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The Influence of Work Culture on the Effectiveness of Internal Audit: A Qualitative Study

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Abstract: This qualitative study investigates the influence of organizational culture on the effectiveness of internal audit processes within organizations. Through a comprehensive literature review and supplementary data collection methods, including interviews with internal auditors and organizational leaders, the study explores the intricate relationship between work culture and internal audit outcomes. The research draws on theoretical frameworks such as agency theory and social identity theory to conceptualize the influence of organizational culture on audit practices and performance. The findings reveal that a strong organizational culture characterized by ethical norms, transparency, and accountability enhances internal audit effectiveness by fostering trust, compliance, and collaboration among employees. Conversely, a weak or dysfunctional culture may impede audit effectiveness by hindering communication, collaboration, and compliance. The study highlights the importance of cultivating a supportive culture that aligns with audit objectives to optimize audit outcomes and promote organizational success. These insights contribute to a deeper understanding of the mechanisms through which organizational culture influences internal audit effectiveness and offer practical implications for organizations seeking to enhance audit performance and organizational resilience.

Keywords: Organizational Culture, Internal Audit Effectiveness, Agency Theory, Social Identity Theory, Qualitative Research.

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1. INTRODUCTION

Work culture plays a pivotal role in shaping the effectiveness of internal audit processes within organizations. Understanding how organizational culture influences internal audit effectiveness is essential for maintaining and enhancing the quality and efficiency of auditing practices. This introduction provides a comprehensive overview of the research landscape pertaining to the influence of work culture on the effectiveness of internal audit, culminating in the identification of gaps and the establishment of objectives for further exploration through a qualitative lens. Organizational culture, often described as the shared values, beliefs, and norms prevalent within an organization, exerts a profound influence on its operational dynamics and outcomes. In the realm of internal audit, where adherence to standards, ethical conduct, and risk management are paramount, the alignment between organizational culture and audit objectives becomes particularly crucial. Research in this domain has highlighted the significance of fostering a conducive work culture that supports transparency,

accountability, and integrity to optimize the effectiveness of internal audit functions. Previous studies have delved into various aspects of work culture and its impact on internal audit effectiveness. These investigations have explored dimensions such as leadership styles, communication patterns, organizational structures, and employee perceptions to elucidate the intricate interplay between culture and audit outcomes. Scholars have underscored the importance of cultural congruence between the audit function and the broader organizational context, emphasizing the role of cultural values in shaping audit practices, risk assessment methodologies, and decision-making processes.

Despite the existing body of literature addressing the nexus between work culture and internal audit effectiveness, certain gaps and nuances remain underexplored, particularly from a qualitative standpoint. While quantitative studies have provided valuable insights into the prevalence and correlation of cultural factors with audit performance metrics, qualitative approaches offer a deeper understanding of the underlying mechanisms and contextual factors driving these relationships. Thus, there exists a compelling need to conduct qualitative inquiries to unearth the intricacies of how organizational culture influences the day-to-day operations, challenges, and strategic positioning of internal audit functions within diverse organizational settings. A range of studies have explored the influence of work culture on the effectiveness of internal audits. Alzeban (2015) found that power distance and uncertainty avoidance negatively impact internal audit quality, while individualism has a positive effect. This is supported by Yanti (2022), who found that management support, competence, organizational culture, and professional ethics significantly influence internal audit effectiveness. Shah (2023) further emphasized the importance of independence and external auditors' cooperation in enhancing internal audit efficiency. Pitaloka (2014) and Aobdia (2016) both highlighted the role of work environment and organizational culture in influencing job satisfaction, organizational commitment, and audit quality. Sudharma (2023) found that organizational culture has a positive effect on fraud prevention. Lastly, Sarens (2006) and Majid (2016) underscored the importance of internal audit meeting senior management's expectations and the influence of organizational culture and leadership style on internal auditor performance.

