DINASTI PUBLISHER
DINASTI INTERNATIONAL JOURNAL OF ECONOMICS, FINANCE AND ACCOUNTING (DIJEFA)
E-ISSN : 2686-6331
P-ISSN : 2686-6358
https://dinastipub.org/DIJEFA dinasti.info@gmail.com +62 811 7404 455

DOI: https://doi.org/10.38035/dijefa.v4i6
Received: 26 January 2024, **Revised:** 20 February 2024, **Publish:** 21 February 2024

Internal Audit Function and Board of Commissioners on Financial Performance With Institutional Ownership As A Moderation Variable (Study of Companies in the Financial Sector Listed on the Indonesia Stock Exchange for the Period 2020-2022)

Vinda Dwi Christina[1], Lenggogeni[2]
[1] University of Eswatini, Eswatini, vindadwichristina@gmail.com
[2] Trisakti University, Indonesia, lenggogeni@trisakti.ac.id

Corresponding Author: vindadwichristina@gmail.com

Abstract: This study aims to examine the relationship between internal audit functions and the board of commissioners on financial performance with institutional ownership as a moderating variable. The research method involved all public banking sector companies listed on the Indonesia Stock Exchange during the period from 2020 to 2022, collecting 51 company-year observations. Based on the analysis of previous research results, it is shown that the internal audit function and the board of commissioners have a negative impact on the financial performance of the company. These findings indicate that the role of internal audit functions and boards of commissioners in providing value-added services related to financial performance in Indonesian public companies is relatively small. This research is expected to enhance the understanding of the roles of internal audit functions and boards of commissioners and to encourage the practice of internal audit functions in public financial sector companies in Indonesia to improve financial performance in their consultative roles, especially regarding ROA performance.

Keyword: Internal Audit; Board of Commissioners; Institutional Ownership; Financial Performance.

INTRODUCTION

The issue within the agency scope is the conflict of interest between shareholders and managers in the process of maximizing the company's value. Agency conflicts arise due to differences in interests between managers and shareholders, stemming from managers prioritizing their personal interests. This can lead to increased costs, decreased profits, and an impact on stock prices, ultimately reducing the company's value (Zahrina Nur, 2021). Managing agency conflicts involves oversight by banks in agency issues as a prevention and crime eradication effort. This oversight includes external elements carried out by regulators, internal elements carried out by commissioners, directors, and management. Internal auditors also assist in the corporate governance system, acting as supervisors and providing audit services that help the company perform better (Ferry et al., 2017). This is because the current role of internal audit not only provides assurance services to company management but can also serve as consultancy services to company management (Kotb et al., 2020). Furthermore, the scope of internal auditors is becoming more intensive, and they are beginning to provide more value-added services to the company (Kotb et al., 2020).

Financial performance is the achievement and historical information that can be seen through financial statements. Information about performance, financial position, and cash flow in a specific period is also available in financial statements. Financial ratio analysis conducted on a financial statement can provide an overview of how well a company is performing (Maith, 2013). Financial statements contain crucial information that can be used to assess a company's performance. Company performance is an evaluation of a company's achievements resulting from management decisions regarding capital utilization and other factors (Meriewaty and Setyani, 2005). Growing companies require policies and strategies to enhance operational productivity and adequate internal controls. Ongoing companies need internal oversight functions to ensure that their internal controls are maintained and controlled. This internal oversight function is carried out through internal company audits (Priantinah and Adhisty, 2012). Internal audits in a company play a role in monitoring the company's financial performance to prevent any decline in performance (Yushita, 2017).

However, there are concerns about the ambiguity of the internal auditor's role (Ahmad et al., 2009) because the purpose of the internal audit function may vary depending on the organization's context. Previous research has shown that the activities and values of internal auditors are somewhat blurry (Lenz & Hahn, 2015). There is growing concern about how effectively internal auditors perform their roles independently and objectively, as consultancy services can create conflicts of interest between internal auditors and management (Brody & Lowe, 2000). This raises questions about the effectiveness of internal auditors in providing value and improving company operations. This is because the current role of internal audit not only provides assurance services to company management but can also serve as consultancy services to company management (Kotb et al., 2020). Additionally, the scope of internal auditors is becoming more intensive, and they are beginning to provide more value-added services to the company (Kotb et al., 2020).

