ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

MASTER OF SCIENCE (MSC) IN

ACCOUNTING AND AUDITING

ASSIGNMENT OF INTERNAL AUDITORS TO OTHER FIELDS OF JOB AND ITS IMPLICATIONS ON INTERNAL AUDIT FUNCTION: THE CASE OF OROMIYA SEMEN SHEWA FINANCE AND ECONOMIC COOPERATION OFFICES.

A RESEARCH PAPER SUBMITTED TO THE POST GRADUATE OFFICE FOR PARTIAL FULFILLMENT OF THE REQUIREMENT OF ACCOUNTING AND AUDITING (MSC.)

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JAN, 2018

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DECLARATION

I undersigned declare that this research report is my original work and has not been presented for a degree in any other university, and all the materials used for this study have been duly acknowledged.

Name: Abraham Yilma Hailu

Signature ………………….

Date: January/2018

Statement of Certification

This is to certify that Abraham Yilma Hailu has carried out a thesis on the topic entitled ***"Assignment of internal auditors to other fields of job and its implications on internal audit function: the case of Oromiya Semen Shewa finance and Economic Cooperation Offices''.*** under my supervision. In my opinion, this thesis is suitable for submission in partial fulfillment of the requirement for the award of the MSc Degree in Accounting and Auditing.

Advisor: Sewale Abate (PhD)

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Approval of Board of Examiners

As members of thesis Approval Board of Examiner we certify that we have read the thesis prepared by Abraham Yilma Hailu entitled **"*Assignment of internal auditors to other fields of job and its implications on internal audit function: the case of Oromiya Semen Shewa finance and Economic Cooperation Offices''*"** and submitted in partial fulfillment of the requirements for the MSc Degree in Accounting and Auditing complies with regulation of the university and meets the accepted standards with to originality and quality.

<u>Approved by Board of Examiners</u>

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Internal Examiner	Signature	Date

Abstract

I. To assure that the budget and resources obtained are used for the purpose of public sector offices, internal auditing has paramount importance to give quality audit tasks and strengthen the anticipation that the Finance and Economic Cooperation Offices and public servants will perform their functions effectively, efficiently, ethically by following and introduce with applicable laws and regulations promulgated by the government. There has been a practice of assigning auditors to other fields of job in Oromiya Semen Shoa Finance and Economic Cooperation Offices. Thus, the general objective of this study is to investigate the main impacts of assigning internal auditors to other fields of job on internal audit functions and, on the strength of IA. The study examined, the impact of assigning internal auditors to other fields of job as to the existence of competent and experienced internal auditors, and its impact on strengthening internal audit in the FEC Offices, whether the management has taken immediate action to fulfill vacant IA place by qualified/experienced auditors on behalf of those auditors who has been assigned to other fields of job. The study

Investigated also the impact of assigning internal auditors to other fields of job on internal audit functions, whether the management has practiced job rotation for internal auditors of Finance and Economic co-operate offices to enhance auditors competency and strengthen internal audit. In the Finance and Economic Cooperation offices of the Oromiya Semen Shawa region, internal auditors are simply assigned by management to other fields of job, the management has not taken immediate actions to fill vacant IA places by experienced and qualified auditors, the newly assigned auditors have insufficient knowledge of audit standards and all skills of audit tasks. As a result, the internal audit of the offices is not strong and quality audit tasks have not been performed.

Keywords: Internal Audit, Finance and Economic Cooperation Offices, Impact of simply assigning internal auditors to other fields of job.

Acknowledgement

Thanks to the glorious God who permitted me and made it possible to start my education, and who helped me for the arrival of this day.Secondly, I would like to gratitude my advisor, His honorable Dr. Sewale Abate, for his continues comment and advice on the corrections of the title of the research which is to be relevant with the variables of the study, and for the information given that is very valuable for my study.

Finally, I would like to thank all the people and friends who support me by giving different materials and for their idea sharing to complete this study,

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List of acronyms and abbreviations

DIA……………………..Director of Internal Audit

GAIN…………………….Global Audit Information Network

ICTF……………………..Internal Control Task Force

CQI……………………….Charter Quality Institute

QAIP………………………Quality Assurance Improvement Program

IPPF-------------------------------------International Professional Practices Framework

IIA---Institute of Internal Auditors

ISA---International standard on Auditing

MoFEC---Ministry of Finance and Economic Cooperation.

OFEC………………………………………Office of Finance and Economic Cooperation

IA---Internal audit

ISPPIA ------------------------International Standards for Professional Practice of Internal Auditing

Introduction

1.1 Background of the study

Public sector offices are part of the public body for which Finance and Economic Cooperation Offices Provide services of financing their budget. Public service sectors are partly or wholly budgeted by government and concerned with providing basic government services to the whole society. Therefore, following the laws and regulations the government has passed regarding the public sector budget, the offices of FEC have the main powers and functions of giving financing services for the sectors, and regulate how the sectors are to use their budget for which the entered into commitment. The finance and Economic cooperation Offices also administer financing of restricted funds from different nongovernmental sources for different programs. The compositions of the public sectors are varied by their function and purpose, but in most cases, Finance and Economic Cooperation Offices are designed/pool system/ in order to enable the public sectors to achieve their goals.

It is known that the public budgetary sector offices exercise responsibility for the use of resources obtained from revenues, loans, government assistances. The purpose of accountability is to provide *assurance* in respect to the use of public resources and adherence to the law and public service values. In this way, the public sectors offices render different kinds of services to citizens and other recipients. Therefore, the Finance and Economic Cooperation Offices are responsiblefor the management of public sector budget, and use of resources. To assure that the budget and resources obtained are used for the purpose of public sector offices, internal auditing has paramount importance to give quality audit tasks and strengthen the anticipation that theFinance and Economic Cooperation Offices and public servants will perform their functions effectively, efficiently, ethically by following and introduce with applicable laws and regulations promulgated by MOFEC.

The internal audit of Finance and Economic Cooperation Officescharacteristic and its importance starts from objectives, which may differ depending on the type of audit being conducted.Generally, FEC internal audits can be categorized into one or more of these types: audits of financial statements, audit of compliance with authorities. The objective of any given audit will determine which standards apply. On the other hand the internal audit of public bodies shall be responsible for conducting internal audit at specific intervals to ascertain that public money and property are used for intended purpose, and submitting audit reports to the head of public body. It also plays the main role in developing audit programs and audit procedures and which are specifically designed to meet the requirements of the public body. The internal audit establishes the monitoring system which will at regular intervals, test and report to management on the public body's compliance with the applicable internal and external directives and procedures; and advising management at regular intervals on its internal practices and controls and on whether they are sufficient, effective and economical.(external audit project-financial audit course, 1995). IA has an important role in helping a firm to achieve its objectives when it is implemented, operated and managed effectively. (Tadiwos, 2016). The internal audit activities helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control process. (Yisehak)

In order to assure that the audit work has its standardized quality, every necessary steps of examining audit evidences should be accomplished by competent and skilled auditors, which needs setting standardized audit planning. The existence of working papers that have high quality audit standard is also very important as to judging the quality of audit works in the process of examining audit evidences. This will help to identify the main short comings of the reports/if any/ with the managements of the public sectors in order to take actions on the findings identified.

