

THE CONTRIBUTION OF THE AUDIT COMMITTEE IN THE IMPROVEMENT OF THE QUALITY OF THE INTERNAL AUDIT

Souad BOUTRIK*

EHEC Kolea Algeria, PERMANAN Management Laboratory (Algeria)
souadboutrik@hotmail.fr

Randa MEGHARI

EHEC Kolea Algeria, PERMANAN Management Laboratory (Algeria)
r.meghari@hec.dz

Ibtisseme BRAHITI

EHEC Kolea Algeria, PERMANAN Management Laboratory (Algeria)
brahiti-ibtisseme@hotmail.com

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Abstract:

The quality of the internal audit is a necessary condition for its effectiveness in achieving its objectives. The literature identifies two criteria for a good quality of audit: competence and independence. The first is framed by the code of ethics, the different standards of the function, training, etc. However, the second criterion is more complicated since it is more sensitive. Attachment to the highest hierarchical level guarantees to the internal audit its independence from the various stakeholders. The establishment of an audit committee is seen by professionals as the best way to achieve this independence.

In order to understand the contribution of the audit committee in improving the quality of internal audit, we chose to carry out a survey by questionnaire on 45 internal auditors working in Algerian companies.

Keywords : Internal audit, Audit committee, Independence, Quality, Algerian companies.

*Author Corresponding

1- Introduction:

Internal auditing is a function with great specificities and characteristics. It is an internationally standardized profession: same definitions, same professional standards, same code of ethics.

Nowadays the audit function extends to all areas, we find the accounting and financial audit, the environmental audit, the marketing audit, the social audit, etc. Thus forming the internal audit. Internal audit has long been regarded as a function whose purpose does not go beyond the traditional functions of procedural verification and fraud detection. Until the revolutionary definition published by the Institute of Internal Auditors (IIA) (1999) translated by the French Institute of Audit and Internal Control (IFACI) (2000) comes to redefine internal audit as "An independent and objective activity which gives an organization assurance on the degree of control of its operations, provides it with advice to improve it, and contributes to creating added value. It helps this organization achieve its objectives by evaluating, through a systematic and methodical approach, its risk management, control and corporate governance processes, and by making proposals to strengthen their effectiveness "(IIA, 2004).

This definition is considered the official definition, from which we can deduce some essential points, namely:

- This definition is voluntarist, oriented towards "what must be" instead of "what is" which explains the slight discrepancy with reality. However, the path to follow is clearly laid out;
- This definition focuses on the independence and objectivity of the internal audit which enables quality internal audit missions to be carried out;
- This definition also emphasizes the assurance that internal audit must provide in terms of controlling the operation of the business and risk management;
- This definition shows the different role of internal audit in the context of effective corporate governance by providing independent and objective insurance and advisory services in order to create value;
- This definition widens the role of the auditor towards an advisory function, it should be emphasized that advice from a professional is

generally accepted better than an order, which allows greater flexibility in the performance internal audit assignments.

- The concept of risk figured in the definition is not limited to only financial, operational and strategic risks but also includes the non-exploitation of the opportunities offered, thus placing internal audit at the heart of management.

2- Quality of the internal audit

According to DeAngelo (1981), the quality of internal audit is defined as "the appreciation by the market of the joint probability that a given auditor will simultaneously discover a significant anomaly in the accounting system of the client firm and mention this anomaly".

According to this definition, on one hand, the probability of finding an anomaly depends on the technology of the audit firm and the audit procedures used, in other words, the competence of the audit firm. On the other hand, the probability that the discovered anomaly will be mentioned depends on the independence of the internal auditor.

Schroeder et al., 1986, for their part, stipulate that the quality of the internal audit can be optimized through the evaluation of several points, namely:

- The competence of the auditors, appreciated in the context of the mission they have just accomplished;
 - The quality of communication with the auditees and the behavior of the auditors during the mission;
 - Respect for the audit methodology and the judicious choice of investigation tools;
 - The quality and relevance of the findings and observations;
 - The quality of the audit report and the respect of deadlines;
 - The realism of the recommendations: their applicability and their effectiveness.
- Thus, we can deduce that the quality of the internal audit depends on the competence and independence of the internal auditor

2-1. Independence of the internal auditor

The Independence is perceived on two levels: the individual independence of each employee or associate and the independence of the structure or the audit unit.