METHOD

Type and Data Sources This research is a quantitative study because the data used are measured on a numerical scale (numbers). The data used in this research are secondary data. Secondary data refers to data collected by others. The secondary data collected consists of cross-sectional data from financial sector companies and time series data for the years 2020-2022. The source of the secondary data used in this research was obtained from the official website of the Indonesia Stock Exchange, namely www.idx.co.id.

Population and Research Sample The population of this research consists of companies listed in the sub-sector of banking on the Indonesia Stock Exchange for 3 periods, namely from 2020 to 2022. A certain number of samples were selected from the population using purposive random sampling technique, which is a sampling technique based on specific considerations. The samples used in this research were selected based on the following criteria: • Public Financial Sector Companies listed on the IDX in the years 2020-2022. • Companies with complete data that align with the variables under investigation, obtained through direct collection from the company's annual reports and financial data obtained from the IDX website (www.idx.co.id).

Based on the criteria above, the number of research samples per year is 51 companies, with a total of 153 samples (51 x 3 research periods).

Table 1: Operationalization and measurements of latent variables

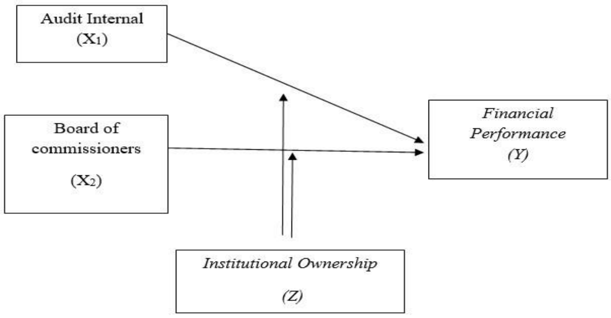
Definition of latent variables (Dependent variable)	Measurement of latent variables	Data source
The dependent variable of financial performance aims to provide an overview and measure the company's ability to earn profits through the use of its assets, namely by using every rupiah of assets.	This indicator is calculated using the profitability ratio, namely ROA (Fitri and Afriyenti, 2021)	Secondary data.
Definition of latent variables (independent variables)	Measurement of latent variables	Data source
In general, the internal audit function is part of corporate governance which is responsible for carrying out independent analysis and assessment of the adequacy and effectiveness of risk management and internal control systems in the company (Soh & Martinov-Bennie, 2015). Previous literature states that the internal audit function provides independent and objective confidence in the company's internal governance, risk management, internal control and compliance.	This measure is based on a proxy, namely considering the number of internal audit personnel in the company who have an internal audit certificate (Dzikrullah et al., 2020; Goodwin-Stewart & Kent, 2006). Information on internal audit certificates can be obtained from the LinkedIn website.	Secondary data.
The board of commissioners plays an important role in supervising and providing strategic direction to management. Effective strategic decisions, supported by the board, can help a company improve its financial performance.	In this research, effectiveness calculations are measured using the number of members of the board of commissioners in a company.	Secondary data
Definition of latent variables (moderating variables)	Measurement of latent variables	Data source
Institutional ownership is share ownership owned by other institutions, namely banks, insurance and pension funds, Siregar and Utama, (2005, in Manossoh, 2016).	The measurement of this variable is the percentage of share ownership by institutional investors in the company.	Secondary data

