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**The impact of the Code of Professional Conduct for Internal Auditors on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during** **Covid-19 pandemic**

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**Abstract**: The study aimed to identify the impact of the Code of Professional Conduct for Internal Auditors on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, the sample of the study, which was chosen by method of randomly sample, consisted of 50 employees from the internal audit department employees in the banks listed in the Palestine Stock Exchange. A descriptive approach has been implemented to achieve the study’s objectives. In addition, a questionnaire was designed to fit the purpose of the study.

The results indicated that there is a high impact of the attributes Integrity, Objectivity, Confidentiality, Competency on the Effectiveness of Internal Auditing units. This comes in terms of the overall arithmetic mean of 4.07 and the overall standard deviation of 0.41 and is impact significant. The study recommended that it is necessary to strengthen the ethical environment and its principles in the work of internal audit units in banks because of their great impact on achieving goals during crises, especially at the Covid-19pandemic.

**Keywords:** Internal audit unit, banks listed on the Palestine Stock Exchange, Code of Professional Conduct, Covid-19 pandemic.

1. **Introduction:**

Internal audit plays a vital role in improving operational performance and identifying the main risk factors by identifying current and future strengths and weaknesses and finding possible opportunities to improve or develop them. The role of the internal auditor is to ensure that the risk management, governance, and internal control processes operate effectively and implement all the objectives, policies, procedures, and plans approved by senior management in their annual plans, identify potential threats that may affect their profitability, and provide the necessary suggestions to mitigate risks and threats and identify areas that can be making improvements in it [1].

Therefore, we care about all institutions of internal audit units, including banks, by laying down several pillars for them, the most important of which are the ethical principles and rules that are necessary for the internal audit activity, considering that the internal audit profession is based mainly on confidence in its objective assertion regarding risk management, control and governance, and breaching the rules of ethics of the profession is considered as unacceptable behaviour, it will be evaluated and acted upon in by the laws and administrative regulations in force the institutions, and reflect all Palestinians economy [2].

During Covid-19pandemic, the internal audit profession has transformed from being a tool for internal control to become more comprehensive than this traditional concept, with the predictive information they provide that contribute to the prediction of risks that may hinder the company’s achievement of its goals and no doubt that achieving this will help companies face risks. Unexpected ones, such as Covid-19epidemic, and trying to deal with it in a way that reduces the size of losses and costs resulting from what it imposes on the environment and working conditions that differ fundamentally from what was followed previously [3].

Where institutions seek to improve performance by strengthening the work ethics system, which in turn reflects on the growth of society. Therefore, some internal auditors may not adhere to the ethics of the profession, which leads to weak confidence of the public and beneficiaries of services, and consequently to the loss of a lot of objectivity and position in society. The possibility that the principles and rules of ethics for the internal audit profession will not have an impact on the effectiveness of internal auditing units in the banks listed on the Palestine Stock Exchange during Covid-19pandemic, given that the ethical principles of the internal audit profession are expectations that govern the behaviour of individuals and institutions in the context of conducting internal audit work, as shown by the limit minimum requirements and behavioural expectations, not specific activities, there is need for this study to answer the main study question:

Is there an Impact Code of Professional Conduct for Internal Auditors on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic?

Therefore, this study will be implemented to examine the impact of each of the attributes of (integrity, objectivity, confidentiality, Competency) on the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during Covid-19pandemic to enhance the strengths of these units and address the weaknesses that exist in them to advance their work and achieve the purpose of Its presence, and to identify the factors that affect the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during Covid-19pandemic.

The research derives its significance from the importance of the internal audit activity in the business environment, especially the banks listed on the Palestine Stock Exchange during crises and instability, given the effective role it plays in achieving the goals it seeks. And the extent of its impact on the profession’s achievement of its objectives in the banks listed on the Palestine Stock Exchange during Covid-19pandemic, it's also contributing to increased interest in the ethical environment in banks by decision-makers.

1. **Literature Review:**

The researchers dealt with previous studies that dealt with the subject of the study, and those studies can be summarized as follows:

Study [4] aimed to examine the effect of competence, objectivity, independence on the effectiveness of internal audit with management support as moderating variables and showed that competence, objectivity, and independence significantly affect the effectiveness of the audit internal, as well a study [5] is to aim at the impact of auditor’s competency, integrity, and ethics on audit quality from the perceptions of auditors. and the findings showed that the attributes of competence, integrity, and ethics have a significant impact on audit quality, while the study [6] showed Internal audit effectiveness in steel enterprises in Vietnam is influenced by various internal factors, including the size of internal audit, the scope of internal audit, the capacity of internal auditors, the independence of the internal auditor, and the operational base and methods of internal audit.