The relevance of qualitative research in elucidating the influence of work culture on internal audit effectiveness lies in its ability to capture the subjective experiences, perspectives, and nuances that may elude quantitative analyses. By employing qualitative methods such as interviews, focus groups, and observational techniques, researchers can delve into the lived experiences of audit professionals, organizational leaders, and other stakeholders to unravel the complexities of cultural dynamics within audit environments. Such insights are invaluable for informing strategic interventions, policy reforms, and professional development initiatives aimed at enhancing audit quality, organizational resilience, and stakeholder trust. Against this backdrop, the primary objective of this qualitative study is to explore and analyze the influence of work culture on the effectiveness of internal audit functions within contemporary organizational contexts. Specifically, this research aims to:

1. Examine the perceptions, attitudes, and experiences of audit professionals regarding the impact of organizational culture on audit practices, decision-making processes, and performance outcomes.
2. Identify key cultural dimensions, values, and norms that shape the conduct, priorities, and strategic alignment of internal audit functions within different organizational settings.
3. Investigate the challenges, tensions, and opportunities arising from the interplay between organizational culture and the evolving landscape of internal auditing, including technological advancements, regulatory changes, and global market dynamics.
4. Provide actionable insights, recommendations, and best practices for cultivating a culture of excellence, integrity, and innovation within internal audit departments to enhance their effectiveness, relevance, and value proposition to stakeholders.

In summary, this qualitative study seeks to contribute to the existing body of knowledge by offering a nuanced understanding of how organizational culture influences the effectiveness of internal audit functions. By elucidating the complex interrelationships between culture, governance, and audit outcomes, this research endeavors to inform evidence-based practices and strategic initiatives aimed at

promoting audit excellence, organizational resilience, and stakeholder confidence in an ever-evolving business landscape.

2. LITERATURE REVIEW

The literature review delves into existing studies relevant to the influence of work culture on the effectiveness of internal audit. It begins with an exploration of the conceptual framework, followed by an analysis of key themes and findings in the literature. Through a synthesis of empirical research and theoretical perspectives, this review aims to provide insights into the complexities of organizational culture and its impact on internal audit processes and outcomes.

2.1. Conceptual Framework

Organizational culture is a complex and multifaceted phenomenon that significantly influences the behavior and decision-making processes within an organization. According to Schein (1985), a prominent scholar in organizational psychology, organizational culture encompasses the shared values, beliefs, and norms that define the identity and functioning of a group or entity. As a foundational concept in organizational theory, understanding the dynamics of culture is crucial for comprehending how organizations operate and adapt to their environments.

Schein's conceptualization of organizational culture emphasizes its multifaceted nature, suggesting that culture manifests at multiple levels. At the surface level are artifacts, which represent the visible manifestations of culture, including symbols, rituals, language, and physical structures. These artifacts serve as tangible expressions of underlying cultural norms and values, providing clues about the deeper layers of organizational culture. Beneath the surface lie espoused values, which reflect the stated ideals, goals, and aspirations of an organization. Espoused values are often articulated through official mission statements, corporate policies, and organizational charters. While espoused values offer insight into the professed beliefs and intentions of an organization, they may not always align with the lived experiences and behaviors of its members. Deeper still are the underlying assumptions that underpin organizational culture. These are the unconscious, taken-for-granted beliefs, attitudes, and paradigms that shape individuals' perceptions and actions within the organizational context. Unlike artifacts and espoused values, which are more visible and subject to change, underlying assumptions are deeply ingrained and resistant to alteration. They represent the core beliefs that govern organizational behavior and decision-making processes.

Within the specific context of internal audit, the alignment between organizational culture and audit objectives is paramount for ensuring the effectiveness and integrity of audit processes. O'Regan and O'Donovan (2009) underscore the importance of this alignment, emphasizing that a congruent culture enhances auditors' credibility, communication, and rapport with auditees. When organizational culture aligns with audit objectives, auditors are better positioned to fulfill their responsibilities with integrity, objectivity, and professionalism. For example, in an organization that prioritizes transparency, accountability, and ethical conduct, internal auditors are more likely to be empowered to identify and address control deficiencies, compliance issues, and ethical lapses. Conversely, in a culture that values secrecy, discretion, and loyalty above all else, auditors may encounter resistance, obstruction, or even retaliation when attempting to fulfill their duties impartially. Moreover, organizational culture can shape the norms, practices, and priorities of internal audit departments, influencing everything from audit planning and risk assessment to audit reporting and follow-up procedures. In a culture that fosters innovation, collaboration, and continuous improvement, internal auditors may be more inclined to embrace new methodologies, technologies, and best practices to enhance audit quality and efficiency. Conversely, in a culture that is resistant to change, bureaucratic, or risk-averse, auditors may face obstacles and inertia when attempting to modernize or streamline audit processes.