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The internal auditor's individual independence is achieved through the latter's ethics (rules of behavior) and the refusal of a situation which may generate conflicts of interest (the auditee is a member of the family, family relationship with the auditee, etc.).

Independence in terms of the audit structure concerns the attachment of the unit to the highest hierarchical level.

2-2. Competence of the internal auditor

The competence of the internal auditor is conditioned by two variables: the competence of the people composing the audit team and the competence in technological matters which is manifested through the material allocated to the structure / cell of audit

The personal competence of the internal auditor is ensured by the various professional degrees and the various training courses. The cell's competence in technological matters, rather, concerns its ability to have the resources necessary to apprehend and control the company's information system.

The competence of the internal auditor is measured by the compliance of accounting records with local and international standards.

3- Title Internal audit and audit committee

3-1. Evaluation of the internal audit by the audit committee

In its role of evaluator, the internal audit must be evaluated, in return, to evaluate its quality and thus continuously improve it.

In fact, just like the other activities of the company, the evaluation of internal audit is part of a continuous process of improvement of its techniques, tools and methods reinforcing its efficiency and its credibility and constantly improving its quality.

With regard to the actors involved in the assessment of internal audit, it can be assessed by the audit committee, the auditors, external consultants, general management and the auditees or by the internal auditors of another company.

The audit of the internal audit by the audit committee is the one that interests us most and which we will expose in more details.

3-2. Problem of independence

In general, the nature of the relationship between the managers and internal auditors can compromise the objectivity and independence of the internal audit function.

Indeed, managers can encourage internal auditors not to denounce their incompetence and fraudulent practices, which would threaten the independence of internal audit (Plumlee, 1985; Harrell et al., 1989; Al-Twaijry et al., 2003). The quality of independence can, however, be enhanced by the creation of an audit committee

According to the 2060 operating standard "Report to the Board and to General Management" specifies that "the head of internal audit must periodically report to the general management and to the Board of the missions, powers and responsibilities of the internal audit, as well as results obtained compared to the planned program". Thus, if this objective is not achieved, this would lead the internal audit to admit that its activity of reporting information to the board and general management has not been carried out.

On the other hand, this point represents a problem of independence. Within the framework of a hierarchical connection to the general management (which is the most frequent case) the internal auditors are employed by the general management. Thus, assessing the governance process by the internal auditor may seem paradoxical. The internal auditor could support senior management at the expense of shareholders in his report. As a result, internal audit as much as a control mechanism would lose credibility and its reports would lack objectivity. To remedy this incompatibility, it is advisable to appeal to the audit committee.

3-3. Attachment to the audit committee: best way to guarantee the independence of the internal audit

The connection of internal audit has been the subject of several studies and researches. Indeed, the connection of the internal audit function is a very sensitive point in the sense that it directly impacts the independence of the function which could influence the quality of the internal audit. An attachment to the highest hierarchical level is a general rule to guarantee the independence, autonomy and freedom of opinion of the internal audit function with regard to the function audited. The capacity of internal audit to provide this service

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is enhanced when it is independent and is not subject to any inappropriate influence.

Several studies (Clark et al., 1981; Plumlee, 1985; Harrell et al., 1989; Albrecht et al., 1988; Ridley and Chambers, 1998; Goodwin and Yeo, 2001; Al-Twaijry et al., 2003) highlight the factors contributing to the effectiveness of internal audit, its competence, objectivity and independence. Regarding this last point, it is necessary that the internal audit is attached to the highest hierarchical level of the company. The best would be a hierarchical connection to the general management and a functional connection to the audit committee as well as the existence of an internal audit charter approved by the general management and the audit committee or the board of directors.