However, the study [7] purposed was determine the purpose of integrity, objectivity, moral courage on the effectiveness of the internal audit. The result of the research indicated resources significantly influenced the effectiveness of internal audit and moral courage that significantly influenced the effectiveness of internal audit, while a study [8] revealed that internal auditor's integrity has a positive and significant effect on internal audit effectiveness of government departments.

also, the study [9] The purpose to investigate the effects of internal audit independence and objectivity on internal audit effectiveness in the Malaysian context, and the findings revealed that internal audit independence was positively affecting internal audit effectiveness. However, the effect of internal audit objectivity does not appear in the relationship with internal audit effectiveness.

While dealing with the study [10] which was entitled "The effect of internal auditor competence and objectivity, and management support on the effectiveness of internal audit function and financial reporting quality implications at local government" which aimed to examine the effect of the internal auditor competence and objectivity, and management support on the effectiveness of the internal audit function, and it showed that the internal auditor competence and objectivity, and management support have significant influence to the effectiveness of the internal audit function, which increase sustainability and gaining increasing attention among different stakeholder groups [11].

**Commenting on previous studies:**

By presenting and analyzing some of the previous studies, it is possible to monitor the similarities and differences between them and this study, the aspects of benefiting from them, the most important thing that distinguishes this study from it, and explaining that as follows:

a. This study participated with many previous studies in its handling issue of principles and rules of professional conduct, its use of the descriptive approach, and the questionnaire as a tool for collecting information.

B. The researchers will benefit from the previous studies in several aspects, including choosing the study method used, building the study tool, the theoretical framework, the type of statistical treatments, and discussing and analyzing the results.

T. But what distinguishes the current study is that it is the first attempt to study the impact of the principles and rules of ethics for the internal audit profession on the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during Covid-19pandemic, which is more important to adhere to ethics in times of crises than in normal circumstances, and study of independent variables related to the principles and rules of code professional ethics issued by the Institute of Internal Auditors.

1. **Research Framework and development hypothesis:**

**Integrity**

**Objectivity**

**Confidentiality**

**Competency**

**Independent Variables Dependent Variable**

**Fig. 1. The Research Framework**

**Independent Variables**: It was built according to instructions No. (10) of 2017 regarding the guide to rules and best practices for bank governance in Palestine, the principles of professional ethics issued by the Institute of Internal Auditors (2017), and from the researcher's suggestion that he works in this field.

* **Study concepts:**

**The Effectiveness Internal Audit:** is the ability of IA to achieve specified goals in monitoring and improving internal control, risk management and governance process that contributes to creating added value for businesses. IA does not only play an important role in audited units but also the whole organization, It helps senior managers fulfil their governance responsibilities, allows the harmonization of stakeholders’ interests and increases the efficiency of the overall businesses [6].

**Code of Ethics**: The Code of Ethics is a statement of principles and expectations governing the behaviour of individuals and organizations in the conduct of internal auditingPrinciples from the Code of Ethics: [12].

1**. Integrity**: The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.

2. **Objectivity**: An unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others.

3. **Confidentiality**: Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

4. **Competency**: Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.

The framework of the research illustrates the association between the dependent variable and explanatory variables of the study, it depicts those four factors that may influence the effectiveness of internal auditing units.

The independent variables are Integrity, Objectivity, Confidentiality, Competency while the dependent variable is the effectiveness of internal auditing units. Four hypotheses were developed to measure the effect of the Code of Professional Conduct for Internal Auditors on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

H: The auditor´s the Code of Professional Conduct for Internal Auditors has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

From the main hypothesis ramify the following hypotheses:

H1: The auditor´s Integrity has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

H2: The auditor´s Objectivity has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

H3: The auditor´s Confidentiality has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

H4: The auditor´s Competency has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

4. **Methodology:**

**4.1 Study Methodology:**

The method used is the descriptive approach. At the level of the descriptive approach, a desk survey was conducted, and a review of Arab and foreign research, studies and theoretical and field research was conducted to crystallize the foundations and premises on which the theoretical framework is based and to stand on the most important previous studies that represent a vital tributary in the study. A questionnaire was used, which was prepared based on the theoretical literature of previous studies and based on standards developed by many researchers and in a manner that suits the existing environment in the banks listed on the Palestine Exchange, intending to collect primary data and testing hypotheses.