The management of the Offices of FEC must insure that the internal audit department is appropriatelystaffed with trained and qualified manpower and auditors are assigned according to their competency and experience they have so that internal audit is strengthened to carry out its functionsefficiently, effectively, and economically. The FEC internal audit staff should also have a thorough knowledge of government auditing and the specific environment in which the public sectors operate relative to the nature of the audit being conducted.

In the matter ofconducting verification of audit evidences, timely accomplishing audit task and producing audit reports, Theassignment of auditors to audit task should take into consideration whether the members of the internal audit staff have the necessary qualification. This qualification includes knowledge of the methods and techniques applicable to the public sector auditing and the education, skills and experience to apply such knowledge to the audit task being conducted. This includes also knowledge of government organization, programs, activities, and functions including such aspects as the role of the legislature, the legal and institutional arrangements governing the operations of the public service management.(external audit project-financial audit course, 1995) Internal auditors should equip with skills that enable them to communicate clearly and effectively both orally and in writing.

There has been a practice of assigning auditors to other fields of job in Oromiya Semen Shoa Finance and Economic Cooperation Offices. Thus, the general objective of this study is to investigate the main impacts of assigning internal auditors to other fields of job on internal audit functions and, on the strength of IA, and thereby indicate the possible solution, regarding Oromiya Semen Shoa Finance and Economic cooperation Offices. The study also aimed to investigate if the assignment of internal auditors to other fields of job and its implication on internal audit function. And also aimed to investigate whether the management has practiced job rotation for internal audit departments to enhance internal auditors' competency and strengthen internal audit.

1.2. Statement of the problem

Internal audit functions in the public sectors are to test, check, and verify the extent of compliance with policies, procedures, and systems in place. It isa formal process where activities and records are examined after which IA provides recommendations to improve the operations, policies, and procedures. In undertaking audit work, IA has full, free and unrestricted access to information including records, computer files, property in the sectors. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach *to evaluate and improve* the effectiveness of risk management, control and governance processes.(Stephanie Burke, 2011).

In providing a variety of services in public sectors, and to meet the demands of those services, the existence of experienced and qualified internal audit staff is the one that plays great role in giving quality services. The opposite is true when IA staff has low technical staff proficiency. Asthis is indicated in the finding of an Ethiopian public sector case study, ‘’The Internal Audit Office of the organization studied has low technical staff proficiency and high staff turnover, which would limit its capacity to provide effective service to the management. Most of the employees have a short-term employment contract and need to upgrade their competencies to enable them to provide the expected high quality service’’.(Desalegn and Aderajew).

In Oromiya Semen Shoa Finance and Economic Cooperation Offices, as there is a practice of assigning internal auditors to other fields of job,the study seeksto investigate what is the impact of this assignment on internal audit functions and on the existence of experienced internal auditors. As the IA department is not fully staffed with experienced auditors, the study also aimed to investigate whether the management has practiced job rotation regarding staffs of finance department and staffs of internal audit department to enhance internal auditors' competency and strengthen internal audit.

1.3.Objectiveof the Study

The general objective of this study is to investigatemanagement's practice of simply assigning internal auditors to other fields of job and its implications on internal audit function, and to investigate whether the management has taken immediate action to fill vacant IA places by qualified and experienced auditors and thereby indicate the possible solution, regarding strengthening IA ofOromiya Semen Shoa Finance and Economic Cooperation Offices. So the study was guided by the following specific objectives.

I. To investigate the implications of assigning internal auditors to other fields of job as to the existence of competent and experienced internal auditors.
II. To investigate whether the management has taken immediate action to fulfill vacant IA place by qualified/experienced auditors on behalf of those auditors who has been assigned to other fields of job.

III. To investigate whether the management has practiced job rotation for internal auditors of Finance and Economic co-operate officesto enhance auditors competency.

1.4 Research Questions

To achieve the above objects, the study seeks answers to the following basic questions.

i. What are the implications of assigning internal auditors to other fields of job on internal audit functions, and the implication on the existence of competent and experienced internal auditors?
ii. Has the management has taken immediate action to fill vacant IA place by qualified/experienced auditors?
iii. What measures are to be taken to avoid the impact of simply assigning internal auditors to other fields of job?

1.5 Significance of the Study

It has been generally known that the existence of experienced and well qualified and trained auditors will enable to render quality audit services. There for, this study is supposed to contribute a lot as follows:

-If the study will be conducted on the impact of simply assigning internal auditors to other fields of job, it will give clue and more understanding for the lack of the existence of well experienced auditors in the staff, and this will be also used for further similar studies.

-if the study will be conducted on the matters of job rotation in the finance and internal audit departments of FEC offices of the region, it will indicate how the skill and the competency of internal auditors be enhanced by applying job rotation.

Since these kinds of research has not been, as such,conducted here before, the study will be useful on the issues of setting rules, regulations, and directives regarding assigning internal auditors in FEC offices of the region, and as well regarding strengthening of internal audit by enhancing the competency of internal auditors.

1.6. Scope and limitation of the Study

It will not be possible for the researcher to conduct the study on all Finance and Economic Cooperation Offices of the region. So due to constraints of time, money and materials, some Finance and Economic Cooperation Offices, are selected which are expected torepresent all the rest untouched Finance and Economic cooperation Offices.There is also a limitation on obtaining secondary data that could be tangible evidence for how long vacant internal audit places would stay. The other limitation in this study is that some questionnaires presented to the population of the FEC offices have not been returned back. So, the researcher is based to make analysis of data using questionnaires returned from the 71% of the respondents/population/.

1.7Organization of the Study

This research paper consists of three chapters. The first chapter with its sub topics was introductory parts which included the background, statement of the problem, research objectives, research questions, significant of conducting the study, and scope and limitation of the study. The second chapter describes the detail review of related literatures with regard to audit quality, job rotation for internal auditors and the variables that affect the internal audit. The third chapter forwards the research methods used to conduct this study. Data presentation and analysis presented in Chapter 4 and Findings, conclusion and recommendations in chapter 5.

2. Review of related literature

2.1. Introduction

The internal audit functions should ensure a high standard of work. When assessing the abilities of the internal audit workforce, it is useful to have an understanding of how that work force's level of experience compares to industry norms(ICTF). Job rotation schemes are intended to facilitate providing individual employees, groups of employees, a department of business organization or branch of industry with new skills and qualifications.

