

# The role of internal audit, as one of the governance mechanisms, in improving the disclosure of social responsibility in the Sudanese banking sector.

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## Abstract:

The study aimed to show the importance of internal auditing and the extent of the interactive relationship between it in a way that improves voluntary disclosure of social responsibility. The researcher used the deductive approach in choosing the research problem and setting the scientific hypotheses, historical approach and also the statistics analysis that was dependable in the field study. The sample population of the study represented in accountants, financial reviewers and academics, the study concluded that the disclosure of audit reports and the degree of fluctuations to which the facility is exposed leads to predicting the extent of continuity of government agencies for their social responsibility. This study recommends the necessity of developing a guide for corporate governance mechanisms and standards in Sudan and developing and updating regulations and laws.

**Keywords:** Internal auditing, Scientific hypotheses, Statistics analysis



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## **Introduction:**

The emergence of the governance role of internal auditing as one of the most prominent modern trends in auditing that is used in all stages of the auditing process, which enables it to detect deviations and abuses and to report on the financial position and the true capabilities of the facility for its social responsibility, to be relied upon by the users of reports and financial statements in the voluntary disclosure of the extent of the facility's ability in the continuation of the business world or its failure, and since the business environment in Sudan is not isolated from all these developments, this study came to know The role of internal audit as one of the governance mechanisms in improving disclosure of social responsibility in the Sudanese banking sector.

## **The statement of the problem:**

The problem of the study Some Sudanese banks suffer from weak interest in the internal audit process and lack of commitment to implementing internal governance mechanisms, which weakens their ability to achieve their social responsibility. However, there is a clear lack of commitment to fulfilling the requirements of achieving the safety of voluntary disclosure of social activities. Therefore, the problem of the study lies in Lack of scrutiny by audit committees

in Sudan as one of the basic requirements for facing contemporary competitive challenges, the absence of accounting experts and the lack of interest of academic and professional institutions in the practice of voluntary disclosure of social activities. Convinced that the hidden administrative reform to prevent errors and control them before they occur is the goal and the means to improve the performance of workers, based on the above, the problem of the Study in the following question:

Does the role of internal audit as one of the governance mechanisms affect improving disclosure of social responsibility in the Sudanese banking sector?

## **The objectives of the study:**

### **The study seeks to achieve the following objectives:**

1. Highlighting the role of internal audit in improving disclosure of social responsibility in the Sudanese banking sector.
2. Demonstrating the importance of internal auditing and the extent of the interactive relationship between them in a way that improves voluntary disclosure of social responsibility.

## **The significant of the study:**

**The significant of the study comes from two scientific and practical aspects. These two aspects can be reviewed as follows:**

### **First: the scientific importance of the research:**

1. Developing the theoretical framework for accounting, including the Internal audit as one of the governance mechanisms, social responsibility, in order to clarify the relationship between these variables.
2. This study represents a solid base and starting point for future scientific studies in the field of accounting.

### **Second: The practical importance of the study:**

1. Although there are no standards governing the process of voluntary disclosure of social responsibility in Sudanese banks, but through the exercise of the governmental role of internal auditing in these banks, it has led to improving the level of voluntary disclosure of social responsibility in those banks.

