixed in the way the bureaucratic centered strategy performs. On the other side internal audit also mentioned that following the factors and guidelines are also very important. This quality was listed by the idea that what will be the lifestyle of the internal audit generally; the need to be a bureaucratic strategy was too powerful to over journey the objectives and wants of the professionals. From that perspective the internal audit area of a company seems to be suffering from the company. The case is different with the functional internal auditors of other companies who have functional internal audit areas that have societies that do not appear to be obedient to the organizations' own societies. Thus, a chance of stress between both the review area and company would appear to be available in these organizations. The outcome therefore is that the lifestyle of the company as a whole not areas of have its impact as a whole on all the areas such as internal audit area. Where the device of worry management is missing internal audit, area puts more social. When that seems to be occurred the internal audit's lifestyle will duplicate the activities of both a powerful rules-based lifestyle, and a group of persons performing as children members, and connect a lesser amount of respected to the industry, while being reluctant to short-term activities.

I discovered out that the results of their research were that they discovered what they regarded as four main identifiers of the lifestyle of a company. Explaining Cameron and Quinn (1999) identifiers, these are:

1. How well the employees respond to the problems of the companies and make short-term choices in handling the problem as this indicates. We can call it a choice to be made on the run. They known as this ray adhocracy.
2. Apart from above factor that is making short-term choices, how well the associates follow the factors and framework of a company bureaucratic framework. They known as this opposite ray framework.
3. The level to which the company responds as a well structured and well were family members towards its associates and other employees. This ray was known as group.
4. The level to which the company adhere to the industry and contend to stay in existence in the competitors in the marketplace and accomplish their objectives by status within that industry. This ray was known as industry.

It was regarded that as companies moderates, it is a need to modify the lifestyle according to the present atmosphere and place. For example, let us take an example of Apple company Computer systems. It was in the starting a very novel company that ran as an adhocracy, but as the product of the company grown up, the short-term characteristics of the function clashed with the need to have an industry motivated in order to stay in existence in industry and fulfill needing industry. The company responded by modifying its framework to a industry focused lifestyle. The repercussions were a large modify within the company, which finally led to the creator, Steve Jobs, going out talking to company. The conflict between Ouchi/MacIntosh design and Quinn/Cameron is that the former design research the company to be a group or industry motivated but the latter design says that it can be a mix of both the techniques. Cameron and Quinn (1999) considers that because of this competitor between principles, it will not always push to successful place.

I studied during my research that internal controls consist of interrelated components that are integrated and should be managed daily. Maintaining and balancing effective internal controls is continuous and cyclical process.

Control environment is the obligation to promote and follow high level of integrity, honesty, stick to the standards and commitment and encourage internal control through leadership behavior. On the other hand, risk assessment is the assessing and analyzing the risks linked with the business. It includes its processes, financial reporting, and their technology and other statutory and legal complexities in a way to achieve the goals. Control activities are such steps which support to assess risk that may include asset managing reviews and reviews regarding performance. Monitoring is the monitoring of performance to make it sure that internal controls are properly working and effective. Whereas, Information and communication ensure that all the related information are properly communicated within the organization. Internal controls are a structured approach that helps in reducing many problems. Internal auditing function is to bring improvement in internal control. Internal control is a procedure that gives reasonable assurance about the achievement of organizations objective that is affected by management and other personnel of the organization.

The objectives may include:

- Reliability of financial reporting
- Compliance with applicable laws
- Effectiveness and efficiency of operations

I found out that internal audit objectives influence the control system and its monitoring. It also has its influence on the information to be communicated. Apart from influencing the monitoring aspect, it also has its influence on the risk assessment procedure of the internal control system.

Suggestions for Future Research:

This investigation of the individual internal auditor's fraud detection capabilities was conducted in the context of the mandatory obligation for internal auditors to evaluate fraud risk and to evaluate the organization's management of fraud risk. Mandatory compliance with these standards enforced changes to the internal audit profession. Therefore, future research could assess the impact of these enforced changes on the internal audit profession and internal audit practice. From the study, it was evident that the composition of expert performance in fraud detection differed from expert performance in other audit tasks, as was evidenced by the introduction of determinants unique to the fraud detection task. Further, extending this survey to external auditors may be able to provide evidence about whether the mandatory obligation imposed by the standards affects the level of importance or contribution of these determinants to expert performance in fraud detection. There are a number of questions. All these questions should be answered to exactly know that the culture of the internal audit section and organization affects the internal audit process.

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