In this chapter, the concepts of audit quality, the importance of job rotation to enhance the competence of internal auditors, the need for experienced and qualified internal auditors, the benefits of the concept of continuous quality improvement such as positioning the internal audit activity for success with the sectors were critically analyzed to understand the importance of the existence of experienced and qualified auditors in internal audit department.

The review was developed through deeply and systematic search of literature using referring relevant books, research works, journals. This include empirical research, theoretical papers.

2.2. Theoretical Review

2.2.1 .The concept of Internal audit Quality

Audit is an independent function by means of an ordered and structured series of steps, critically examining the assertion made by an individual or organization about economic activities in which they has engaged and communicate the results in the form of a report to the users. Auditing increases the reliability of financial information provided to investors, owners, creditors, and other users.

Quality does not just happen. The management of quality is discipline that seeks to ensure organizations are as successful as possible. This requires a framework, or quality management system (QMS) that contains policies, objectives, structures, resources and procedures. It translates good intentions into working practice and good results.

The quality control and the quality assurance are ways of ensuring the quality of a service or product. Quality assurance is about the prevention of defects. It involves planned and systematic activities within QMS designed to build an awareness of quality. Quality control is about the detection of defect. It is mostly associated with testing that takes place within the QMS. In practice quality control forms part of quality assurance.As a key component of good governance, internal audit is on the rise. The days of retrospective, compliance focused auditing is a thing of the past. Organizations expect more of internal audit, and many internal audit activities are accepting the challenge. Rather than relying on audit supervision and external assessments, modern audits are embedding quality into audit activities to create effective programs. For the auditor looking to distinguish themselves as a leading edge, internal audit quality provides the guidance that enables the right work, at the right time, in the right way. (internal audit quality, 2016)

The international standards for the professional practice of internal auditing requires development and maintenance of QAIP, covering all aspects of internal audit activities

Key concepts of qualityencompass conformance with standards and code of ethics, stakeholders satisfaction, operational effectiveness,continuous improvement of internal audit activities,and management commitment to provide resources and tools necessary for a quality internal audit.(Jodi Sawger, 2015).

On the other hand, according to theCharter Quality Institute (CQI), some of the fundamental principles of quality areleadership which is providing vision and direction to achieve results,fact base decision making,focusing people that is delivering value through the development of individuals,increase efficiency,continual improvement (make performance improvement a perpetual objective)

The Charter Quality Institute believes that all forms of quality management can not only create value for an organization and its stakeholders but also manage its exposure to risk and can make the difference between success and failure.

For service giving organizations, quality is more likely to mean service excellence and customer care, which is measured interms of meeting customer expectations and customer satisfaction.

According to Harvey and Green (1993), quality is defined as value for money, as excellence which is achieving the highest standards, as fit for purpose that is satisfying needs,as transformation that is continuous improvement,as perfection which is a consistent or flow less out come with zero errors

Audit quality entails whether the work has been performed in accordance with professional standards and applicable legal and regulatory requirements.

The concept of audit quality indicates the importance of auditors who show appropriate values, ethics, and attitudes. It involves also those auditors who are sufficiently knowledgeable, skilled, and experienced and having sufficient time allocated to them to perform the audit work.

The elements of audit quality is the process involving auditors who accomplish their duty carefully and following quality control procedures that comply with laws, regulations and applicable standards. The audit quality implies whether the work has been performed in accordance with the professional standards and applicable legal and regulatory requirements.

The primary product of an audit is an audit report, which serves as a major vehicle of communication between the auditor and those who use this work (auditee and all other stake holders) (Salehi 2008). Producing reports and other audit output usefully and timely is the core concept of audit quality. The outputs include reports and information that are formally prepared and presented by one party to another, as well as outputs that arise from the auditing process that are generally not visible to those outside the audited organization. These outputs are described in relation to the full reporting supply chain and include outputs from the auditor, the audit firm, the entity, audit regulators.The internal audit functions should ensure a high standard of work. It should pay attention to quality control in order to improve audit performance

The assessment and the concept of continuous quality improvement will realize many additional benefits. Among these benefits the following benefits can be sited. These are:

Developing a quality assurance and improvement program is a comprehensive and an authoritative guide to better practice internal auditing.

In this way internal audit functions will be the one that meet the highest professional standards.

In Canada, for example, the Assistant Auditor General, is assigned operational responsibility for the office's system of quality control. In this case, the engagement leader shall ensure that audits are carried out in compliance with office policies, professional standards, and the office's system of quality control. The office shall monitor its system of quality control to determine, with reasonable assurance, whether the policies and procedures relating to the office's system quality control are relevant, adequate and operating effectively. (CPA Canada Assurance Standards, July-2017)

2.2.2. Job Rotation

Job rotation is a management practices that assign employees to various structures and departments over a period of time. Job Rotation is an approach to management development where an individual is moved through a schedule of assignments designed to give him or her a breath of exposure to the entire operation (HiteshtaBhasin, 2014).

Job rotation was first introduced in the 80's in Denmark and was then over the following years further developed and implemented on a nation-wide scale (Fietz, Harald, 1999). Job rotation has positive effects when the management use it as a learning mechanism whereby employees are given the opportunity to learn necessary skills which can help them to advance within the organization.And also job rotation has negative impact when some positions within the organization may not be eligible for rotation.

The need for job rotation lies within businesses and their training needs resulting from the introduction of new technology, organizational changes or internationalization processes. Job rotation schemes are intended to facilitate providing individual employees, groups of employees, a department of business organization or branch of industry with new skills and qualifications. In some sectors where there are untrained staffs, Job rotation helps to solve such problems.Job rotation can also be used to promote the adaptability of firms and employees in the period of globalization, the increasing use of new technology and the increasing demands of professional and general qualifications of the labor force with particular attention devoted to the special situation of small and medium-sized enterprises.

The first job rotation model in its classical form looked like this: Employees going into further education and training, while been substituted by an unemployed person. The further education and training in many cases is carefully selected according to the strategy for competence development in the company"(Fietz, Harald, 1999).

Job rotation is a training model in which the unemployed are educated and trained continuously in order to replace employees in companies, during the time that they leave their jobs for more education and training(Fietz, Harald, 1999). Job rotation is an efficient and modern labor market policy instrument in achieving the objectives and satisfying the demands arising from the challenges facing businesses and at the same time upgrading the professional skills of permanent employees.Job rotation helps to deal with need of new competences and lack of skilled labor force. Job rotation – in particular the training and education of the workers leads to changes – for instance relating to work-functions of the workers.Employees from the business rotate into Internal Audit for a specified time, after which the employees rotate back into the business, which is referred as inbound rotation. On the other hand there is outbound rotation wheninternal audit staffs rotate out to the business for a specified time, after which they rotate back into the internal audit department. (Hiteshta Bhasin,2014).