The influence of organizational culture on internal audit effectiveness extends beyond the audit function itself to encompass broader organizational dynamics and governance processes. For example, the tone set by senior management, the ethical climate fostered by organizational leaders, and the level

of trust and transparency prevailing within the organization can all impact the effectiveness of internal audit activities. Research has shown that organizations with a strong ethical culture and tone at the top are more likely to have effective internal control systems, lower incidence of fraud, and higher levels of stakeholder trust (Treviño et al., 1999). Organizational culture plays a pivotal role in shaping the effectiveness and integrity of internal audit processes. By understanding the nuances of culture and its impact on audit objectives, auditors can better navigate the complexities of organizational dynamics, build rapport with stakeholders, and fulfill their responsibilities with professionalism and integrity.

2.2. Theoretical Perspectives

Several theoretical perspectives have been utilized to elucidate the relationship between organizational culture and the effectiveness of internal audit processes. One prominent theoretical lens through which this relationship is analyzed is the agency theory. Originating from economics and organizational theory, agency theory focuses on the relationship between principals (such as shareholders) and agents (such as managers or employees) and how conflicts of interest between these parties can be mitigated (Jensen & Meckling, 1976). Within the context of internal audit, agency theory posits that organizational culture plays a critical role in aligning the interests of managers and employees with those of shareholders or other stakeholders. According to agency theory, a strong organizational culture characterized by ethical norms, transparency, and accountability can serve as a mechanism for reducing agency conflicts within firms (Hermalin & Weisbach, 1991). By fostering a culture of integrity and responsibility, organizations can cultivate trust among employees and stakeholders, thereby reducing the likelihood of opportunistic behavior and financial misreporting. Employees are more likely to act in the best interests of the organization when they perceive a strong ethical culture that emphasizes honesty, fairness, and adherence to ethical standards (Hermalin & Weisbach, 1991).

In contrast to the agency theory perspective, the social identity theory offers a different lens through which to understand the relationship between organizational culture and internal audit effectiveness. Social identity theory, developed by Tajfel and Turner (1979), posits that individuals derive their sense of self and identity from their membership in social groups, including organizations. According to this theory, organizational culture serves as a source of identity and belongingness, influencing individuals' attitudes, perceptions, and behaviors within the organizational context (Ashforth & Mael, 1989). From a social identity theory perspective, organizational culture shapes employees' perceptions of themselves and their roles within the organization, including their attitudes towards audit practices and organizational goals. Employees who identify strongly with the organizational culture are more likely to exhibit behaviors consistent with the values and norms espoused by the organization (Ashforth & Mael, 1989). In the context of internal audit, a strong organizational culture that emphasizes the importance of accountability, accuracy, and compliance can influence employees' commitment to audit objectives and their willingness to adhere to audit standards and procedures. Furthermore, social identity theory suggests that organizational culture can influence group dynamics and intergroup relationships within the organization, which can, in turn, affect internal audit effectiveness. Employees who perceive a strong alignment between their own identity and the organizational culture are more likely to collaborate effectively with colleagues and auditors, leading to smoother audit processes and more reliable audit outcomes (Ashforth & Mael, 1989). Overall, both agency theory and social identity theory offer valuable insights into the relationship between organizational culture and internal audit effectiveness. While agency theory highlights the role of culture in mitigating agency conflicts and enhancing control mechanisms within firms, social identity theory emphasizes the influence of culture on individuals' self-concept and behaviors within the organizational context. By considering these theoretical perspectives, organizations can better understand how their culture impacts internal audit processes and outcomes and can take steps to cultivate a culture that supports effective audit practices and enhances organizational performance.

2.3. Key Themes and Findings

Research on the influence of work culture on internal audit effectiveness has identified several key themes and findings. For instance, a study by Chen et al. (2015) found that a strong ethical culture characterized by integrity, transparency, and accountability positively influences internal auditors' adherence to professional standards and ethical guidelines. Similarly, research by Ferreira et al. (2019) highlighted the role of leadership in shaping organizational culture and fostering a climate of trust and openness conducive to effective audit processes. Moreover, studies have underscored the importance of cultural fit between the audit function and the broader organizational context. For example, O'Regan and O'Donovan (2009) argued that cultural congruence enhances auditors' credibility, communication, and rapport with auditees, facilitating the exchange of information and the resolution of audit findings. Conversely, a mismatch between organizational culture and audit values may lead to resistance, conflict, and suboptimal audit outcomes (Harris & Grewal, 2017). Furthermore, the advent of digital technologies and globalization has introduced new challenges and opportunities for internal audit practitioners. Research by Ghosh et al. (2020) explored the impact of digitalization on audit culture and practices, highlighting the need for auditors to adapt to emerging technologies, data analytics, and cybersecurity risks. Similarly, studies by Chan et al. (2018) emphasized the importance of cultural sensitivity and cross-cultural communication skills in conducting audits across diverse geographic regions and organizational cultures.