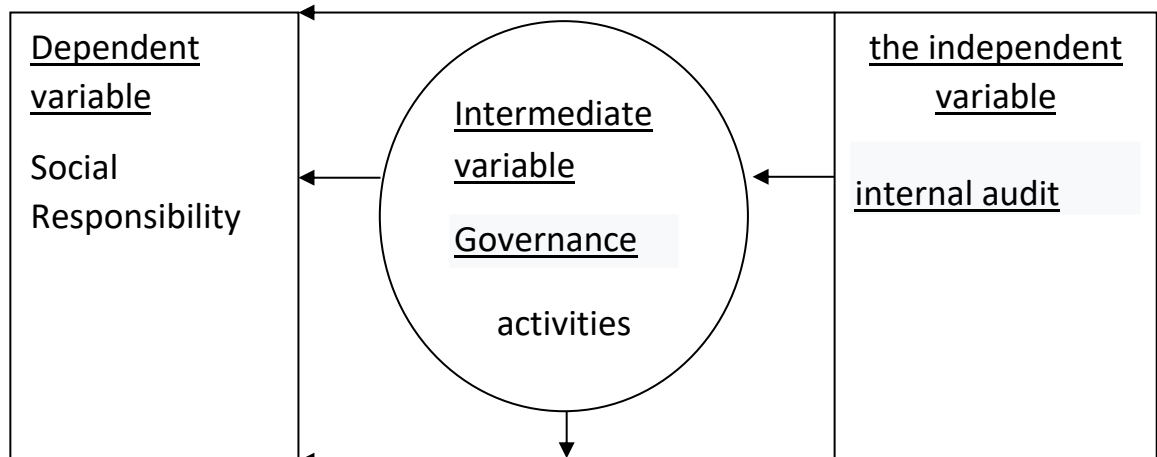
2. The study contributes to presenting some recommendations and proposals to the authorities to be responsible for regulating banking activities, which can be implemented as a solution to the problems of disclosure of social responsibility.

The methodology of the study:

**The study relies on the following curricula:**

1. The deductive approach: The study relies on this approach in selecting the study problem and setting hypotheses related to the subject of the study.
2. The inductive approach: The study counts on this approach in selecting and validating the hypotheses of the study.
3. The historical method: The study relies on this method in previous studies related to the subject of the study.
4. The analytical approach: The study depends on this approach to be able to access data collection and presentation, select hypotheses, and draw conclusions.
5. The descriptive approach: The study uses this approach in the method of the study mainly, where secondary sources and primary sources are used to design the questionnaire that is related to the subject of the study in order to know, scrutinize and detail the elements of the problem.

Figure (1) Study pattern



Source: Prepared by the researcher, 2023.

**Hypotheses of the study:**

To determine the objectives of the study and find a solution to the problem according to the study model, the following hypotheses were formulated:

The first hypothesis: There is a statistically significant relationship between internal audit and governance mechanisms in the banking sector.

The second hypothesis: There is a statistically significant relationship between internal auditing and voluntary disclosure of social responsibility.

**The delimitation of the study:**

**The limits of the study are as follow:**

1. Spatial boundaries: The study was limited to workers in Sudanese banks in the state of Khartoum, as they are the largest in size and also because they represent a major center for the professional practice of various individuals, institutions and bodies responsible for regulating banking activity.
2. Time limits: The data of the study was collected through the questionnaire form during the year 2020.

3. Human limits: These included managers, accountants, internal **auditors**, financial analysts and others in Sudanese banks.

#### **Sources of the study:**

**The researcher used many sources that supported this study in order to achieve his goals, as these sources are as follows:**

1. Primary Sources: The questionnaire form was used to collect data from employees of banks licensed to practice the profession in Sudan within the limits of the study. Availability of sufficient time to interview the sample members and therefore there is difficulty in taking data from them through interview or observation.
2. Secondary sources: books, periodicals, theses, conferences, seminars, laws, regulations, and the Internet.

#### **The literature Review:**

##### **Study (Long, & Others, 2016)**

The study has aimed to examine whether the voluntary disclosure of corporate social responsibility reports is associated with the obligation to independently verify financial reports generated by audit fees or vice versa. The study concluded that the commitment to independent verification of financial statements does not only build investors' confidence in the financial disclosures offered by companies, but also enhances the perceived concept and reliability of their non-financial disclosures such as corporate social responsibility reports, which in turn affects companies, "which indicates that the commitment to quality auditing Higher indeed affects the expected value of CSR disclosure. The study recommended that the credibility of CSR reporting should be explored by developing more accurate procedures in future research, for example, adhering to a reporting framework such as global reporting initiatives and measures obtained from analysis script.