The audit standard 1110 “Independence in the organization” stipulates that internal audit must be carried out at a hierarchical level allowing internal auditors to exercise their responsibilities without being influenced when defining their field of intervention, carrying out the work or communicating the results. In general, there are three distinct types of attachment:

- **Attachment to an operational management**

This is the least interesting type of connection. Placing the internal audit department under the authority of operational management threatens the independence and objectivity of internal audit. However, this connection allows better monitoring of the direction to which the internal audit is attached.

- **Attachment of internal audit to general management**

This type of connection creates a link between general management and the internal audit function allowing the internal auditor to perform his main task, which is to provide assistance to management. In fact, internal audit is influenced by the expectations of senior management, which it is generally able to meet.

The disadvantage of this connection is the possibility of creating a link between the internal audit and the general management which can affect the interests of the owners (shareholders).

- **Attachment of internal audit to the audit committee**

The internal audit function is part of a large corporate governance system where it is considered a mechanism and where the audit

committee can have an impact on the quality, reliability and efficiency of this function through control and the surveillance that he is supposed to exercise

The audit committee is an offshoot of the board of directors. He reports to the latter and is made up of administrators chosen for their competence and independence. Its objective is to ensure the proper functioning of the organization and to monitor the effectiveness of the company's internal control function. He ensures the independence of the internal audit structure.

Upstream, the audit committee must examine and give its opinion on the annual internal audit program and approve it to allow its validation and implementation.

Downstream, the audit committee receives the internal audit report or its summary. And must have all the powers necessary to question the general management on its responsibilities for financial reporting and on the follow-up of previous recommendations.

Thus, the audit committee is considered to be an intermediary between the internal audit and the board of directors in matters of monitoring the management of the company. Therefore, the relationship between the committee and internal audit should be based on transparency while respecting the authority and responsibilities of senior management. In this regard, the French Institute of Audit and Internal Control (IFACI) recommends that the Audit Committee:

- Follows the process of preparing financial information;
- Control the effectiveness of internal control systems, internal audit if necessary, and the company's risk management;
- Be informed on the questions of appointment, evaluation, remuneration or replacement of the chef of internal audit structure, according to procedures specific to each organization and, that in exceptional situations (dismissal, resignation), he is consulted beforehand;
- Take note of the documents governing the functioning of the internal audit structure and in particular the internal audit charter;
- Be kept informed, where appropriate, of the risk areas not covered, which the internal audit has itself identified;

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- Receive regularly, and at least once a year, information on the internal audit activity:
 - Monitoring the implementation of the audit plan;
 - Main conclusions of the missions;
 - Implementation of corrective actions;
 - Adequacy of resources;
 - Indications of non-compliance or compliance with professional standards...
- Be kept promptly informed of the completion of unplanned assignments that he or she requests or at the request of management to improve the performance of the company.

According to IFACI, "Each Audit Committee should operate on the basis of a charter approved by the Board and clearly specifying its role and operating procedures. Given the desirable enlargement of its mission, its composition should take into account the skill requirements which are imposed on each of its members: independent directors in sufficient numbers, of course, but also capable of issuing relevant and critical opinions on the main subjects which interest the functioning and the future of the company. It would therefore be desirable for the Audit Committees to adopt a collegial working method between personalities chosen on the basis of a spectrum of skills related to the major risks of the company".

Thus, an effective committee is likely to improve the efficiency and quality of the internal audit (Braiotta, 1999; Verschoor, 1992). To do this, internal audit must report directly to the audit committee to increase its independence (Scarborough et al., 1998).

Indeed, the attachment of the internal audit structure to the audit committee is considered to be the best way to guarantee the independence of the internal audit function from the management of the company. The internal auditor may sometimes find himself in situations that do not allow him to express himself freely on the weaknesses of senior management.

Consequently, the audit committee has an important role in terms of management oversight. He must be able to listen freely to the head of internal audit without the presence of the line manager who can influence the latter's position and influence his judgment (Kalbers, 1992; Braiotta, 1999).