Job rotation has been utilized by the business organization as a useful tool to provide training for staff without disrupting service provision. Private as well as public enterprises participate in job rotation schemes within a variety of sectors. Implementation of Job rotation in this context refers to the transfer of knowledge from the training and education to the working life of the company. In other words: What takes place after the job rotation scheme (Fietz, Harald, 1999). Examples and studies in the training may be taken from the workplace rather than being abstract. This indicates that Job rotation Service could play a role of an ongoing promotion of existing activities and network which can help employees in the attainment of the required knowledge and skills in order to correspond to their job position, develop their career path. An employee in the marketing department of a commercial company which has as main objective to create and exploit the e-commerce possibilities in order to respond to competition and increase its sales, through job rotation system will attend specialized ecommerce training ”(Fietz, Harald, 1999).

When a company decides to initiate a job rotation scheme, it should have clear objectives concerning what kind of development to be improved in the company. Job rotation is not an objective in itself, but rather a mean to business and competence development. A job rotation project may be initiated in order to motivate the workforce for further training and education.Therefore, the aim of job rotation is not to create jobs.In general job rotation schemes should be initiated, when the company knows what it wants and why it wants it. In best case, the objectives of the project are based not only on actual demands, but also on future demands, competences, and profiles of the workforce(Fietz, Harald, 1999).

Individuals are not aware of their interests unless and until their job is rotated or they are exposed to different operations and business units, in that way they can
Identifywhat they are good at and what they enjoy doing. They get a chance to explore their interests and hidden potential. Rotation can thus help in alignment of competencies with requirements (HiteshitaBhasin, 2014).

2.3. Empirical review

2.3.1. The Need for Enhancing Internal Auditors Competency

Internal auditors should continually improve their most important competencies, knowledge and audit tools and techniques to adequately address the risks facing their organization.(James A Baily, 2010). Capability development is an ongoing and iterative process(IIA, 2010). So, The competency development is necessary to answer a need in any finance offices for well trained internal auditors whounderstand the particular needs of those offices.IA shall continually improve their proficiency and the effectiveness of their services.Auditors competence will bring a higher audit quality. So audit firms should focus in enhancing the competence of their staff by giving sufficient training especially for newly recruited before commencing audit work. (Bayu, 2017).The competence of IA teams plays a critical role next to independence of IA on the effectiveness of IA (Tadiwos, 2016).Effective internal audit function help financial services companies to accomplish key business objectives (Abraham, 2011). As indicated in the findings of his study, Abraham found out that IA department of the banks studied needs to enhance the proficiency core attributes of IAF such as, training, experience, and professional certification.

Internal audit staffs in public enterprises have to be strengthened in size and quality by enhancing their competency. To strengthen the quality of internal audit service, sufficient fund should be allocated and professional trainings should be arranged. (Samuel, 2009)

A range of competency development options could include: Challenging job-based experiences including inclusion in special projects or taskforces(IIA,2010).Internal auditors may use carefully designed risk-based auditing cases to develop multiple competencies simultaneously.By using comprehensive cases and assessing multiple competencies, internal auditors may improve several competencies at the same time with minimal cost..(James A Baily, 2010

2.3.2.Internal Audit Quality

Like other professions, the internal audit strive to deliver the best service it can. The head of internal audit identifies the objective of internal audit and the establish process and systems to achieve them and to report the results. Internal auditors need to understand what’s best for their organization.

Following the guidance in the international professional practice frame work (IPPF) and listing to their stake holders, internal auditors can lay the foundations for delivering a high quality service.(quality and internal audit, 2016).

Developing a quality assurance and improvement program is a comprehensive and authoritative guide to better practice internal auditing.. With increased focus an internal audits role in good governance, management is increasingly demanding that internal audit provides assurance of the quality of its own activities. (sally-Anne, 2014). Public auditing that holds for a transparency, accountability, efficiency, effectiveness, openness, preventing of corruption and excess expenditure, can promise good governance.

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A QAIP is an ongoing program designed to assess the efficiency and effectiveness of an internal audit function and identify opportunities for improvement. QAIP are intended to enhance the quality and value of internal audit services. They provide evaluations of the internal audit function's conformity with relevant policies, procedures, standards, core values and codes of ethics.(QAIP, Jodi Swager)

The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. Building quality into a process is essential to validate and continuously improve the internal audit activities, demonstrating value as defined by stake holders. (IIA)Delivering quality requires a systematic and disciplined situation as professionals.

Quality does not just happen, it is the combination of the right people, the right systems, and a commitment to excellence. Building an effective QAIP is similar to establishing a total quality management program where products and services are analyzed to verify that they meet stakeholder's expectations, operations are evaluated to determine their efficiency and effectiveness and practices are assessed to confirm their conformance to standards.(IIA)

For the internal audit profession, it is important to ensure that internal audit activities globally maintain the highest possible standards of service delivery to the organizations they support.

What is important to remember is that a quality improvement program must be built into the process of the internal audit activities and not onto the way the activity conducts its business. The most obvious internal method for continuously assessing quality is management oversight of internal audit work. Adequate supervision from the beginning through the end of the engagement is a fundamental element of a quality improvement.

Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed. A quality review must be performed for each engagement. This review provides an opportunity for ongoing evaluation, coaching, and feedback for each auditor assigned to the engagement.

Other measurements that may be valuable in determining the efficiency and effectiveness of the internal audit activity are measures of project budgets, time keeping systems and audit plan completion may help to determine whether the appropriate amount of time is spent on all aspects of the audit engagement. Budget to actual variance can also be a valuable measurement to determine the efficiency and effectiveness of the internal audit activity.

The assessment of the activities of IA should focus on an evaluating the quality and supervision of the audit task performed. The adequacy and appropriateness of internal audit policies and procedures, the ways in which the internal audit activities adds value, the degree to which stakeholder expectations are met.Major corporate and financial collapses over the past decade have challenged the value of internal audit (sally-Anne, 2014).

To provide a basis for assurance that internal audit activities continue to operate in a manner consistent with requirements of the standards and the code of ethics. It is valuable for the internal audit functions to review and make the infrastructure, methodology, and process on an annual basis as a component or part of timely, and occasional assessment to ensure these elements of activities are up-to-date with the requirements of the standards.

Recommendations for the improvements of the quality of internal audit tasks should be followed by a follow-up report. The primary product of an audit is an audit report, which serves as a major vehicle of communication between the auditor and those who use this work (auditee and all other stakeholders) (Salehi 2008)

2.3.3.Job rotation for Internal Audit

Job rotation programs are implemented by many companies in their internal audit function to provide opportunities for internal audit staff. By rotating staff into different functions for a period of two or three years, the process can help obtain better understanding of the business. When companies are facing major regulatory compliance changes, internal audit becomes a key resource and rotation has new meaning in related area.(Hiteshta Bhasin,2014).

The efficiency of implementing job rotation for internal audit has been developed by being combined with internal job switching, as a result of which audit work organization has been adjusted to optimize the quality of internal audit functions. The Auditing and Accounting profession are moving away from the ''Traditional Audit'' approach and moving more towards the ''Automated Audit'' approach and thus requires the need for continuous training programs to educate internal auditors with hands on experience on different organization's processes and businesses it is into. (HiteshtaBhasin,2014).