It becomes clear to the researcher that this study focused on examining whether the voluntary disclosure of corporate social responsibility reports is linked to the obligation to independently verify financial reports generated by audit fees or vice versa while this study differs from it ;in dealing with voluntary disclosure of social responsibility and the government's role for internal audit.

##### **Study: Gallego & Quina, (2016)**

The study aimed to analyze the disclosure of corporate social responsibility (CSR) in companies from different countries, based on a sample of 110 companies for the year 2014 and an analysis of a total of 79 indicators, nine of which correspond to the economic aspects of the company, 30 to the environmental aspects, and 40 to the social aspects, according to the disclosure initiative. Globalization (GRI G3.1) and the adoption model were developed to find out the variables that may affect the disclosure of economic, social and environmental information separately and completely. The study concluded that the companies in the sample showed an average of six economic indicators, 20 environmental indicators and 27 social indicators. Regarding the explanatory variables tested, the study concluded that profitability does not affect the disclosure of corporate information for CSR; In contrast, size is the variable that most influences CSR disclosure across all models. The study recommended that it is important to note that one of the objectives pursued by companies through the disclosure of corporate social responsibility is to improve their corporate image in society, and publishing it on the Internet is appropriate in an era in which knowledge is increasing rapidly, and the number of years that will be studied can be extended in future studies to include year's as companies gradually upload their CSR reports to

the website ([www.globalreporting.org](http://www.globalreporting.org)) both the variables used and the hypotheses proposed can also be extended considerably if other factors such as reputation and corporate governance are taken into account.

It has become clear to the researcher that this study focused on the analysis of disclosure of corporate social responsibility, while this study differs from it in dealing with the governmental role of internal auditing.

#### **Study :( Cannon. and Ling, 2017)**

The study aimed to explore whether the disclosure related to corporate social responsibility is related to the company's competitive advantage and its sustainability. The study concluded that the overall disclosure of corporate social responsibility is associated with what appears to be a trade-off between levels of production and competitive advantages for sales and marketing. However, sustainably produced goods may be more expensive, eroding gross margins. The study concluded that the intensity of public disclosure of corporate and charitable organizations related to business products and corporate-related products has varying correlations with the levels and sustainability of competitive advantages. Specifically, an improved CSR disclosure rating could improve the susceptibility of financial reporting across companies. While some might argue that CSR disclosures are immaterial, the study recommended that it is useful to re-evaluate a company's corporate sustainability efforts and means of disseminating information about These efforts, i.e., sustainable competitive advantages, can be achieved by companies that recognize the impact of corporate social responsibility on consumer behavior and that expand corporate sustainability practices.

It becomes clear to the researcher that this study focused on exploring the disclosure related to social responsibility in achieving the competitive advantages of companies, while this study differs from it in dealing with the voluntary disclosure of social responsibility and the government's role of internal audit.

#### **Study (Qawasmiyeh, 2017).**

The study aimed to highlight the importance of the role of internal audit in activating banking risk management. The field study was conducted on a sample of Algerian banks, which consisted of four public banks. The questionnaire was used as the main tool for collecting data for the target sample, which consisted of 30 individuals from internal auditors and accountants. The results of the study showed that internal audit has an important role in supporting and enhancing banking risk management at a high level. The study also concluded with a number of suggestions and advice directed to the banks sampled in the study. The researcher believes that this study focused on internal audit and risks, but did not address governance and social responsibility as the current study did.

#### **Study: (Kexin Feng1, Xuanzhang Li: 2018)**

This study aimed to increase the level of disclosure of corporate social responsibility based on the data of the panel of Chinese companies listed on A-shares from 2013 to 2017. The results of the study concluded that financing restrictions all had a significant negative relationship with disclosure of corporate social responsibility. Media attention has a significant positive impact on the level of disclosure of corporate social responsibility. Market competitive position does not have any significant impact on CSR disclosure. This study recommends encouraging companies to assume social responsibility, integrating the disclosure of social responsibility information into the corporate culture, further enhancing awareness of

corporate social responsibility, and improving the mechanism for disclosing social responsibility information.