RESULTS AND DISCUSSION

Theoretical Framework

Previous research has often used ROA (Return on Assets) and ROE to proxy financial performance (Widyaningrum, 2014; Sukmana et al., 2011; Muhammad et al., 2017; Gharaibeh, 2015). The author adds NPM (Net Profit Margin) as a proxy for financial performance, as it has been less utilized by previous researchers (Umar et al., 2012; Awan and Jamali, 2016). Capital structure in previous research has often been proxied by DAR (Debt to Asset Ratio) (Gharaibeh, 2015; Umar et al., 2012; Rosalinawati, 2015). The author adds DER (Debt to Equity Ratio) as a proxy for capital structure, as it has been less used by previous researchers (Haryono et al., 2017), and adds LDER (Long Term Debt to Equity Ratio) as a proxy for the final capital structure, as no previous research has used this proxy. Previous research has often conducted empirical studies in the banking sector (Widyaningrum 2017; Sukmana et al., 2011; Syatia and Yushita 2017; Haryono et al., 2017; Pakpahan et al., 2017; Perdana and Septiani 2017; Sianipar and Wiksuana 2019). The author decides to expand the scope of empirical studies to cover all financial sector companies listed on the Indonesia Stock Exchange from 2016 to 2018.

Therefore, we have questions about how the role of the internal audit function will provide sufficient information for management to influence company performance. The interesting aspect of this research is that we want to test whether the internal audit function in Indonesia plays a significant role in overseeing the effectiveness of corporate governance. This research is expected to provide information and knowledge about the importance of implementing internal audits and boards of commissioners for companies and serve as a reference for improving financial performance through internal audits and boards of commissioners.



Empirical Review and Hypotheses Development

Agency Theory

In the going concern principle, a company is assumed to continue to exist and grow larger, leading to an increase in the problems it faces with a higher level of complexity. Based on this, company owners (principals) delegate authority for managing and supervising their company to agents. When this happens, the transfer of power over the ownership and control of the company begins (Fama and Jensen, 1983), and this situation can lead to agency problems. Agency problems arise because the control of resources entrusted by the principal to the agent does not always benefit the principal. Many factors underlie the existence of agency problems, as agents often make decisions that contradict the wishes of the principal. Agents tend to prioritize short-term gains and achievements to earn bonuses and incentives, which can be achieved by ignoring risky investment opportunities that offer higher potential returns in the future.

Agency theory is a contract between the principal and agent in managing a company owned by the principal, with the delegation of authority to the principal in decision-making (Jensen and Meckling, 1976). The ownership structure of companies in developing countries often features centralized or concentrated ownership (Claessens et al., 2000; La Porta et al., 1999). With a criterion of a control right of 10%, it was found that the highest concentrated ownership was in East Asia, specifically in Indonesia at 67% (Claessens et al., 2000).

On the other hand, other research found that the highest concentrated ownership was in Norway (34%) with a control right criterion of 20% (Faccio and Lang, 2007). Concentrated ownership can lead to expropriation risks, where control is used to maximize the wealth of controlling owners at the expense of minority shareholders (Claessens et al., 2000). Previous research provided different arguments about the impact of concentrated ownership on a company's value (e.g., Claessens et al., 2000; Claessens and Fan, 2003; La Porta et al., 1999; Lemmon and Lins, 2003), including the Positive Incentive Effect (PIE) and Negative Entrenchment Effect (NEE). PIE argues that controlling investors are unlikely to expropriate because it would lead to a real decline in the company's value. According to PIE, controlling investors will continue to oversee management with the goal of increasing the company's value, which will, in turn, affect their investment value positively.

On the other hand, NEE suggests that controlling investors will use their power to control management to maximize their own interests through expropriation of minority shareholders. Controlling investors will use their control rights to intervene in strategic decisions of the company. Scattered ownership will result in management controlling the company because the owners cannot provide effective oversight (Shleifer and Vishny, 1986). This will reduce the probability of implementing good Corporate Governance mechanisms and the role of maintaining investment efficiency as concentrated and family ownership increases.

Agency costs that may occur can be minimized through institutional ownership, where this type of ownership provides more systematic and controlled oversight than family ownership. This is because an increase in institutional ownership (institutional investors) as parties monitoring agents reduces the impact of asymmetric information that may only be obtained by agents (Moh'd et al., 1998). The difference in control and significant influence of investors in a company is influenced by the size of the shareholding of investors in the company, which will greatly affect their rights, including returns and rights in determining the company's strategic policies.