Positions like internal audit department requires highly skilled and competent auditors. As, AlemayehuIttana(2016) indicated, in the findings of his case studies of budgetary public sectors in Ethiopia, that "As a whole, internal auditors do not have adequate experience and they have no professional qualification in accounting and auditing field which help them to detectfraud."So, whenjob rotation is effected in the case of audit department, the situation helps to enhance the necessary knowledge and work experience of internal auditors. There may be positions in the organizations that may be specialized due to technology or may require highly skilled workers. Jorgenson, M.Davis, K.Kotowsk, S.Aedla(2005). Therefore, the internal audit functions should ensure a high standard of work by assigning experienced and qualified auditors.

Auditor rotation programprovides opportunities for auditors to rotate through other positions within other business units or functions in other parts of the organization.Job Rotation Programs helps in filling the gap between what skill internal audit team possesses now and what potential talent will be required to respond to myriad of emerging issues in future. (HiteshtaBhasin,2014). While Guest auditor programprovides an opportunity for high-performing employees from other parts of the business to gain internal audit experience, providing the function with specialized skills that may reside in other functions or business units.

As business processes become more complicated, information more widely obtainable, and the corporate world in general more sophisticated, the need for the internal audit profession to adapt to this new environment becomes evident and thus Internal audit work has evolved more into risk-based rather than only transaction-based. To manage this change, internal auditors must continuously enhance their skills, educate themselves on new technologies and competencies that will be required in future years to come and add value to the organization(HiteshtaBhasin,2014). The increasing changes resulting from global competition and technological development have lead the business organizations on the way where they continuously must meet the demands of enhanced competence, greater productivity and higher performance in which case job rotation for internal audit functions plays the main role in obtaining skilled workers by rendering the necessary skill. As technology grows and new audit practices and procedures are being developed, auditors will be equipped with sufficient audit skills and practices to perform quality audit services. ‘’Competence means that employees have the knowledge and skills they need to perform their tasks’’. ZerihunGetachew (2010:10).

Rotating internal auditors is also one of the mechanism of making internal control strong. Auditors assigned to other fields of job for some times and come back to their department has acquired much of experiences and the knowledge of their organization in which case they enhance their skills and competency. So measures will be taken not to assign auditors haphazardly in which case biasness will be created otherwise.

2.3.4. The Need for experienced and qualified Internal Auditors

Internal audit units provide a variety of services in public sectors. To meet the demands of those services and to make internal audit strong the existence of experienced and qualified internal audit staff is the determining factor.Internal audit

require specific capabilities (i.e., the professional knowledge, professional skills and experience) to carry out their work as competent audit professionals.(AlemayehuIttana 2016). When assessing the abilities of the internal audit workforce, it is useful to have an understanding of how that workforce’s level of experience compares to industry norms. (ICTF).As it is mentioned in the reports of New York State Internal Control Task Force, the average internal audit experience for staff members was 8.8 years while it was 10 years according to GAIN survey. (ICTF, 2006)

For internal auditorsto be successful in their audit task, it is important that they have to possess the necessary skills – and be able to compete in the growing demanding for the services of talented and qualified audit professionals.Professional certifications are becoming increasingly important for internal auditors due to increased visibility, credibility, and competency concerns. Professional cert-ifications also provide senior managers with valuable insight regarding the skills of staff members.(ICTF)

Internal auditors strive to improve the effectiveness and efficiency of their internal audit departments by making use of the new technology. Staff's ability to use technology is an important aspect of any analysis of staffing needs. Using the appropriate types of technology can help internal audit organizations increase their efficien-cy. Technology can also enhance the effectiveness of internal audit staff by increasing the over-all capabilities of the team.(ICTF). Obtaining and subsiding review materials and courses contribute a lot for that matter.

Where there is Strong internal control system there must be strong internal audit staff. Strong and qualifiedinternal audit staff is the corner stone of any business activities in safeguarding assets and properties.As it is defined: Internal control is best regarded as the whole system of controls, financial, and otherwise established by the management in the conduct of a business including internal check, internal audit and other forms of control. S.SUDHARSANANAM(2005:63).
‘’The control Environment sets the tone of the organization providing discipline and structure, it is a foundation for the other components of internal control. ZerihunGetachew(2010). It will be obviously known that the internal control environment is prime importance in many business organization that how organizations achieve their objectives. Controls are established over financial and nonfinancial areas.

2.3.4 Gaps in the Literature

The followings are the areas where limited studies have been conducted:

- Limited studies have been conducted on job rotation for Internal Audit staff.For example, HiteshitaBhasin, 2014 in USA; Farugia, Joelene, 2015 in Malta. In our country no such studies have been conducted except that, KaldirHason, 2015, found out in his studies that‘’There is no internal audit assignment rotation in periodically and also there is lack of budget to the internal audit unit to successfully carryout its duties’’.

- Most studies conducted on the internal audit quality and competency have not been associated with the implications of management's simply assigning internal auditors to other fields of job. For example, sally-Anne, 2014, ZerihunGetachew (2010:10), HiteshtaBhasin,2014. These studies motivate the researcher to analyze these facts in the context of the FEC offices.

  Thus, this study aim to examine the implications of management's simply assigning internal auditors to other fields of job in Oromiya Semen Shawa FEC Offices. And, the study aims also to examine whether there is job rotation practice in Oromiya Semen Shawa FEC Offices to enhance the competency of internal auditors, and there by strengthening Internal Audit.

3- CHAPTER THREE

3.1. RESEARCH DESIGN

To conduct the study the researcher designed descriptive survey. This has been used to conduct the study on the implications of assigning internal auditors to other fields of job and to give description.

For this study qualitative and quantitative research approach have been used. Since the researcher has conducted case study and gathered data from open ended questionnaires,the qualitative research approach has been used. This is also usedto explore attitudes, behaviors and experiences through methods such as in-depth interview and/or group discussion (J.H.McGrath, 1973)

The second research approach is quantitative research since the study has made use of statistical data through the use of large scale survey research, using methods such as close-ended questionnaires and/or structured interviews.

The study was designed in such a way that itindicated how assigning internal auditors to other fields of job has implications on the internal audit functions and existence of experienced internal auditors, and how job rotation for internal auditors contribute to enhance the competency of internal auditors in the public sectors of Oromiya Semen Shawa region.

The study areas were selected using purposive sampling method from the Oromiya Semen Shawa Region FEC offices in which internal audit has played important role in giving audit services for sectors. The researcher followed using primary and secondary data. Secondary data was obtained from audit working papers of Oromiya Auditor General Office. Due to the difficulty of covering the entire public sectors, the researcher minimized on 8 purposively selected FEC offices, which have been expected to be as representative of the remaining few sectors which have the same characteristics of the issues being studied. From this sectors managements, accountants, head of internal auditors, auditors, will be purposively selected.Questionnaires were employed to collect the data and to be distributed to the selected sample from the population of the office.