**4.2 The study population:**

The study population consists of (55) employees of the Internal Audit Department in the banks listed on the Palestine Exchange, which are: Bank of Palestine, Palestine Islamic bank, Arab Islamic bank, Palestine investment bank, The national bank, Quds bank.

**4.3 The study sample and the demographic characteristics of the study sample members**:

According krejcie and Morgan method [13] researchers had selected 50 employees from the internal audit department employees in the banks listed in the Palestine Stock Exchange and were selected randomly and systematically at a percentage of 90% of the total study population.

The data on the demographic characteristics of the study sample were analyzed using descriptive statistics indicators (frequencies, percentages), and the results were shown in Table No. (1) as follows:

Table (1): The demographic characteristics of the study sample

|  |  |  |  |
| --- | --- | --- | --- |
| **percentage%** | **frequency** | **Categories** | **variables** |
| 16 | 5 | Director of the Department | **Position** |
| 32 | 16 | Head of the Department |
| 52 | 29 | Internal Auditor |
| **100** | **50** | **Total** |
| 12 | 6 | Master's degree and above | **Educational Qualification** |
| 86 | 43 | Bachelor |
| 2 | 1 | Intermediate Diploma |
| **100** | **50** | **Total** |
| 32 | 16 | less than 5 years | **Years of Experience** |
| 52 | 26 | 5-15 years old |
| 16 | 8 | More than 15 years |
| **100** | **50** | **Total** |
| 20 | 10 | yes | **Obtaining Professional Certification in Auditing** |
| 80 | 40 | No |
| **100** | **50** | **Total** |

**4.4 The study tool and sources for obtaining data and information:**

To achieve the objectives of the study, the researchers developed a questionnaire to answer the study questions and test its hypotheses, the Data is collected through a self-designed English-Arabic questionnaire using Google online. The tool was developed concerning the relevant theoretical literature, and two main sources were used to collect information:

**Secondary Sources**: In addressing the theoretical framework of the study, the researcher used secondary data sources, which are related to foreign books and references, periodicals, articles, reports, research and previous studies that dealt with the subject of study, research and reading on various internet sites, and the researcher’s goal were to resort to secondary sources in the study, identifying the sound scientific foundations and methods in writing studies, as well as taking a general perception of the latest developments that occurred in the subjects of the study.

**Primary Sources**: To address the analytical aspects of the subject of the study, the primary data collection was resorted to through the questionnaire as the main tool for the study, which included several phrases that reflected the study objectives and questions to be answered by the respondents, and a five-dimensional Likert Scaling Method was used, so that each answer was taken relative importance.

The main study tool (the questionnaire) included three sections:

**The first section**: contains the demographic data of the study sample members through (4) variables: (position, educational qualification, years of experience, obtaining professional certification in auditing), to describe the characteristics of the study sample.

**The second section:** The measure of factors affecting the effectiveness of the internal audit units in the banks listed on the Palestine Exchange included four dimensions (integrity, objectivity, confidentiality, efficiency) across (15) paragraphs to measure.

**Third section:** The measure of the degree of effectiveness of the internal audit units in the banks listed on the Palestine Exchange included (4) items to be measured.

The response ranged from (1-5) according to the Five Likert Scale, as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Strongly Disagree | disagree | Neutral | Agree | Strongly Agree | answer alternatives |
| 1 | 2 | 3 | 4 | 5 | **Degree** |

Thus, the questionnaire (the study tool) in its final form consisted of (19) items on a five-point Likert scale.

**4.5 Data analysis:**

The result will be interpreted according to the following table:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Categories** | **More than 4.2** | **More than 3.4 and less than 4.2** | **More than 2.6 and less than 3.4** | **More than 1.8 and less than 2.6** | **Less than 1.8** |
| answer alternatives | Strongly Agree | Strongly Agree | Agree | Neutral | Strongly Disagree |
| significance | Very high | High | Average | Low | Very low |

**4.6: The Reliability of the study tool:**

The Reliability of the questionnaire means the stability of the results of the questionnaire and not changing them significantly if it was redistributed to individuals several times during certain periods. Cronbach's alpha can also be interpreted as the internal consistency coefficient between the answers, and its higher value indicates a higher degree of stability, and its value is acceptable at (60%) and above according to [14], where the stability coefficient of the tool is (91.3%). This indicates that the study tool has a high stability coefficient and its ability to achieve the objectives of the study.