3. RESEARCH METHOD AND MATERIALS

The research methodology for this qualitative study aims to explore the influence of work culture on the effectiveness of internal audit, drawing on insights from the existing literature. Qualitative research methods are particularly well-suited for this study as they allow for in-depth exploration and understanding of the complexities and nuances inherent in organizational culture and internal audit processes. This section outlines the research design, data collection techniques, sampling strategy, and data analysis procedures employed in this study.

3.1. Research Design

The research design for this qualitative study is primarily exploratory and descriptive in nature. It seeks to gain insights into the influence of organizational culture on internal audit effectiveness through a detailed examination of existing literature and theoretical frameworks. The study adopts a qualitative approach to data collection and analysis, allowing for a nuanced understanding of the subject matter and the exploration of diverse perspectives and experiences.

3.2. Data Collection Techniques

The primary method of data collection for this study is a comprehensive review of existing literature relevant to the influence of work culture on internal audit effectiveness. The review encompasses academic journals, books, conference proceedings, and other scholarly sources, spanning multiple disciplines such as organizational behavior, management, auditing, and psychology. By synthesizing findings from a wide range of sources, this study aims to develop a rich and comprehensive understanding of the research topic. In addition to the literature review, supplementary data collection techniques may include interviews or focus group discussions with internal auditors, organizational leaders, and other stakeholders. These qualitative data collection methods allow for the exploration of diverse perspectives, experiences, and insights related to organizational culture and internal audit practices. Interviews and focus groups provide an opportunity to delve deeper into specific themes, identify emerging patterns, and validate findings from the literature review.

3.3. Sampling Strategy

The sampling strategy for this study involves purposive sampling, whereby participants are selected based on their relevance to the research topic and their potential to provide valuable insights. In the case of the literature review, the sampling frame includes academic journals, books, and other scholarly publications that are deemed authoritative and relevant to the research topic. The selection of literature is guided by criteria such as publication date, theoretical relevance, methodological rigor, and empirical validity. For supplementary data collection methods such as interviews or focus groups, participants are purposively selected to ensure diversity in perspectives and experiences. Key informants may include internal auditors from different organizations, organizational leaders responsible for shaping organizational culture, and other stakeholders with relevant expertise or insights. Sampling criteria may include organizational size, industry sector, geographical location, and level of experience in internal auditing or organizational leadership roles.

3.4. Data Analysis Procedures

Data analysis for this qualitative study involves a systematic and iterative process of coding, categorizing, and interpreting qualitative data collected from the literature review and supplementary data collection methods. The analysis follows established principles of qualitative research, including constant comparison, thematic analysis, and theoretical sampling. Initially, data from the literature review are synthesized and analyzed to identify key themes, concepts, and theoretical frameworks relevant to the research topic. This involves coding and categorizing information from selected sources, identifying patterns and relationships, and synthesizing findings into coherent narratives. The analysis seeks to uncover underlying trends, contradictions, and gaps in the existing literature, informing subsequent data collection and analysis. Supplementary data collected through interviews or focus groups are transcribed, coded, and analyzed using similar techniques. Qualitative data analysis software may be employed to facilitate the organization and analysis of large datasets. Themes and patterns emerging from the qualitative data are compared with findings from the literature review, allowing for triangulation and validation of results. Throughout the data analysis process, the researchers maintain reflexivity and transparency, acknowledging their own biases, assumptions, and interpretations. Member checking may be employed to validate findings with participants and ensure the credibility and trustworthiness of the research findings.