Internal Audit Function

The primary function of internal audit is to ensure that the company's objectives are achieved. These objectives can be simplified as effectiveness, efficiency, and economy. Effectiveness means the company can achieve its established objectives, while efficiency means achieving these objectives using resources efficiently, and economy means obtaining inputs at low costs. Regarding these primary functions, the paradigm of auditor performance is sometimes seen as being in opposition to management. However, internal auditors are now trying to establish productive cooperation with clients through activities that add value to the company.

The internal audit paradigm has shifted from the traditional paradigm of compliance audit to internal audit that adds value. This paradigm shift is due to changes in organizational needs, technology, and the complexity of organizational activities and systems. Internal auditors often leave the impression of being management fault-finders because of their role as examiners of company management. Therefore, there is a need for reimagining to make auditors and auditees work synergistically, one of which is for auditors to become consultants to the company's management. In addition to being internal consultants, internal auditors are also expected to act as catalysts for the company. A catalyst is a substance that speeds up a reaction but does not participate in the reaction. Chrystabel and Hapsari (2020) explain that the role of a catalyst is intended to provide management services, provide constructive advice that can be applied for the advancement of the company, but auditors are not directly involved in the company's operational activities.

Role of Board of Commissioners

Literature on the role of the board of commissioners shows continuous development and evolving research focus. Here are some key functions that have been of interest in recent literature:

1. Adaptation to Digital and Technological Trends.

   With the advancement of digital technology, much research focuses on how the board of commissioners adapts to and integrates technology into the company's strategy and oversight. Emphasis on digitization and cybersecurity has become increasingly important (Source: Alves, C. F., & Mendes-Da-Silva, W. (2019). Board of Directors' Characteristics and Adoption of IT Governance. Journal of Information Systems).
2. Risk Management and Mitigation

The global pandemic that began in early 2020 has triggered research on how boards of commissioners handle crises, including their role in risk management, company resilience, and business strategy adaptation (Source: Lins, K. V., Servaes, H., & Tamayo, A. (2020). Social Capital, Trust, and Firm Performance during the COVID-19 Crisis. Journal of Financial Economics).

3. Sustainability and Corporate Social Responsibility (CSR)

   There is an increasing focus on the board's role in overseeing and integrating sustainability and CSR practices into the company's strategy, especially in the context of climate change and environmental sustainability (Source: Dyck, A., Lins, K. V., Roth, L., & Wagner, H. F. (2019). Do institutional investors drive corporate social responsibility? International evidence. Journal of Financial Economics).

4. Decision-Making

   New emphasis on the involvement of a broader range of stakeholders, including employees, customers, and the community, in board decision-making reflects a shift from the traditional focus solely on shareholders (Source: Edmans, A. (2021). Grow the Pie: How Great Companies Deliver Both Purpose and Profit. Cambridge University Press).

Institutional Ownership

According to Bukhori (2012) in Wulandari & Budiartha (2014), institutional ownership is the percentage of shares held by external institutions, such as banks, insurance companies, pension funds, or other institutions, at the end of the accounting period. The ownership of a company by institutions is considered to be related to the quality of financial reporting to be produced, as stated by Gidion (2005) in Anisa (2013), that a certain percentage of ownership by institutions can affect the process of preparing financial statements that may accrue according to the interests of management. Therefore, monitoring actions are needed by a company and institutional shareholders so that the behavior of managers in control and decision-making can be restricted.

Financial Performance

The assessment of the performance of each company varies depending on its business scope. Fahmi (2022) suggests that there are five stages for analyzing financial performance: reviewing financial statement data, performing calculations, comparing the results obtained with those of other companies, interpreting various issues found, and finally, providing solutions to the various problems identified.

Contemporary research continues to emphasize profitability as a measure of financial performance, including net profit, profit margin, and return on equity (ROE). This research often attempts to link profitability to factors such as business strategy, corporate governance, and innovation (Source: Richardson, A. J., & Welker, M. (2019). Understanding the relationship between corporate governance and financial performance. Accounting and Business Research).