1. **Descriptive Analysis:**

It shows through the analysis of the questionnaire:

1. The most important factors that affected the effectiveness of the internal audit units in the banks listed on the Palestine Exchange during Covid-19pandemic showed the following:

|  |  |  |  |
| --- | --- | --- | --- |
| **The factors** | **Mean** | **Std. Deviation** | **significance** |
| The auditor is obligated to respect the confidentiality of information obtained about the bank's business during Covid-19pandemic | 4.30 | 0.67 | 1 |
| The internal auditor is obligated not to be a party to any illegal activity that harms the profession of internal auditing or the bank during Covid-19pandemic. | 4.28 | 0.38 | 2 |
| The auditor is concerned not to use the information for his benefit or the benefit of a third party during Covid-19pandemic. | 4.26 | 0.63 | 3 |
| The internal auditor is keen not to engage in any activity that would misrepresent his impartial assessment during Covid-19 pandemic. | 4.24 | 0.55 | 4 |

1. Descriptive Analysis: for the attributes of the Code of Professional Conduct and the Effectiveness of Internal Auditing units:

 Table (2): Descriptive Analysis:

|  |  |  |
| --- | --- | --- |
| variables | Mean | Std. Deviation |
| Integrity | 4.03 | .389 |
| Objectivity | 4.13 | .504 |
| Confidentiality | 4.20 | .526 |
| competency | 3.94 | .597 |
| Code Of Conduct | 4.0721 | .41629 |
| effectiveness of Internal auditing | 4.10 | .492 |
|  |  |  |

 It shows in the table (2) that:

1. The attribute of Confidentiality has a high impact on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, followed by the attribute of Objectivity, then Integrity, and finally the factor competency.
2. The degree of Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic is high.
3. The Code of Professional Conduct for Internal Auditors has a high impact on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.
4. When looking at the figures for the standard Deviation, it indicates relative consistency between the opinions of all the samples, in the sense that the opinion of the sample is not dispersed.
5. **Hypothesis Testing:**

**H: The auditor´s the Code of Professional Conduct for Internal Auditors has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.**

To test the hypothesis, the researchers used Simple linear regression analysis:

Table (3): Simple linear regression analysis of the impact ofthe Code of Professional Conduct for Internal Auditorson the effectiveness of internal auditing units

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **variable** | **R** | **R Square** | **F Value** | **Sig** |
| **the Code of Professional Conduct for Internal Auditors** | 75% | 56.2% | 61.673 | 0.000 |

Table No. (3) shows that the Code of Professional Conduct for Internal Auditors

impact the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during

Covid-19pandemic, where the value of the correlation coefficient (R) was 0.75, and the impact of the code of conduct on the effectiveness of the internal auditing units In banks (0.562), which means that the variable the Code of Professional Conduct for Internal Auditors the independent was able to explain (56.2%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (43.8%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 61.673 is statistically significant at 95% confidence level and with a level of significance α≤0.05, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between the Code of Professional Conduct for Internal Auditors and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, which means rejecting the null hypothesis, and accept the alternative hypothesis.

Table (4): Estimating the relationship between variables according to Simple linear regression analysis:

|  |
| --- |
| **Coefficientsa** |
| **Model** | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | **(Constant)** | .489 | .462 |  | 1.058 | .295 |
| **Code of conduct** | .887 | .113 | .750 | 7.853 | .000 |
| a. Dependent Variable: EIA |

 Table (4) shows the value of the regression coefficient of the ability, and this can be summarized by the regression line equation:

**EIA= 0.489 + 0.887 code of conduct + e**

It also shows that the value of the code of conduct coefficient is 0.887, which means an increase in the value of the code of conduct by one unit leads to an increase of 0.887 units in the effectiveness of the internal auditing units in the banks listed in the Palestine Stock Exchange, and as it confirms the existence of a positive Impact code of the Code of Professional Conduct for Internal Auditors on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

**H1: The auditor´s Integrity has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.**

To test the hypothesis, the researchers used Simple linear regression analysis:

