

Evaluation of the Quality of the Internal Auditing Position in the Public Sector in Saudi Arabia: An Applied Study

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The Saudi Institute of Internal Auditors aims at developing the position of (the status and effectiveness) internal auditing in Saudi Arabia. One goal of the Institute is to provide the international internal auditing criteria, ethics and other relevant guidelines pertaining to internal auditing, as issued by the International Institute for Internal Auditing. This paper investigates whether the professional and legislative efforts in this regard have been well founded and successful. The professional and legislative efforts are, by nature, theoretical, and thus stop short of achieving the desired results which can only be achieved by putting the innovation efforts into practice. This study aims at elucidating the degree of implementation of these innovations by examining the perceptions of the directors of internal auditing departments in the Saudi public sector. The findings suggest that there is a lack of independence of the internal audit functions at public sector units, as well as a dearth of professionalism which may have a negative effect on the quality of the internal auditing function. This may hinder external auditors' job when reviewing financial reporting. The results also point to some of the challenges relating to auditing that the Saudi public sector may face in future.