The researcher believes that this study focused on social responsibility and disclosure and did not deal with the governmental role of internal auditing as it was dealt with in the current study.

**Study: Al-Jaali, Al-Ajab: 2019 AD.**

The study aimed to identify the role of internal corporate governance mechanisms and their role in achieving competitive advantage. To achieve this goal, the study followed the descriptive analytical method because it is compatible with the nature of the study. 70 questionnaires were distributed to members of the study population, and 50 questionnaires were obtained, meaning a recovery rate of 71%. For the purpose of analyzing the data and testing the hypotheses, the study used the statistical package program for social studies. Among the findings of the study, the presence of audit committees and the efficiency of internal audit contribute to supporting the competitive advantage of companies. The study recommended conducting more future studies related to internal corporate governance mechanisms and competitive advantage.

The researcher believes that this study dealt with competitive advantage and did not address social responsibility as it was dealt with in the current study

**Study :(Petros kalantonis 2021)**

This study aimed to contribute to the social and environmental concerns that accompany the practice of corporate social responsibility (CSR). , and cares about the improvement of employees, respects its customers and cooperates with suppliers who are also oriented towards responsibility. The results of this study indicate that there is no statistical significant correlation between corporate social responsibility and corporate financial performance; although a high percentage of the sample reveals corporate social responsibility activities. This study recommends raising awareness about social responsibility. The researcher believes that this study dealt with social responsibility and did not deal with voluntary disclosure and the governmental role of internal auditing, as dealt with in the current study.

**The first axis:**

**Internal audit:**

The Institute of Internal Auditors defines internal auditing as an independent and objective activity that provides advisory services and helps this activity achieve the organization's objectives by following an organized, systematic approach to evaluate and improve the effectiveness of governance and control processes. (www.na.theiia.org, 2013)

**Objectives of internal audit:**

**The objectives of internal audit are as follows: (Al-Jaali, Al-Ajab, 2019, p. 181)**

- 1/ Developing the accounting system and the internal control system, through continuous monitoring and re-evaluation, following up and monitoring the applications of both systems, and evaluating the proposals necessary for their development.
- 2/ Examine and test operational and financial transactions and conduct detailed tests of transactions, balances and procedures
- 3/ Examining the economic feasibility of financial operations and their adequacy and effectiveness.
- 4/ Examining the compliance with policies, regulations, laws and other external requirements.

### **The concept of internal audit:**

The internal audit is an important element of the internal control. It is an independent activity carried out by a specialist within the establishment. It is also an effective means aimed at assisting the administration in verifying the implementation of administrative policies that guarantee the protection of assets and ensuring the accuracy of the data contained in the accounting books and records, which aim to obtain the greatest productivity sufficiency. (Farah, 2005, pg. 268).

The internal audit is defined as (it is carried out by an employee in the establishment other than that which is carried out by the external auditor. (Jaafar, 2010, p. 86).

We conclude from that; the internal auditor is always present in the project, and then he can identify all aspects of his activities and procedures, unlike the external auditor, who is often present at the end of the financial period or at intermittent periods in the project. (Wajdi, 2010, p. 25)

The internal audit expanded its role in carrying out the financial audit to also include the prevailing operations in the establishment, and then started discussing the problems it faced when carrying out this audit, which helped the emergence of the basic principles and levels of technical performance. Internal Affairs in the United States of America 1941. ( Metwally, 2003, p. 22.)