3.2. Sampling Techniques

Purposively selected Population of the FEC offices and sample size

No	Sector Offices	*Management*	*Accountants*	Head of Internal Audit	Auditors
1	Zone office of FEC	2	2	1	2
2	Fitche city Administration office of FEC	2	2	1	2
3	GirarJarsoWereda office of FEC	2		1	2
4	DabralibanosWereda office of FEC	2	2	1	2
5	AleltuWereda office of FEC	2	2	1	2
6	ShanoWereda office of FEC	2	2	1	2
7	MuketutiWereda office of FEC	2	2	1	2
8	DegemWereda office of FEC	2	2	1	2
		16	16	8	16

From the purposively selected Finance and Economic Cooperation offices, 16 members from the management, 16 accountants, 8 head of internal auditors, 16 auditors, totally there were 56 respondents. To obtain the adequate responses through questionnaire, the same questions were used for management, accountants, head of internal audit, auditors, on the related issues of the study to acquirethe solution of the implications of assigning internal auditors to other fields of job. The numbers from the populations are purposively selected.

3.3 Data Collection Procedures.

Questionnaires were distributed to the respondents. These questionnaires were distributed by hand to the respondents at their offices during working hours personally. They were issued and collected after two weeks to give respondents enough time to answer the questions. Upon collection, the questionnaires were coded. They were then fed into Statistical Package for Social Sciences (SPSS) version 17.00. To determine the effect of any missing entries,exploratory data analysis was conducted. Frequencies and percentage were generated for each variables.

3.6. Data Collection Instrument

To collect the data from the respondents and accomplish the study, the primary data was used. The questionnaires which has the same types of questions were distributed to the management, accountants, head of internal auditors, auditors. The instrument included questionnaires in the form of Likeret-Scale type that shows respondents agreement or disagreement by constructing into five point scale where the lowest scale represent strongly disagree and the highest scale represent strongly agree (Likert, 1932). The instrument consisted of 12 closed and 2 open ended questions for variables.56 questionnaires were distributed for respondents and 40 questionnaire(71%) had been returned.

CHAPTER FOUR

DATA ANALYSIS

4.1.Demographic Characteristics of Respondents

Table 1: demographic characteristics of respondents

		Frequency	Percent
Age	20-24	2	5.0
	25-29	7	17.5
	30-34	10	25.0
	35-39	7	17.5
	>40	14	35.0
	Total	40	100.0
gender	male	37	92.5
	female	3	7.5
	Total	40	100.0
highest educational level acquired	diploma	2	5.0
	Bachelor’s Degree	34	85.0
	Master’s Degree	3	7.5
	Total	39	97.5
	Missing System	1	2.5
	Total	40	100.0

As presented in table 1, majority of the respondents are above 40 years old (35%) followed by the age group of 30-34 (25%) respondents whose age are in the intervals of 25-29 and 35- 39 are covered 14% (7% each) of the total respondent.

Regarding sex of respondents, the great number of respondents are male 37 (92.5%) and only 3 (7.5%) are female. With regard to the highest educational level acquired, the number of respondents who have a Bachelor’s degree (85%) is the highest followed by holds Master’s degree (7.5%).

Table 2: Information related to work

		Frequency	Percent
study discipline	Economics	5	12.5
	Accounting	17	42.5
	Management	11	27.5
	other	7	17.5
	Total	40	100.0
How long have you been working for the sector/FEC/ in which you are working now?	<1 year	3	7.5
	1-3 years	6	15.0
	4-6 years	7	17.5
	7-9 years	8	20.0
	10 and above	16	40.0
	Total	40	100.0
What position do you hold?	Head manager	6	15.0
	Vice Manager	2	5.0
	Head of internal auditor	6	15.0
	Auditor	17	42.5
	Accountant	5	12.5
	Total	36	90.0
	Missing System	4	10.0
	Total	40	100.0

According to table 2, 42.5% of the respondents have studied accounting followed management (27.5%) and other field of studies (17.5%). Respondents who have graduated in Economics are counted 5 (12.5%). Regarding how long the respondents have been working for the sector in which they are working now, 16 (40%) have been working for more than 10 years followed by respondents who have experience of 7-9 (20%) and 4-6 (17%) years. This implies that most of the respondents are experienced with the work they are working now. In respect to position of the respondents, 17 (42.5%) hold auditor position followed by head manager (15%) and head of internal audit (15%) positions.

4.2.Status of assigning internal auditors to other fields of job

Table 3: prevalence of assigning internal auditors to other fields of job

		Frequency	Percent
In your office/sector there is a practice by management to assign internal auditors to other fields of job	Strongly Disagree	2	5.0
	Disagree	3	7.5
	Undecided	2	5.0
	Agree	28	70.0
	Strongly Agree	5	12.5
	Total	40	100.0
Internal auditors are assigned to other fields of job due to promotion and/or new structure formulation	Strongly Disagree	2	5.0
	Disagree	3	7.5
	Undecided	4	10.0
	Agree	16	40.0
	Strongly Agree	15	37.5
	Total	40	100.0

As shown in table 3,28 (70%) of respondents agreed on that there is a practice by management to assign internal auditors to other fields of job your service/sector. Five of the respondents also (12.5%) strongly agreed on the presence of assignment of internal auditors to other fields. So, 82.5% of the respondents said that assignment of internal auditors to other fields of job is there in their office.Among the respondents, 75.5% agreed that internal auditors are assigned to other fields of job due to promotion and/or new structure formulation. This implies that majority of the assignments of internal auditors to other fields of jobs are due to simply managements' practice of assigning internal auditors to other fields of job.

4.3.In-depth interview results of the assignment of internal auditors from IA to other sections.

No	The positions of people Interviewed	*Number of IA Staff*	*Internal Auditors Assigned to other sections due to promotion/structural change.*	Internal Auditors simply Assigned to other sections
1	Head of Human Resource Management Zone office of FEC	10	2	2
2	Head of Human Resouce Management of Fitche city Administration office of FEC	5	1	1
3	Head of Human Resouce Management of GirarJarsoWereda office of FEC	5	non	1
4	Head of Human resource Management of DabralibanosWereda office of FEC	5	non	1
5	The management of AleltuWereda office of FEC	5	1	1
6	Head of Human Resource Management ShanoWereda office of FEC	5	1	1
7	Head of Human Resource Management of MuketutiWereda office of FEC	5	non	1
8	The management of DegemWereda office of FEC	5	non	1

4.4..Immediate measurement of the management to fill vacant internal audit

Table 4:

		Frequency	Percent
In your office/sector the management has taken immediate action to fill vacant internal audit place by qualified/experienced auditors on behalf of those auditors who has been assigned to other fields of job	Strongly Disagree	2	5.0
	Disagree	21	52.5
	Undecided	5	12.5
	Agree	8	20.0
	Strongly Agree	4	10.0
	Total	40	100.0
Personnel/workers from other staffs are assigned to vacant places of internal audit	Strongly Disagree	7	17.5
	Disagree	8	20.0
	Undecided	3	7.5
	Agree	15	37.5
	Strongly Agree	7	17.5
	Total	40	100.0

More than half of the respondents (57.5%) does not agreed with the statement 'in your office/sector the management has taken immediate action to fill vacant internal audit place by qualified/experienced auditors on behalf of those auditors who has been assigned to other fields of job'. This means, the position of internal auditors who are assigning in other fields of works is not filling immediately. Most of the respondents (55%) said that personnel/workers from other staffs are assigned to vacant places of internal audit. On the other hand considerable number of respondents (37.5%) disagreed on the statement.