Financial ratios, such as the current ratio, debt ratio, and return on assets (ROA), continue to be the primary focus in financial performance analysis. Modern research further examines how these ratios can be influenced by various external and internal factors (Source: Hermalin, B. E., & Weisbach, M. S. (2019). Financial ratio analysis and corporate governance. Journal of Corporate Finance).

Hypothesis Development

1. The Impact of Internal Audit on Financial Performance

Sukmana et al. (2021) showed that internal audit has a significant positive effect on financial performance. This result indicates that the more effective internal audit is, the higher the financial performance of commercial banks in Tasikmalaya. Syatia and Yushita

(2022) also demonstrated a positive but not significant influence of the internal audit function on financial performance. Testing and evaluating the effectiveness of the system is one of the functions of internal audit. If the internal audit function is absent, the board of directors loses an internal source of information about the company's condition and performance. Effective implementation of internal audit can be assessed by the effectiveness and efficiency of internal controls in the company, and internal controls that continuously improve in each period. The extent to which the company's objectives and operational activities are achieved must be ensured by internal audit to align with the company's goals (Susanto, 2007).

2. The Impact of the Board of Commissioners on Financial Performance

The board of commissioners plays a crucial role in overseeing and providing strategic guidance to management. Effective strategic decisions supported by the board can help the company improve its financial performance. The board of commissioners assists in addressing agency problems that arise between shareholders and management. By minimizing conflicts of interest, the board can ensure that management decisions align with the interests of shareholders, which can enhance financial performance. An effective board of commissioners enhances the quality of corporate governance. Good corporate governance is associated with lower risk, higher operational efficiency, and a better corporate reputation, all of which can contribute to improved financial performance. The board of commissioners plays a role in enhancing transparency and accountability in financial and operational reporting. This can boost investor trust and confidence, leading to a positive impact on financial performance.

3. The Moderating Role of Institutional Ownership on the Impact of Internal Audit and the Board of Commissioners on Financial Performance

The measurement of this variable is the percentage of shares owned by institutional investors in the company. Institutional ownership is the ownership of shares held by external institutions, such as banks, insurance companies, and pension funds. The research aims to examine how institutional ownership moderates the impact of internal audit and the board of commissioners on financial performance.

Based on the explanations provided, the following hypotheses can be formulated:

H1: *The internal audit function has a positive impact on the financial performance of the company.*

H2: *The board of commissioners has a positive impact on the financial performance of the company.*

H3: *Institutional ownership strengthens the positive impact of the internal audit function on the financial performance of the company.*

H4: *Institutional ownership strengthens the positive impact of the board of commissioners on the financial performance of the company.*

Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	153	-10.17	19.92	2.6402	11.30925
IA (X1)	153	10	15	11.40	2.191
DK (X2)	153	17	31	21.00	5.701
KI (X3)	153	15	24	18.20	3.564
Valid N (listwise)	153				

Information :

ROA : Profitability is proxied by return on assets

(ROA) IA : Internal Audit
DK : Board of Commissioners
KI : Institutional Ownership

The dependent variable ROA is a ratio used to measure the efficiency of an entity in managing its assets to generate profits in one period. ROA has an average value of 2.6402, a maximum value of 19.92, a minimum value of -10.17 and a standard deviation value of 11.30925. The internal audit variable as the first independent variable has an average value of 11.40, a maximum value of 15, a minimum value of 10 and a standard deviation value of 2.191. The board of commissioners variable has an average value of 21.00, a maximum value of 31. , the minimum value is 17 and the standard deviation value is 5.701. The three independent variables of the audit committee have an average value of 18.20, a maximum value of 24, a minimum value of 15 and a standard deviation value of 3.564.

Normality Test (One-Sample Kolmogorov-Smirnov Test)

		Unstandardized Residual
N		153
Normal Parametersa.b	Mean	.0000000
	Std. Deviation	1.58473304
Most Extreme Differences	Absolute	.173
	Positive	.148
	Negative	-.173
Test Statistic		.173
Asymp.Sig.(2-tailed)		.200c.d

Based on the normality test above, it can be seen from the significant value, from the table the significant value shows 0.200 > 0.05 so in this case it can be said that the data has shown normal distribution results.