Despite the importance of internal auditing as one of the main pillars of the internal control system, it is an independent method that has not been recognized and acknowledged for its importance until recently, as organizations used it as a tradition to follow to meet their own circumstances and needs without a clear definition of its concept, objectives, powers, responsibilities and performance standards, as if the main objective of internal auditing is to The beginning of its formation is preventive, as if the work of the internal auditor is entirely limited to routine work that includes discovering errors, if any, as well as protecting assets. )) (Morbimar 1994, page 66)

The need for internal auditing has increased as a result of the expansion of the size of the establishments and the development of the capital companies, and what this included in terms of the separation between the ownership of the project and its management, which prompted the shareholders to appoint auditors as paid agents to carry out the review of the business within the establishments. (Raswan, 1997, p. 112)

The researcher believes that the internal audit profession, since its inception, is in a state of development and keeping pace with the changes that occur in the field of accounting, whether by issuing organizing standards, increasing the professional competence of the internal auditor, or expanding its objectives.

### **The objectives of the internal audit:**

The internal audit arose based on the needs of the administration in large companies with a wide activity, where the management relies in its protection and directing the operations totally dependent on what is presented to it of accounting and statistical data, so the management was forced to find a way through which it can be reassured about the following matters: (Ivy Mdemer , 1999, page 6)

1. The control systems and accounting systems are sound.
2. The executive policies and procedures drawn up by the administration are sufficient to carry out the work.
3. That the employees do not deviate from the drawn executive policies and procedures.
4. That there is sufficient protection or control of the assets of the establishment.
5. The accounting and statistical data provided to the management for a summary of the establishment's business can be relied upon, in addition to making sure that

expenditures are spent only on necessary purposes related to the establishment's business and that all revenues due to the establishment have been included in the accounts.

### **The types of internal audit:**

**-The internal audit is divided into two basic types:**

**Financial review.**

**-Auditing of production and efficiency, which in turn is divided into three main types?**

### **Financial Audit**

The financial review is intended to verify the extent of the commitment of those responsible for implementing the company's activities to implement the policies and regulations of financial and administrative procedures adopted by the company's senior management as a method for performing financial business, and then to report the degree of compliance with it. To help the reader, a distinction between two types of financial audit is taken into account.

### **Financial review (pre-disbursement review)**

One of the stages of internal self-control, which requires that the business be reviewed before or during its implementation by assigning the financial audit in the financial affairs to review the work of other departments, in order to verify the integrity of procedures, the correctness of accounting entries, the completeness of documents, and the approval of the competent authority for implementation. All financial operations, and therefore it is called the financial review before disbursement. (Abdel-Fattah, 2006, p. 265.).

### **Internal audit (post-disbursement review)**

They are applied after executing the transactions according to a drawn-up plan and at a test rate (i.e. samples). These transactions are examined to ensure that the internal auditor of the company's senior management confirms that the transactions are carried out in accordance with the foundations, regulations, systems and procedures established and established in a way that leads to achieving the company's objectives, in addition to providing guarantees regarding the submitted financial data and reports. to the company's senior management.

### **Operational & Effectiveness and Efficiency Auditing**

This type of review seeks to examine and evaluate the performance of the company's business as a whole in order to achieve efficiency and effectiveness in the use of available resources in the light of several objective criteria for assessing efficiency.

**Accordingly, the process audit is divided into three main types:**

#### **1- Job performance review**

It is concerned with evaluating job performance or discovering any defects or deficiencies in performance and how to remedy such deficiencies and not only monitoring defects or deficiencies. (Jianjun Zou, p.221.).

#### **2- Organizational review**

It aims to assess the extent of the efficiency of communication and cooperation between the various departments and units in the organizational structure of the company, and the extent of the ability of these departments to exchange information, whether with other departments or the senior management of the company.

#### **3- Reviewing special assignments**

They are related to reviewing and examining additional issues assigned to the internal audit department by the company's senior management.