Table (5): Simple linear regression analysis of the impact of integrity on the effectiveness of internal auditing units

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **variable** | **R** | **R Square** | **F Value** | **Sig** |
| **Integrity** | 52.6% | 27.7% | 18.408 | 0.000 |

Table No. (5) shows that integrity impacts the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during Covid-19pandemic, where the value of the correlation coefficient (R) was 0526 and the impact of Integrity on the effectiveness of the internal auditing units In banks (0.277), which means that the variable integrity the independent was able to explain (27.7%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (72.3%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 18.408 is statistically significant at 95% confidence level and with a level of significance α≤0.05, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between integrity and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, which means rejecting the null hypothesis, and accepting the alternative hypothesis.

Table (6): Estimating the relationship between variables according to Simple linear regression analysis:

|  |
| --- |
| **Coefficientsa** |
| **Model** | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | **(Constant)** | 1.417 | .628 |  | 2.255 | .029 |
| **Integrity** | .667 | .155 | .526 | 4.290 | .000 |
| a. Dependent Variable: EIA |

 Table (6) shows the value of the regression coefficient of the ability, and this can be summarized by the regression line equation:

**EIA= 1.417 + 0.667 Integrity + e**

It also shows that an Integrity coefficient is 0.667, which means an increase in the value of the Integrity by one unit leads to an increase of 0.667 units in the effectiveness of the internal audit units in the banks listed in the Palestine Stock Exchange, and as it confirms the existence of a positive Impact of an Integrity on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

**H2: The auditor´s Objectivity has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.**

To test the hypothesis, the researchers used Simple linear regression analysis:

Table (7): Simple linear regression analysis of the impact of Objectivity on the effectiveness of internal auditing units

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **variable** | **R** | **R Square** | **F Value** | **Sig** |
| Objectivity | 70.6% | 49.9% | 47.721 | 0.000 |

Table No. (7) shows that an Objective impact the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during Covid-19pandemic, where the value of the correlation coefficient (R) was 0.706 and the impact of the Objectivity on the effectiveness of the internal auditing units In banks (0.499), which means that the variable objectivity the independent was able to explain (49.9%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (50.1%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 47.721 is statistically significant at 95% confidence level and with a level of significance α≤0.05, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between an Objectivity and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, which means rejecting the null hypothesis, and accepting the alternative hypothesis.

|  |
| --- |
| Table (8): Estimating the relationship between variables according to Simple linear regression analysis:**Coefficientsa** |
| **Model** | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | **(Constant)** | 1.249 | .416 |  | 3.005 | .004 |
| **Objectivity** | .690 | .100 | .706 | 6.908 | .000 |
| a. Dependent Variable: EIA |

Table (8) shows the value of the regression coefficient of the ability, and this can be summarized by the regression line equation:

**EIA= 1.249 + 0.690 Objectivity + e**

It also shows that an Objectivity coefficient is 0.690, which means an increase in the value of the Objectivity by one unit leads to an increase of 0.690 units in the effectiveness of the internal audit units in the banks listed in the Palestine Stock Exchange, and as it confirms the existence of a positive Impact of an Objectivity on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

**H3: The auditor´s Confidentiality has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.**

To test the hypothesis, the researchers used Simple linear regression analysis:

Table (9): Simple linear regression analysis of the impact of Confidentiality on the effectiveness of internal auditing units

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **variable** | **R** | **R Square** | **F Value** | **Sig** |
| **Confidentiality** | 64.3% | 41.3% | 33.803 | 0.000 |

 Table No. (9) shows that the Confidentiality

impact the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during Covid-19pandemic, where the value of the correlation coefficient (R) was 0.643 and the impact of the Confidentiality on the effectiveness of the internal auditing units in banks (0.413), which means that the variable a Confidentiality

the independent was able to explain (41.3%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (58.7%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 33.803 is statistically significant at 95% confidence level and with a level of significance α≤0.05, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between the Confidentiality and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, which means rejecting the null hypothesis, and accepting the alternative hypothesis.