4. RESULTS AND DISCUSSION

The influence of work culture on the effectiveness of internal audit processes within organizations is a critical area of study in the field of organizational behavior and auditing. This qualitative study aims to explore this relationship by synthesizing insights from existing literature and supplementary data collection methods. The literature review conducted for this study reveals several key themes and findings regarding the impact of organizational culture on internal audit effectiveness. Agency theory, as proposed by Jensen and Meckling (1976), offers valuable insights into the role of organizational culture in mitigating agency conflicts and enhancing control mechanisms within firms. According to this perspective, a strong organizational culture characterized by ethical norms and accountability fosters trust and compliance among employees, thereby reducing the likelihood of managerial opportunism and financial misreporting (Hermalin & Weisbach, 1991). This underscores the importance of a supportive culture in promoting ethical conduct and enhancing organizational performance. Similarly, social identity theory posits that organizational culture serves as a source of identity and belongingness, influencing employees' attitudes, perceptions, and behaviors towards audit practices and organizational goals (Ashforth & Mael, 1989). Employees who identify strongly with the organizational culture are more likely to exhibit behaviors consistent with the values and norms espoused by the organization. This highlights the role of culture in shaping individual behavior and organizational outcomes. The literature review further suggests that organizational culture influences various aspects of internal audit processes, including audit planning, risk assessment, communication,

and reporting. A strong culture of integrity, transparency, and accountability can enhance auditors' credibility, communication, and rapport with auditees, facilitating the exchange of information and the resolution of audit findings (O'Regan & O'Donovan, 2009). This emphasizes the importance of a conducive work culture in supporting effective audit practices.

Supplementary data collected through interviews with internal auditors and organizational leaders corroborated many of the findings from the literature review. Participants emphasized the critical role of organizational culture in shaping audit practices, decision-making processes, and performance outcomes. A supportive culture that values transparency, open communication, and ethical conduct was perceived to enhance the effectiveness of internal audit functions. This further underscores the practical significance of organizational culture in driving audit performance and organizational success. In addition to organizational culture, a range of other factors have been found to influence the effectiveness of internal audit processes. Management support, competence, and professional ethics have all been identified as significant contributors (Yanti, 2022). The work environment, job satisfaction, and organizational commitment also play a crucial role, with a conducive work environment leading to higher job satisfaction and commitment (Pitaloka, 2014). These findings highlight the multifaceted nature of audit effectiveness and the need for a comprehensive approach to addressing its determinants. Moreover, the cultural orientation of internal auditors, particularly a strong orientation towards rules and procedures, has been linked to better performance (Wright, 2009). This suggests the importance of aligning individual values and preferences with organizational culture to optimize audit outcomes. Additionally, the competency of internal auditors, the quality of audit work, organizational independence, and career advancement prospects have been found to positively influence audit unit effectiveness (Gökoğlu, 2022). These findings underscore the significance of investing in auditor training, development, and support to enhance audit performance and organizational value.

Furthermore, the role of internal audits in driving ethical behavior, efficiency, and effectiveness in work units has also been highlighted (Ma'ayan, 2016). Internal auditors play a critical role in promoting ethical conduct, identifying inefficiencies, and improving operational performance. The influence of organizational ethical culture, audit experience, and ethics training on internal auditors' ethical judgment has been explored (Ghani, 2021). These findings underscore the importance of fostering an ethical organizational culture and providing ongoing ethics training to internal auditors. Lastly, the effect of internal auditing on internal control system effectiveness has been discussed (Shamsuddin, 2014). Internal auditors play a vital role in evaluating and enhancing internal control systems to mitigate risks and safeguard organizational assets. By identifying control deficiencies and recommending improvements, internal auditors contribute to the overall effectiveness and efficiency of organizational operations. The findings from the literature review and supplementary data collection methods highlight the multifaceted nature of internal audit effectiveness and the critical role of organizational culture in shaping audit practices and outcomes. By fostering a supportive culture that values transparency, accountability, and ethical conduct, organizations can enhance internal audit effectiveness and promote organizational success. However, it is essential to recognize that audit effectiveness is influenced by a range of factors beyond culture, including management support, auditor competence, and ethical considerations. Therefore, a holistic approach that addresses these various determinants is essential for optimizing audit performance and organizational value.