## **Governance:**

We note that governance has gained great importance since the occurrence of the financial crisis, in addition to the series of discoveries of companies' manipulation of their financial statements, making it one of the issues that has captured the attention of public, private, and professional regulatory institutions, in addition to academics and business practitioners of all kinds. The topic of governance is considered one of the most prominent topics that has received attention. It has received attention at the governmental, organizational, professional, and academic levels in the recent period, due to its role in controlling the performance of establishments. (Najla, 2019)

Governance is defined as a framework for an organization in its relationship with its stakeholders in general, and the interests of shareholders in particular" (3P 2003, (Banks.

## **Corporate Governance Objectives:**

**The objectives of corporate governance are as follows (Mauren, 2004:7).**

1. Strengthening the element of transparency in all corporate transactions and operations and accounting and financial auditing procedures in a way that controls elements of corruption at any stage.
2. Improving company management and helping managers and the board of directors build a sound strategy.
3. Avoid banking crises.

## **Internal mechanisms of corporate governance:**

**The internal mechanisms of corporate governance are as follows:**

### **a. Board of Directors:**

The Board of Directors is the best tool for monitoring management behavior. The Board of Directors is considered the primary driver of the corporate governance system, given that the Board of Directors of any company is primarily concerned with setting the highest policies for the company's activities, and resorts to forming a group of committees, which are:

### **b. The Audit Committee:**

The audit committee is a committee formed by the company's board of directors for the purpose of reviewing the processes of preparing accounting and financial reports and also reviewing the disclosure in the reports and accounting statements that it publishes.

### **Remuneration Committee:**

Remuneration committees must be formed from non-executive board members, in order to ensure the promotion of the company's interests in the long term by attracting highly qualified professionals. The functions of the Remuneration Committee are focused on determining and reviewing rewards and other benefits for senior management, developing policies for managing senior management reward programs, and reviewing these policies periodically.

### **Bank Governance:**

It is the methods that are managed in banks through the board of directors and senior management, which determine how to set the bank's objectives, operate, and protect the interests of shareholders and stakeholders. The main actors of the bank governance process are divided into two groups: (Habbar, 2009, p. 8)

The first group is internal actors: shareholders, the board of directors, executive management, auditors and internal auditors.

The second group represents external actors: deposits, the deposit insurance fund, the media, credit rating and evaluation companies, and external auditors.

### **Principles of bank governance:**

There are several principles related to bank governance, which are represented in the following: (Sidra, 2013, pp. 93-94)

- 1/ Members of the Board of Directors should be qualified for their positions and have a clear understanding of their role in governance, and be qualified to exercise sound governance in the bank.
- 2/ The Board of Directors should agree to oversee the bank's strategic goals and value, which are communicated throughout the organization;
- 3/ The Board of Directors should establish and promote clear lines of social responsibility and accountability throughout the organization

### **The concept of social responsibility:**

The World Bank defined it as the commitment of owners of economic activities to contribute to sustainable development by working with the local community to improve the standard of living in a manner that serves the economy and development at the same time. (Samir, et al. 2016 AD), pp. 444-445.)

Social responsibility is defined as a commitment on the part of the business towards the community in which it operates, by contributing to a wide range of social activities. (Al-Shamla, et al. (2016), pp. 87-88.)

The researcher believes that the social responsibility extends within the organization to the outside. The internal social responsibility is related to the individuals and resources used and related to the performance achieved for the work within the organization, which contributes to the development of employees and improving the quality of professional work life. As for the external social responsibility, it is related to the problems that the community suffers from, and it is an attempt to address them. And fight it.

### **Social responsibility goals:**

There are several objectives of corporate social responsibility that can be identified in the following (Al-Karuri, Ahmed Abdel-Jalil Al-Nazir (2015, p. 3.)

1. The company's response to the change in the expectations of the external parties monitoring the company's message.
2. Caring for workers, achieving their psychological stability, developing their technical and productive capabilities, providing industrial security, and health and social care for them (Anwar, Nora Muhammad Emad Al-Din 2010) Cairo, p. 2)
3. Companies meet the expectations of society, depict its requirements, and disclose the results of that. (Al-Saffar, Hadi Reda 2006 AD, p. 8.)