Multicollinearity Test

	Unstandarized Coefficients			Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	- 42.320	13.029		-3.48	.190		
	IA (X1)	-	2.535	-3.447	-	.090	.081	12.279
		17.795			7.021			
	DK (X2)	6.905	1.007	3.480	6.856	.092	.076	13.127
	KI (X3)	5.650	.887	1.780	6.370	.099	.251	3.978

Based on the table, you can see each variable tolerance value independent which is less than 0.10. For the IA variable value, the tolerance value is 0.081 <0.10, the DK variable value has a tolerance value of 0.076 <0.10, and only the KA variable value is not less than 0.10 with a tolerance value of 0.251 > 0.10. For the results of the Variance Inflation Factor (VIF) value on the independent variable some are more than 10. For the DPS variable value, the tolerance value is 12.279, value the DD variable has a tolerance value of 13.127, and only the KA variable value is no more out of 10 with a tolerance value of 3.978. So it can be concluded that the model. The regression for this research found multicollinearity problems between variables independent with the dependent variable.

Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.990a	.980	.921	3.16947	2.140

Based on the table, it shows that the Durbin-Watson value is 2,140. Next, it will be compared with the table results at a significance level of 5%, the number of samples is 153 (n=153) and the number of independent variables is 3 (k=3), obtained a lower limit (dL) value of 1.1228 and an upper limit (dU) of 1. .6540 The Durbin-Watson test can be calculated with dU < dw < 4-dU, so that the results are 1.6540 < 2.140 < 2.364. It can be concluded that this study is free from autocorrelation because the d value is between dU and 4-dU.

Heteroscedasticity Test

Test if all variables in the study have a possible significance of more than 5% or 0.05. If all are more than 0.05, then there is no heteroscedasticity in the regression equation and the regression model is feasible.

Hypothesis Test (t statistical test)

	Unstandarized Coefficients			Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1		(Constant)	-42.320	13.029	-3.248	.190
	IA (X1)	-17.795	2.535	-3.447	-7.021	.090
	DK (X2)	6.905	1.007	3.480	6.856	.092
	KI (X3)	5.650	.887	1.780	6.370	.099

CONCLUSION

Based on the table, it can be seen that the coefficient value for the IA variable is -17.795, for the DK variable the coefficient value is 6,905, and for the KA variable the coefficient value is 5.650. From the results of the multiple linear regression test, the model equation can be prepared as follows:

$$\mathbf{Y = -42{,}320 - 17{,}795IA + 6{,}905DK + 5{,}650KA + \varepsilon}$$

H1 : *Internal audit has a positive effect on the company's financial performance.*

Based on the results in the table, it can be seen that the calculated t value of the DPS variable is -7.021 with a significance value of 0.090 > 0.50. This means that the influence of internal audit has a negative effect on financial performance so that the first hypothesis (H1) is rejected.

H2: *The board of commissioners has a positive effect on the company's financial performance.*

Based on the table, it can be seen that the calculated t value of the DK variable is 6.856 with The significance value is 0.092 > 0.05. This means that the Board of Commissioners does not has an effect on financial performance, so the second hypothesis (H2) is rejected.

H3: *Institutional ownership is able to moderate the influence of the internal audit function on the company's financial performance*.

Based on the table, it can be seen that the calculated t value of the KI variable is 6.370 with a significance value of 0.099 > 0.05. This means that institutional ownership has no effect on financial performance, so the third hypothesis (H3) is rejected.

H4: *Institutional ownership is able to moderate the influence of the board of commissioners on the company's financial performance.*

Based on the table, it can be seen that the calculated t value of the KI variable is 6.370 with a significance value of 0.099 > 0.05. This means that institutional ownership has no effect on financial performance, so the fourth hypothesis (H4) is rejected.

REFERENSI

Abbott, L. J., Barr-Pulliam, D., Buslepp, W. L., & Parker, S. (2022). The real effects of internal audit function quality: Evidence from investment strategies. Journal of Accounting, Auditing & Finance.