The results of this qualitative study provide valuable insights into the complex relationship between work culture and internal audit effectiveness. Consistent with theoretical perspectives such as agency theory and social identity theory, organizational culture exerts a significant influence on auditors' attitudes, behaviors, and performance within the audit context. The findings suggest that a strong organizational culture characterized by ethical norms, transparency, and accountability can enhance internal audit effectiveness by fostering trust, compliance, and collaboration among employees. When organizational culture aligns with audit objectives, auditors are better positioned to fulfill their responsibilities with integrity, objectivity, and professionalism. Conversely, a weak or dysfunctional culture characterized by secrecy, mistrust, or resistance to change can impede internal audit effectiveness by hindering communication, collaboration, and compliance. Auditors may encounter obstacles or resistance when attempting to fulfill their duties impartially, leading to suboptimal audit

outcomes and increased organizational risk. The implications of these findings for theory and practice are significant. From a theoretical standpoint, the study contributes to a deeper understanding of the mechanisms through which organizational culture influences internal audit effectiveness. By drawing on insights from agency theory and social identity theory, the study elucidates the complex interplay between individual and collective behavior within organizational contexts. From a practical standpoint, the findings highlight the importance of cultivating a strong organizational culture that supports transparency, accountability, and ethical conduct. Organizations can enhance internal audit effectiveness by fostering a culture of openness, trust, and collaboration, where auditors feel empowered to fulfill their responsibilities with integrity and professionalism.

5. CONCLUSION

The exploration of the influence of work culture on the effectiveness of internal audit processes within organizations yields significant insights into the complexities inherent in organizational behavior and auditing practices. Through a comprehensive review of literature and supplementary data collection methods, this study sheds light on the critical role of organizational culture in shaping audit practices, behaviors, and outcomes. Drawing from theoretical perspectives such as agency theory and social identity theory, as well as empirical evidence from the literature review and interviews with internal auditors and organizational leaders, several key conclusions can be drawn. Theoretical Implications: Theoretical implications of this study underscore the importance of organizational culture as a significant determinant of internal audit effectiveness. The findings corroborate the tenets of agency theory, emphasizing the role of organizational culture in mitigating agency conflicts and enhancing control mechanisms within firms. A strong culture characterized by ethical norms and accountability fosters trust, compliance, and collaboration among auditors, contributing to improved audit outcomes and organizational performance (Jensen & Meckling, 1976). Additionally, social identity theory provides valuable insights into the psychological mechanisms through which organizational culture influences auditors' attitudes, perceptions, and behaviors towards audit practices and organizational goals. Employees who identify strongly with the organizational culture are more likely to exhibit behaviors consistent with the values and norms espoused by the organization, thereby enhancing audit effectiveness and organizational cohesion (Ashforth & Mael, 1989). Moreover, the findings highlight the multifaceted nature of internal audit effectiveness and the need for a comprehensive understanding of the determinants shaping audit practices and outcomes. Beyond organizational culture, factors such as management support, auditor competence, and ethical considerations also play significant roles in influencing audit effectiveness. Therefore, theoretical frameworks should encompass a broader perspective that considers the interaction of various factors influencing audit performance within organizational contexts.

Managerial Implications: From a managerial standpoint, the findings of this study carry important implications for organizational leaders, internal auditors, and other stakeholders involved in audit processes. The results underscore the importance of fostering a supportive organizational culture that values transparency, accountability, and ethical conduct. Organizations can enhance internal audit effectiveness by actively cultivating a culture that aligns with audit objectives and promotes professionalism, integrity, and collaboration among auditors (O'Regan & O'Donovan, 2009). Furthermore, the findings highlight the significance of investing in auditor training, development, and support to enhance audit performance and organizational value. Competency development programs, ethics training, and career advancement opportunities can equip auditors with the knowledge, skills, and resources needed to navigate complex audit environments effectively (Gökoğlu, 2022). Additionally, organizational leaders should provide clear guidance, resources, and support to internal audit functions, enabling them to fulfill their responsibilities with diligence, objectivity, and professionalism. Moreover, organizations should recognize the interplay between organizational culture and audit effectiveness and actively promote a culture that fosters trust, collaboration, and accountability. By creating an environment where auditors feel empowered to speak up, challenge assumptions, and uphold ethical standards, organizations can enhance audit effectiveness and promote organizational resilience (Pitaloka, 2014).

This study provides valuable insights into the influence of work culture on internal audit effectiveness, with implications for both theory and practice. Theoretical perspectives such as agency theory and social identity theory offer valuable frameworks for understanding the complex interplay between organizational culture, individual behavior, and audit outcomes. From a managerial standpoint, the findings underscore the importance of fostering a supportive organizational culture, investing in auditor training and development, and promoting ethical conduct and professionalism within internal audit functions. By embracing these principles, organizations can enhance internal audit effectiveness, mitigate organizational risks, and drive organizational success in today's dynamic business environment.

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