Having regular meetings between the internal auditors and the audit committee is an important means of improving the effectiveness of internal audit (Verschoor, 1992; Scarbrough et al., 1998). Preferably, these meetings are held two or three times a year. In the first, the head of internal audit would outline his work plan for the current year and discuss with the audit committee his priorities. In the following meetings, the head of internal audit reports to the committee on the results of his investigations, his recommendations and the action taken on past recommendations.

Apart from the head of internal audit, the audit committee must be able to listen freely to all financial managers, accountants and treasurers as well as the auditors without the presence of general management.

It is also desirable that the audit committee be involved in the appointment and removal of the internal audit manager (Scarbrough et al., 1998; McHugh & Raghunandan, 1994). This increases the objectivity of the internal auditors, no longer fearing to be threatened by management.

However, the connection of internal audit to the audit committee does not exclude the need for internal audit to dialogue with senior management. Indeed, a direct connection to the audit committee can alter relations with general management, something which risks rejecting internal audit outside the operational field and limiting its field of action to financial and accounting activities (Vaurs, 2002). So internal auditors have to find a balance between:

- Continue to be the interlocutors of management, signaling strengths and weaknesses, drawing attention to real or potential failures, without having to hide or minimize their findings;
- And at the same time, be available to the committee to provide all information and information without retention or distortion, and this in a climate of transparency towards general management.

Finally, the audit committee and the internal audit function are complementary and collaboration between these two structures is the best way to identify attempts by management to deviate from controls.

However, the simple presence of the audit committee is not sufficient and does not guarantee the reliability of the internal audit. Another

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criterion to consider is the composition of the audit committee. The level of interaction between the audit committee and the internal audit function is higher, when the audit committee is composed entirely of independent directors (Goodwin and Yeo, 2001; Scarbrough et al., 1998).

Several studies have been done on this point. According to a study by Scarbrough (1998) on a sample of 72 Canadian internal audit directors, audit committees whose directors are entirely independent meet with internal audit directors and return reports more often than the committees on which at least one director of the company is present.

Another study by Raghunandan et al. (2001) on American audit committees concludes that audit committees with at least one director with accounting or financial training meet more often with internal audit directors and review their proposals. Goodwin's (2003) study of the Australian and New Zealand contexts confirms these results.

4- Title Methodology of the research

In order to understand the contribution of the audit committee to the improvement of internal audit, we have chosen to carry out a perception survey by questionnaire intended for internal auditors of large Algerian companies. This quantitative method seemed to us the most suitable insofar as we wish to collect information on a satisfactory scale to understand the relationship.

Our questionnaire consists of 17 questions divided into three parts: respondent fact sheet, general information about the company and the main questions about our study. The type of question varies between multichotomic questions with unified answer, multichotomic questions with multiple choice and closed questions with five modes of answer Likert scale.

This questionnaire was administered face-to-face to 45 internal auditors of large Algerian companies based in the province of Algiers.

Once the responses were collected, we tested the reliability of the measurement scales with the Cronbach's alpha index using the SPSS software (Statistical Package for Social Sciences). Our Cronbach's α

is equal to 0.814 (81.4%) which allows us to confirm the reliability of our measurement scales and thus the validity of the questionnaire. After verifying the validity of the questionnaire, the analysis and interpretation of the results is carried out. The answers obtained were sorted flat and sorted cross. This was done by the XLSTAT and SPSS software.

5- Research results

Texte The results obtained from our descriptive analysis are presented in the form of tables and graphs in order to facilitate their understanding by the readers.

5-1. Characteristics of the internal auditors of the sample

- Sex

This question was asked in order to know the sex of the respondents in the sample. The results are as follows:

Table N° 1: Sex of the sample studied

Designation	Number of answers	Percentage
Woman	14	31%
Man	31	69%
Total	45	100%

Source: Made by ourselves from the results of the survey

According to the results obtained, more than two thirds of the respondents are men (69%) against (31%) women. This characteristic does not affect the results of the investigation or the work of the auditor himself.

- Age

The objective of this question is to know the different age groups of the internal auditors in our sample.