Impacts of assigning internal auditors to other fields

As shown in the table below, 67.5% of the respondents reported that assigning auditors to other fields of job contributes for the lack of existence of experienced auditors in internal audit department of the office/sector. Therefore, assigning internal auditors to other field has a negative impact on internal audit department. Similarly, 65% of them disagreed on the statement 'after assigning auditors to other fields of job, it is possible to finish audit works timely, and with quality by existing auditors'. That means assigning auditors to other fields of job causing not to finish audit works timely, and with less quality by existing auditors. Surprisingly, 70% of the respondents said that all the newly assigning auditors have insufficient knowledge of audit standards and all techniques of audit works.

Table 5:

		Frequency	Percent
Assigning auditors to other fields of job contributes for the lack of experienced auditors in internal audit department of your office/sector	Strongly Disagree	2	5.0
	Disagree	6	15.0
	Undecided	5	12.5
	Agree	21	52.5
	Strongly Agree	6	15.0
	Total	40	100.0
After assigning auditors to other fields of job, it is possible to finish audit works timely, and with quality by existing auditors	Strongly Disagree	12	30.0
	Disagree	14	35.0
	Undecided	7	17.5
	Agree	2	5.0
	Strongly Agree	5	12.5
	Total	40	100.0
All the newly assigning auditors have sufficient knowledge of audit standards and all techniques of audit works	Strongly Disagree	7	17.5
	Disagree	21	52.5
	Undecided	4	10.0
	Agree	5	12.5
	Strongly Agree	3	7.5
	Total	40	100.0

4.5.Practice of job rotation

Regarding the practice of job rotation, 65% of the respondents said that the management has not practiced job rotation for internal auditors in their office/sectors. Seventy percent of the respondents believe that job rotation is necessary for internal auditors to enhance/to increase their knowledge about the technique of audit and the activities of the sectors.

Table 6:

		Frequency	Percent
In your office/sectors the management has practiced job rotation for internal auditors	Strongly Disagree	6	15.0
	Disagree	20	50.0
	Undecided	8	20.0
	Agree	4	10.0
	Strongly Agree	2	5.0
	Total	40	100.0
Job rotation is necessary for internal auditors to enhance/to increase their knowledge about the technique of audit and the activities of the sectors	Strongly Disagree	6	15.0
	Disagree	4	10.0
	Undecided	2	5.0
	Agree	16	40.0
	Strongly Agree	12	30.0
	Total	40	100.0

The greater number of respondents (90%) believes that giving continual training can increase the competency of internal auditors. Similarly, majority of the respondents said that most of internal audit staffs must have sufficient experience to strength internal audit.

Table 7: attitude of respondents on recommendations to improve internal auditor's competency

		Frequency	**Percent**
Giving continual training can increase the competency of internal auditors and can avoid the impacts of assigning internal auditors to other fields of job	Disagree	2	5.0
	Undecided	2	5.0
	Agree	18	45.0
	Strongly Agree	18	45.0
	Total	40	100.0
Most of internal audit staffs must have sufficient experience to strength internal audit	Disagree	8	20.0
	Undecided	2	5.0
	Agree	14	35.0
	Strongly Agree	16	40.0
	Total	40	100.0

4.3. Open ended questions analysis results of the attitude that what actions are to be taken to avoid the impacts of assigning internal auditors to other field of job and to strength internal audit.

4.3.1. According to the questions provided for the respondents whether they believe it is necessary to pass rules and directives about the managements' practice of simply assigning internal auditors to other fields of job, 62.5 % of the respondents believe to pass rules and directives about simply assigning of auditors to other fields of job. 27.5 % of respondents did not agree. The remaining 10% of the respondents did not response leaving the space provided for the answer blank. This implies that the majority of the respondents agree on taking actions of rules and directives on the matters of simply assigning internal auditors to other fields of job.

4.3.2. What actions must be taken by management to fill vacant internal audit places when auditors are assigned to other fields of job?

Regarding this questions one respondent from the heads of internal audit answered that "immediate action will be taken to fill the vacancy by announcing vacancy and recruit the experienced profession and the training must be given for the new carrier to the staff until he will become capable for the auditing activity to work efficiently and effectively as well as in quality manner. The new carrier should have given immediately his own password." The other respondent from the management answered also that "in my opinion the management first of all has to struggle not to lose those experienced internal auditors. If it happens the management has to find another educated profession from other sector or must have to employ other person." The other respondent from the auditors answered that "According to my opinion, it must be taken by management to fill the vacant internal audit place first the field of education must be taken. 2nd the right person as the right place must full fill. Etc." A respondent from accountants answered that " The hard working workers as well as workers with effective and efficient based on their work should be selected by the managements and assigned to fill the gaps". The rest respondents remained un answering /or put un cleared statements.

CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

Results and analysis of the study has been provided in the previous chapter. This chapter offers a summary of findings, conclusions and recommendations of the study. The chapter also provides conclusions and recommendations in line with the main issues of the impacts of assigning internal auditors to other fields of job in FEC offices of the region.

Public service sectors are partly or wholly budgeted by government. The offices of FEC have the main powers and functions of giving financing services for these public sectors. Therefore, the internal audit of Finance and Economic Cooperation Offices have paramount importance responsibility in the audit of financial statements, and in the audit of compliance. The purpose of this study is to investigate the main impacts of management's practice of simply assigning internal audits to other fields of job, and to investigate the importance job rotation of internal audit in Oromiya Semen Shawa Region Finance Economic Cooperation Offices.

5.2. Findings

According to the analysis and interpretation of data made in the previous chapter and basing on the information reviewed on related literature, the following findings have been identified.

<u>Regarding the status of assigning internal auditors to other fields of job:</u>

This study found that even if there is a practice of assigning internal auditors due to promotion, there is more practice of simply assigning internal auditors to other fields of job,which has impact on enhancing their competency.