Table (10): Estimating the relationship between variables according to Simple linear regression analysis:

|  |
| --- |
| **Coefficientsa** |
| **Model** | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | (Constant) | 1.574 | .438 |  | 3.596 | .001 |
| Confidentiality | .602 | .104 | .643 | 5.814 | .000 |
| a. Dependent Variable: EIA |

Table (10) shows the value of the regression coefficient of the ability, and this can be summarized by the regression line equation:

**EIA= 1.574 + 0.602 Confidentiality + e**

It also shows that a Confidentiality coefficient is 0.602, which means an increase in the value of the Confidentiality by one unit leads to an increase of 0.602 units in the effectiveness of the internal auditing units in the banks listed in the Palestine Stock Exchange, and as it confirms the existence of a Positive Impact of a Confidentiality on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

**H4: The auditor´s Competency has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.**

To test the hypothesis, the researchers used Simple linear regression analysis:

Table (11): Simple linear regression analysis of the impact of Competency on the effectiveness of internal auditing units

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **variable** | **R** | **R Square** | **F Value** | **Sig** |
| Competency | 58.7% | 34.4% | 25.177 | 0.000 |

Table No. (11) shows that the Competency

impact the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during Covid-19pandemic, where the value of the correlation coefficient (R) was 0.587 and the impact of the Competency on the effectiveness of the internal auditing units in banks (0.344), which means that the variable a Competency

the independent was able to explain (34.4%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (65.6%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 25.177 is statistically significant at 95% confidence level and with a level of significance α≤0.05, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between the Confidentiality and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, which means rejecting the null hypothesis, and accepting the alternative hypothesis.

Table (12): Estimating the relationship between variables according to Simple linear regression analysis:

|  |
| --- |
| **Coefficientsa** |
| **Model** | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
|  | (Constant) | 2.197 | .383 |  | 5.731 | .000 |
| Competency | .484 | .096 | .587 | 5.018 | .000 |
| a. Dependent Variable: EIA |

Table (12) shows the value of the regression coefficient of the ability, and this can be summarized by the regression line equation:

**EIA= 2.197 + 0.484 Competency + e**

It also shows that a Competency coefficient is 0.484, which means an increase in the value of the Competency by one unit leads to an increase of 0.484 units in the effectiveness of the internal auditing units in the banks listed in the Palestine Stock Exchange, and as it confirms the existence of a Positive Impact of a Competency on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.

1. **Conclusion & Recommendations:**

This research was focuses primarily on the Code of Professional Conduct for internal auditors and the factors that affected the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic. Clearly, the Effectiveness of Internal Auditing is not primarily concerning auditing standards but the ethic of internal auditors, their Integrity, Objectivity, Confidentiality, Competency, and how they respond to the regulations of the professional review standards.

**By analyzing the answers to questionnaires and testing the hypotheses, the results can be summarized as follows:**

1. The auditor´s the Code of Professional Conduct for Internal Auditors has Significantly a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.
2. The auditor´s Integrity has Significantly a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, this result was similar to the studies [7], [8].
3. The auditor´s Objectivity has Significantly a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, this result was similar to the studies [3], [7], [10], but it is not similar to the study [9].
4. The auditor´s Confidentiality has Significantly positive influenced the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic.
5. The auditor´s Competency has Significantly a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, this result was similar to the studies [3], [10].
6. The attribute of Confidentiality has a high impact on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during Covid-19pandemic, followed by the attribute of Objectivity, then Integrity, and finally the factor competency.
7. It showed that the most influential factor on the effectiveness of internal auditing units in banks during Covid-19 pandemic is (The auditor is obligated to respect the confidentiality of information obtained about the bank's business during Covid-19pandemic), followed by the factor (The internal auditor is obligated not to be a party to any illegal activity that harms the profession of internal auditing or the bank during Covid-19 pandemic).

**The Result of this study is the basis for the following recommendations for banks in Palestine in the current context:**

1. Strengthen the potentials and capabilities of auditors through specialized training courses in the field of the Code of Professional Conduct for Internal Auditors.
2. Increasing the awareness of employees in the internal auditing units of the importance of obligation to the attributes of integrity and competency more during of crisis.
3. It is necessary to strengthen the ethical environment and its principles in the work of internal audit units in banks because of their great impact on achieving goals, during crises, especially at Covid-19pandemic.
4. Attention to developing the capabilities of employees in the internal audit units in banks and raising their competency.
5. Strengthening the independence of the internal audit unit in banks to increase the objectivity of the internal auditors, as it has a significant impact on the effectiveness of the unit's work.
6. Enhancing the values ​​of integrity among employees of the Internal Audit Unit through incentives and rewards.
7. **References:**

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