

## **STRESZCZENIE ROZPRAWY DOKTORSKIEJ W JĘZYKU ANGIELSKIM**

### **The summary of a doctoral dissertation**

#### **“Human capital and the effectiveness of internal audit”**

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#### **Keywords:**

internal audit effectiveness, human capital in internal audit, internal auditor, auditee, managers

#### **The content of the summary of the doctoral dissertation**

The dissertation examines the effectiveness of internal audit from the perspective of the human capital of its participants, i.e. internal auditors, auditees, and managers. The notion of internal audit is understood in the dissertation as defined by the Institute of Internal Auditors. The human capital of all three parties involved in internal audits is assumed to consist of their knowledge, skills, attitudes, and expectations. The parties have their distinct roles; while the main character in internal audit is the auditor, the recipients of audit results and those who are affected by them are also important. The three groups interact with each other and contribute their distinct perspectives on the organization and internal audit. Therefore, internal audit is by nature an interdisciplinary and social process. Despite the relatively large number of publications on the effectiveness of internal audit, its social context is rarely investigated.

**The main purpose of the dissertation** is to identify the human capital factors of internal audit effectiveness. The theoretical chapters are based on a systematic review of the literature (Polish and foreign). **The thesis of the dissertation** – the human capital of persons participating in internal audit determines its effectiveness – was formulated following an analysis of the relevant works and the results of the author’s preliminary research.

**The purpose of empirical research** was to identify and characterize the knowledge, skills, attitudes, and expectations surrounding internal audit and the human capital factors of its effectiveness indicated by the surveyed representatives of internal auditors, auditees and *managers*.

The author has formulated the following **research questions**:

RQ1: How do internal auditors, auditees and managers understand internal audit effectiveness?

RQ2: What factors make internal audit effective?

RQ3: What is the role of human capital in internal audit according to the respondents?

RQ4: What knowledge and skills of internal auditors, auditees, and managers make internal audit effective?

RQ5: What are the internal auditors', auditees' and managers' attitudes to internal audit and what do they expect of it?

The methodology of empirical research took advantage of qualitative research embedded in the interpretative paradigm and the idiographic approach. The theoretical inspiration for research was the contingency theory.

**The empirical research involved** the use of various data collection techniques, mostly interviews with internal auditors, auditees. and managers in public and private sectors (a total of 65 interviews). Empirical data were also obtained in the course of observations (direct non-participating) and by analysing the available data (documents made available by one internal audit cell and job offers for internal auditors). The analysis, interpretation, and processing of the research results, as well as inference, were performed in the grounded theory framework. The nature of the conducted research does not entitle to generalize the conclusions for the entire population of internal auditors, audited and managing the organization.

**The research has demonstrated that:**

- the literature tends to interpret the effectiveness of internal audit in terms of achieving its goals; in contrast, most respondents viewed internal audit effectiveness in terms of changes proposed by internal auditors, the weight attached to internal audit in the organization, or defined it as the opposite of ineffective internal audit (or internal auditors).
- the factors of effective internal audit are mainly attributed to human capital (as indicated by both the literature and empirical studies). The most important of them are tangible and intangible support from the management, auditees' and managers' understanding of internal audit, as well as relationships between the parties involved in the internal audit process.
- human capital is a complex but important aspect of internal audit mainly due to the nature of internal audit and its control function.

- the literature focuses on internal auditors' knowledge and skills while omitting the knowledge and skills of auditees and managers. However, empirical research shows that internal auditors are "as wise as those whom they audit" and that they view formal education as relatively less important. What makes an effective internal auditor is practical experience, skills (mainly social), and personality. The auditees do not have to know about internal more than they need to understand its nature and benefits, and to willingly cooperate with internal auditors.
- the internal audit literature dealing with the attitudes of internal auditors, auditees, and managers to internal auditing shows that among auditees and managers negative attitudes are most common. Similar results were obtained by the author. According to the survey participants, one of the reasons for this is a natural dislike of being controlled/audited.

**The results of the research** may help improve professional and organizational practices, as well as prompting further, scientific research in this field.

The dissertation is a **theoretical and empirical study**, which is reflected in its structure. The focus of Chapter 1 is on internal audit: its history, nature, objectives, functions, tasks and services, and organization. Also discussed are internal audit regulations in Poland. Chapter 2 considers the effectiveness of internal audit. It explains the concept of effectiveness per se, the essence of internal audit effectiveness, its determinants, and the ways of measuring and assessing it. Chapter 3 is devoted to human capital in internal audit. Chapter 4 presents the methodology of empirical research, states reasons for selecting the research problem and research methods, and describes the research procedure. Chapter 5 is an account of what the author learnt and saw while observing respondents. It is framed as a research report on the effectiveness of internal audit and the human capital of its participants. In Chapter 6, the research conclusions, recommendations for practice, and possible directions of future research are presented. It concludes with a description of the limitations of the study.