In the offices of FEC, the management has not taken immediate actions to fill vacant internal audit places by qualified and experienced auditors on behalf of those auditors who are assigned to other fields of job. On the other hand workers /personnel from other staffs are assigned to vacant places of internal audit.

In the study, the impacts of assigning internal auditors to other fields of job have been indicated as follows:

Finishing audit tasks timely and with quality by remaining staff is impossible.

Lack of the availability of experienced auditors.

To have the staff of newly assigned auditors who lack sufficient audit skills and knowledge of audit standards.

In the Finance and Economic Cooperation offices of the region, the management has not practice job rotation for internal auditors. However, it has been indicated in different literature that job rotation is necessary for internal auditors to enhance their competency.

Regarding improving internal auditor's competency, the study indicated that giving continual training can increase internal auditor's competency.

5.3.Conclusion

The researcher has conducted this study to investigate the impacts that will arise as a result of management's practice of simply assigning internal auditors to other fields of job. The researcher has reached up on the following conclusions basing on the majority of the findings of the study. Since the FEC offices have the main powers and functions of giving financing services for the public service sectors, there must be strong internal audit to assure that government budget and resources are utilized for the intended purpose. This can be achieved when there is internal audit department that has experienced and qualified auditors to give quality audit tasks.

In the FEC offices of the region, auditors are simply assigned to other fields of job. Newly assigned auditors from other staffs have insufficient knowledge of audit techniques and standards as they are from other staffs.IA shall engage only in those services for which they have the necessary knowledge, skills, and experience. (Yishehak)

Vacant internal audit places are not filled immediately by qualified and experienced auditors.Management commitment to taking timely corrective action to IA recommendation and hiring of well qualified employees is a proxy for the quality of IAF. (Abraham, 2011).Lack of professional bodies, accountants, experience of the auditors in internal audit department may cause of delaying the auditing work. (Hawa, 2016

Regarding improving internal auditor's competency, the study indicated that giving continual training can increase the competency of auditors. As different literatures indicate job rotation enhances the competency of internal auditors. Job rotation is a management practice that assigns employs to various structures and departments over a period of time to acquire and develop the knowledge of those environment ((HiteshtaBhasin, 2014). However, the management does not follow job rotation practice for internal auditors as aresult of which internal auditors could not enhance their competence. So internal audit of the FEC offices of the region could not be referred as strong IA since it lacks sufficient staff of experienced and qualified auditors.

5.4Recommendations

On the basis of literature reviewed, analysis and findings the following recommendations are proposed.

1- There must be directives and considerations by the concerned bodies to avoid managements' simply practice of assigning internal auditors to other fields of job so that internal auditors will develop their audit skill, and IA will have the staff of experienced and qualified auditors.

2- To take immediate actions to fill vacant internal audit places by qualified and experienced auditors.

3- In addition to giving continual training, the management of FEC offices should practice job rotation as a means of training for internal auditors and accountants. This is due to it enables auditors obtain and increase the knowledge about general activity of their office, and it also enables accountants to acquire the knowledge and skill of auditing so that the office can solve the gaps of taking immediate action to fill vacant internal audit places when auditors are assigned to other fields of job. As a whole, Internal audit of the FEC offices of the region will be strong if such measures are taken.

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Appendix-1: Questionnaires

Addis Ababa University

Faculty of Business and Economics   Department of Accounting and Auditing

Questionnaire Presented to Oromiya Semen shawa FEC Offices

Introduction

I am undertaking a Project research work as part of the fulfilment of the requirements of my Masters program. The theme of the project focuses on the assignment of internal auditors to other fields of job in the sectors and the importance of job rotation regarding internal audit to enhance their competency in Oromiya Semen Shawa Public Sectors. In these public sectors, there is a practice of assigning internal auditors to other fields of job in the sectors which has impact on internal audit. There for, I would like to get your response regarding how you feel the practice of assigning internal auditors to other fields of job has impact on the internal audit functions and the existence of Experienced auditors in the sectors. I would like also to get your views on how you feel the importance of job rotation for internal audit in the sectors.

Dear respondents

This questioner is for academic purpose only. So you have been selected to voluntarily participate in this study and you are kindly requested to freely and objectively provide your answer for the following questions. In this case I would like to assure you that the information you give out will be treated with utmost confidentiality.

Section A. Personal Details

Note: Make (√) or choose the appropriate letter and give short description for the asked questions.

1. Age

   <20 ☐ 20-24 ☐ 25-29 ☐ 30-34 ☐ 35-39 ☐ >40 ☐

2. Gender

   Male ☐ Female ☐

3. Highest education level acquired.

   Diploma ☐ Bachelor’s degree ☐ Master’s degree ☐ PHD ☐

4. Study discipline

   Economics ☐ Accounting ☐ Management ☐ Other ☐

5. How long have you been working for the sector in which you are working now?

   1yr ☐ 1-3yr ☐ 4-6yr ☐ 7-9yrs ☐ >10yrs ☐

6. What position do you hold?

   Head manager ☐ Vice Manager ☐ Head of internal auditor ☐

   Auditor ☐

Section B: Questionnaires

Rate the following in terms of how well, in your opinion, (make mark for your choice)

No	Questions	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	In your office/sector there is a practice by management to assign internal auditors to other fields of job.					
2	Internal auditors are assigned to other fields of job due to promotion and/or new structure formulation.					
3	In your office/sector the management has taken immediate action to fill vacant internal audit place by qualified/experienced auditors on behalf of those auditors who has been assigned to other fields of job.					
4	Personnel/workers from other staffs are assigned to vacant places of internal audit.					

5	Assigning auditors to other fields of job contributes for the lack of experienced auditors in internal audit department of your office/sector.					
6	After assigning auditors to other fields of job, it is possible to finish audit works timely, and with quality by existing auditors.					
7	All the newly assigned auditors have sufficient knowledge of audit standards and all techniques of audit works.					
8	All staffs of Internal audit department have sufficient knowledge of all activities that has been run in their sectors and other sectors.					
9	In your office/sectors, the management has practiced job rotation for internal auditors					
10	Job rotation is necessary for internal auditors to enhance/to increase their knowledge about the technique of audit and the activities of the sectors.					
11	Giving continual training can increase the competency of internal auditors and can avoid the impacts of assigning internal auditors to other fields of job.					
12	Most of Internal audit staffs must have sufficient experience to strength internal audit.					

13- Do you believe that rules and directives must be passed about the management practice of simply assigning internal auditors to other fields of job? ________________________________

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14. In your opinion, what actions must be taken by management to fill vacant internal audit places when auditors are assigned to other fields of job?______________________________________

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Thank you for your time and effort

Return completed questionnaire to: MR. AbrehamYilma, Phone No. 0911975340

Appendix-2: the management and Human Resource management interview instrument.

1. How many auditors does the staff of IA has?
2. How many internal auditors have been assigned to other fields of job due to promotion/structural change?
3. How many internal auditors have been assigned to other fields of job due to managements simply assignment?