Amoako, G. K., Bawuah, J., Asafo-Adjei, E., & Ayimbire, C. (2023). Internal audit functions and sustainability audits: Insights from manufacturing firms. Cogent Business & Management, 10(1).

Bajary, A. R., Shafie, R., & Ali, A. (2023). COVID-19 pandemic, internal audit function and audit report lag: Evidence from emerging economy. Cogent Business & Management, 10(1).

Chen, Y., Lin, B., Lu, L., & Zhou, G. (2020). Can internal audit functions improve firm operational efficiency? Evidence from China. Managerial Auditing Journal, 35(8), 1167– 1188.

Dzikrullah, A. D., Harymawan, I., Ratri, M. C., & Ntim, C. G. (2020). Internal audit functions and audit outcomes: Evidence from Indonesia. Cogent Business & Management. 7(1).

García, L. S., Barbadillo, E. R., & Pérez, M. O. (2019). Analysis of the influence of the internal audit function on audit fees: Análisis de la Influencia de la Función de Auditoría Interna sobre las Cuotas de Auditoría. Revista de Contabilidad-Spanish Accounting Review, 22(1), 100–111.

Harymawan, I., & Putri, F. V. (2023). Internal audit function, audit report lag and audit fee: Evidence from the early stage of COVID-19 pandemic. Journal of Accounting in Emerging Economies.

Hegazy, M., & Farghaly, M. (2022). Internal audit function is a global governance pursuit: What could be done in emerging markets? Corporate Ownership & Control, 19(3), 201– 216.

Huang, K. (2020). Management forecast errors and corporate investment efficiency. Journal of Contemporary Accounting & Economics, 16(3).

Hu, J., Kong, M., & Wang, K. (2022). The influencial factors and economic consequences of corporate investment efficiency: A literature review. Proceedings of the 2022 7th International Conference on Financial Innovation and Economic Development (ICFIED 2022), 648(Icfied), 2389–2394.

Kotb, A., Elbardan, H., & Halabi, H. (2020). Mapping of internal audit research: A post-Enron structured literature review. Accounting Auditing & Accountability Journal, 33(8), 1969–1996.

Liu, L., & Tian, G. G. (2021). Mandatory CSR disclosure, monitoring and investment efficiency: Evidence from China. Accounting & Finance, 61(1), 595–644.

Madawaki, A., Ahmi, A., & Ahmad, H. N. (2022). Internal audit functions, financial reporting quality and moderating effect of senior management support. Meditari Accountancy Research, 30(2), 342–372.

Mert, I. (2021). The effects of the qualitative parameters of internal auditing works on the preferences of investment funds' analysts. Economic Alternatives, 2021(1), 60–71.

Mirza, S. S., Majeed, M. A., & Ahsan, T. (2020). Board gender diversity, competitive pressure and investment efficiency in Chinese private firms. Eurasian Business Review, 10(3), 417–440.

Rahayu, S., Yudi, S., Rahayu, S., & Ntim, C. G. (2020). Internal auditors role indicators and their support of good governance. Cogent Business & Management.

Rajkovic, T. (2020). Lead independent directors and investment efficiency. Journal of Corporate Finance, 64.

Rakipi, R., De Santis, F., & D'Onza, G. (2021). Correlates of the internal audit function's use of data analytics in the big data era: Global evidence. Journal of International Accounting, Auditing & Taxation.

Ullah, I., Fang, H.-X., Ur Rahman, M., & Iqbal, A. (2021). CEO military background and investment efficiency. Emerging Markets Finance and Trade, 58(4).

Ullah, I., Majeed, M. A., & Fang, H.-X. (2021). Female CEOs and corporate investment efficiency: Evidence from China. Borsa Istanbul Review, 21(2), 161–174.

Usman, R., Rohman, A., & Ratmono, D. (2023). The relationship of internal auditor's characteristics with external auditors' reliance and its impact on audit efficiency: Empirical evidence from Indonesian government institutions. Cogent Business & Management, 10(1).