The age of the respondent can give an idea of their maturity, experience and level of authority. A very young auditor may not be taken seriously and would necessarily lack experience, which is not without consequences for internal audit work. The results are as follows:

Table N° 2: Age groups of the internal auditors of the sample

Designation	Number of answers	Percentage
Less than 25	0	0%
Between 25 and 35	44	98%
Between 36 ans 45	1	2%

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Between 46 and 55	0	0%
Total	45	100%

Source: Made by ourselves from the results of the survey

Regarding the age of our internal auditors, we find that almost all (98%) of the internal auditors in our sample are between 25 and 35 years old. Only 2% are between 36 and 45 years old.

- Level of education of internal auditors

The objective of this question is to know the level of education of the internal auditors in our sample, the results are as follows:

Table N° 3: Level of education of the internal auditors of the sample

Designation	Nombre of answers	Percentage
Secondary	0	0%
University	45	100%
Total	45	100%

Source: Made by ourselves from the results of the survey

According to the results above, all of the internal auditors working in the Algerian businesses of our sample have completed higher education.

- Seniority of internal auditors

The seniority of the internal auditor is a characteristic that is likely to impact the quality of the internal audit. Indeed, seniority is often synonymous with experience and mastery.

Table N° 4: Seniority of internal auditors

Designation	Number of answers	Percentage
Less than a year	12	27%
Between 1 and 5 years	30	67%
Between 6 and 10 years	3	7%
More than 10 years	0	0%
Total	45	100%

Source: Made by ourselves from the results of the survey

We note that two thirds of internal auditors have between 1 and 5 years of experience, 27% have less than a year of experience, only 3% have between 6 and 10 years. No internal auditor in our sample has more than 10 years of experience.

This lack of experience is mainly explained by the fact that internal audit is a relatively new function in Algeria.

- Sector of activity of the company

This question was asked in order to know the business sectors of the companies in which the internal auditors in our sample work. The results are as follows:

Table N° 5: Sectors of activity of family businesses in the sample

Designation	Number of answers	Pourcentage
Construction and public works	4	9%
Trade and distribution	6	13%
Hydrocarbons, Energy, Mines and related services	8	18%
Manufacturing industries	15	33%
Services	12	27%
Total	45	100%

Source: Made by ourselves from the results of the survey

Based on the results obtained, we notice a diversity of activity sectors in which our internal auditors work. The industrial sector is the most frequent with a third of companies belonging to the latter, followed by the services sector with 27%. In third position comes the hydrocarbons, energies and mines sector with 18% and finally in fourth and fifth position, the trade and distribution sector and buildings and public works with, respectively 13% and 9% of the companies belonging to these sectors.

5-2. Quality and independence of internal audit

- The hierarchical attachment of the internal audit structure

This question was asked in order to know to which structure is hierarchically attached the internal audit of family businesses in our sample. The results are as follows:

Table N° 6: Reporting hierarchy of the internal audit structure

Désignation	Number of companies	Percentage
The Top management	21	47%
President and CEO	6	13%
Board of Directors	3	7%
Audit Committee	12	27%
Finance and Accounting Department	3	7%
Other	0	0%
Total	45	100%

Source: Made by ourselves from the results of the survey

Based on the results obtained, we find that in 47% of the companies in our sample, the internal audit structure is attached to general management, 27% to the Audit Committee, 13% to the CEO.

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Attachment to the Board of Directors and to the Finance and Accounting Department are both around 7%.

- Validation of the audit plan

This question was asked in order to know which structure is responsible for validating the audit plan. The results are as follows:

Table N° 7: Validation of the audit plan

Designation	Number of answers	Percentage
The Top management	24	53%
President and CEO	12	27%
Board of Directors	9	20%
Audit Committee	18	40%
Finance and Accounting Department	0	0%
Other	0	0%
Number of respondents	45	100%

Source: Made by ourselves from the results of the survey

The responses obtained show that the audit plan is in the majority of cases validated by several structures. The most frequent structure is the General Management in 24 cases, the audit committee comes second in 18 cases. The Chairman and CEO is responsible for validating it in 12 cases. Finally, the Board of Directors is responsible for validating it in 9 cases.

- The recipients of the report / summary of the internal audit report

This question was asked in order to know the structures that are the recipients of the internal audit report or its summary. The results are as follows:

Table N° 8: Structures receiving the audit report or its summary

Designation	Number of answers	Percentage
The Top management	30	67%
President and CEO	27	60%
Board of Directors	18	40%
Audit Committee	30	67%
Finance and Accounting Department	15	33%
Other	9	20%
Number of respondents	45	100%

Source: Made by ourselves from the results of the survey

From the results obtained, we note that several structures are both recipients of the audit report or its summary. The General Management and the Audit Committee are the two main structures for which this report is intended in 30 companies in our sample. Second is the CEO who is the recipient in 27 cases followed by the

Board of Directors who is the recipient in 18 cases. The DFC is the recipient in 15 cases and finally the report is sent in 9 cases to other structures than those mentioned.

- Quality of the internal audit

This question was asked in order to know the points which contribute to the improvement of the quality of internal audit in Algerian companies.

The results are as follows:

Table N° 9: Quality of the internal audit of family businesses

Variable		Strongly disagree	Rther disagree	Neutral	Rather at agree	Strongly agree	Average	Standard deviation
The quality and relevance of the recommendations made by the internal auditors	Frequency	0	0	0	24	21	4,4667	0,5045
	Percentage	0	0	0	53,3	46,7		
Increase the objectivity of internal auditors	Frequency	0	0	0	21	24	4,5333	0,5045
	Percentage	0	0	0	46,7	53,3		
Attachment of the internal audit structure to the highest hierarchical level	Frequency	0	0	3	15	27	4,5333	0,6252
	Percentage	0	0	6,7	33,3	60		
Compliance of the audit mission with professional standards	Frequency	0	0	3	26	16	4,2889	0,5886
	Percentage	0	0	6,7	57,8	36,6		
The means implemented are adapted to the audit plan	Frequency	0	0	3	21	21	4,4	0,6179
	Percentage	0	0	6,7	46,7	46,7		

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Source: Made by ourselves from the results of the survey

When analyzing the results obtained with the Likert scale, and taking into account an absolute center of 3.0 $((5 + 1) / 2)$, we defined the response intervals (means) as follows:

- An average of responses $\in [4,5]$ is considered to be high;
- An average of responses $\in [3,4]$ is considered to be relatively high;
- An average of responses $\in [2,3]$ is considered to be relatively low;
- An average of responses $\in [1,2]$ is considered to be low.

We also calculated the maximum and minimum limits of the responses of each category by calculating the range (maximum value - minimum value $\Rightarrow 5-1 = 4$) then dividing it on the number of categories which is 5, this gives us a value of 0.8 $(4/5 = 0.8)$. By adding this value successively to the number of response categories, we obtain the category intervals with the following minimum and maximum values:

- The answers $\in [1.1, 1.8]$ represents the category "Strongly disagree";
- The answers $\in [1.8, 2.6]$ represent the category "Rather disagree";
- The answers $\in [2.6, 3.4]$ represents the "Neutral" category;
- The answers $\in [3.4, 4.2]$ represents the category "Rather agree";
- The answers $\in [4.2, 5]$ represents the category "Strongly agree".

According to the results obtained, the points proposed contribute to improving the quality of the internal audit. In fact, the average response from our internal auditors is 4.444, which is considered to be high. This average also falls in the "strongly agree" category. The dispersion is 0.568, which represents a small dispersion of the responses.

- Attachment of the audit committee

This question was asked in order to know to which structure the audit committee is attached. The results are as follows:

Table N° 10: Attachment of the audit committee

Designation	Number of answers	Percentage
CEO	6	13%
President and CEO	12	27%
Board of Directors	27	60%

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Randa MEGHARI
Ibtisseme BRAHITI

Finance and accounting department	0	0%
Other	0	0%
Total	45	100%

Source: Made by ourselves from the results of the survey

According to the results obtained, the audit committee is attached to the Board of Directors in 60% of the companies making up our sample. He is also attached to the CEO in 27% of cases and finally in 13% of cases, he is attached to General Management.

- Independent members of the committee

This question was asked in order to know the proportion of independent members on the audit committee of the companies in our sample. The results are as follows:

Table N° 11: Proportion of independent members on the committee

Designation	Number of companies	Percentage
0	9	20%
Less than 1/3	15	33%
More than 1/3	21	47%
Total	45	100%

Source: Made by ourselves from the results of the survey

According to the results obtained, we find independent members in 80% of the audit committees of our companies. 37% of the audit committees of the companies in our sample have within them a proportion of independent members less than 1/3, while this proportion is more than 1/3 in 47% of the cases.

- Audit committee and independence of internal auditors

This question was asked in order to determine whether the audit committee increases the independence of the internal auditors. The results are as follows:

Table N° 12: Increase in the independence of internal auditors by the audit committee

Designation	Number of answers	Percentage
Not agree at all	6	13%
Rather disagree	3	7%
Rather agree	21	47%
Totally agree	15	33%
Total	45	100%

Source: Made by ourselves from the results of the survey

According to the responses, 80% of the internal auditors say that the audit committee effectively increases the independence of the internal auditors. Thus, 47% of internal auditors tend to agree that

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the audit committee increases the independence of internal auditors from senior management. Also, 33% of our internal auditors strongly agree. In contrast, 13% and 7% of the internal auditors in our sample, respectively, strongly disagree and tend to disagree.

- **Improvement of the quality of the internal audit**

This question was asked in order to find out whether the audit committee is helping to improve the quality of internal audit. The results are as follows:

Table 13: Improvement of the quality of the internal audit by the audit committee

Variable		Strongly disagree	Rther disagree	Neutral	Rather at agree	Strongly agree	Average	Standard deviation
Listen freely to the head of internal audit	Frequency	1	2	6	18	18	4,1111	0,95874
	Percentage	1,1	2,2	6,7	20,0	20,0		
Review and approve the annual internal audit program	Frequency			6	15	24	4,4000	0,71985
	Percentage			6,7	16,7	26,7		
Analyze the final internal audit report and / or its synthesis	Frequency		3	3	18	21	4,2667	0,86340
	Percentage		3,3	3,3	20,0	23,3		
Participate in and approve the appointment, evaluation and compensation processes of the internal audit manager	Frequency	1	2	6	18	18	4,1111	0,95874
	Percentage	1,1	2,2	6,7	20,0	20,0		

Analyze the internal audit charter	Frequency			3	27	15	4,2667	0,57997
	Percentage			3,3	30,0	16,7		

Source: Made by ourselves from the results of the survey

According to the results obtained, the audit committee effectively contributes to improving the quality of the internal audit. Indeed, the average response from our internal auditors is 4.231, which represents a high average which is in the "totally agree" category of the Likert scale.

6- Conclusion

Through this article, we have sought to understand the role of the audit committee in improving the quality of internal audit.

The results of the survey that we carried out with the internal auditors of our sample of Algerian companies enabled us to conclude that the audit committee does indeed contribute to the improvement of the quality of the internal audit through the improvement of the independence of the internal auditor towards senior management.

In fact, the audit committee is considered to be an intermediary between the internal audit and the board of directors. However, the mere presence of the audit committee is not sufficient, the presence of independent directors on the committee is necessary and increases the efficiency of the audit committee.

The audit committee improves the quality of internal audit by:

- Listening freely to the head of internal audit, which increases his independence and objectivity;
- Examining and approving the annual internal audit program;
- Analysing the final internal audit report;
- Participating in and approving the appointment, evaluation and remuneration process for the internal audit manager;
- Analysing the internal audit charter.

In conclusion, this perception survey allowed us to confirm the positive role that the audit committee plays as an intermediary between the internal audit structure and the board of directors. in improving the quality of internal audit through improving the independence of the latter.

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