From the foregoing, the researcher believes that the objectives of responsibility are the way to maximize the value of the company in the long term, taking into account the aspects associated with the company's activity, and that the objectives of social responsibility are directed towards minimizing the negative external effects.

### **Third: The benefits of corporate social responsibility:**

It is represented in the following: (Dhiafy, Nawal ,2010, pp. 24-25.)

1. Institutions playing their role in the direction of social responsibility guarantee to some extent the support of all members of society for their goals and development mission
2. Contribute to meeting the changing needs and necessary requirements of society.
3. Creating new job positions through the establishment of charitable projects.

The researcher believes from the foregoing, that the benefits of corporate social responsibility have not been fully exploited, especially in developing countries, due to some well-known aspects of weakness that stand as an obstacle to the public of institutions in this field.

#### **Fourth: the dimensions of social responsibility**

**These dimensions are represented in the following: (Al-Fahmaa, Fahd Rai, 2012, pp. 19-23.)**

##### **1. Social responsibility towards the local community**

For business establishments, the local community is an important category, by doing more for public welfare, as it includes a set of activities that aim to achieve benefit for the public (Johan, Anselmsson, Johansson, P.836.).

##### **2-Social responsibility towards customers and consumers protection**

It includes activities aimed at consumer satisfaction, and maintaining this satisfaction, such as increasing the safety of the product, not deceiving the consumer, honesty in advertising, and providing the necessary data about the product in terms of the method of use, its limits, associated risks, and the validity of use. (Suwaidan, and others, 2006, p. 81.)

##### **4. Social responsibility towards suppliers**

The relationship between suppliers and business establishments is viewed as a relationship of mutual interests, so suppliers expect business establishments to respect their legitimate aspirations and demands, which can be summarized by continuing to supply, especially for some types of raw materials needed for production processes, and fair and acceptable prices for materials supplied to business establishments. (Mansour, et al. (2005), p. 85.)

#### **Fifth: Social Responsibility Challenges:**

There are many challenges facing the spread of social responsibility, which are: (Rawani, Bu Hafs 2007, p. 116.)

1. The lack of a culture of social responsibility in most institutions.
2. Most of the efforts of institutions are not organized. The responsibility of the private sector, in order to be effective, needs to take an organizational and institutional form with a specific plan and goals, rather than being random and scattered efforts.

The researcher believes that interest in the issue of social responsibility and business ethics is vital in today's world. Raising awareness and spreading a culture of bearing social responsibility and adhering to ethical standards when making administrative decisions and working to achieve the strategic goals of institutions and the country.

#### **The second axis: the field study:**

The study population consists of academics, accountants and auditors in Sudanese banks in the state of Khartoum, where the study sample was chosen from the random sample to serve the objectives of the study, where (100) questionnaires Electronically via the link were distributed to the study sample, and (100) individuals responded completely, as they returned the questionnaires after filling them With all the required information i.e. (100%)

#### **Data analysis and hypothesis testing:**

In order to answer the questions of the study and verify its hypotheses, the median will be calculated for each question of the questionnaire, which shows the opinions of the study sample regarding the governmental role of internal audit in improving the level of voluntary disclosure of social responsibility, so that the degree (5) was given as a weight for each answer "I strongly agree", and the degree (4) as weight for each "I agree" answer, degree (3) as weight for each "I don't know" answer, degree (2) as

weight for each “I don’t agree” answer, and degree (1) as weight for each “strongly disagree” answer. All of the aforementioned and according to the requirements of the statistical analysis is to convert the nominal variables into quantitative variables, and then the t-test will be used to indicate the differences in the answers of the study sample to the questions of each hypothesis.

First: presenting and discussing the results of the first hypothesis: There is a statistically significant relationship between internal audit and governance mechanisms in the banking sector.

The aim of developing this hypothesis is A statistically significant relationship between internal audit and governance mechanisms in the banking sector

and to verify the validity of this axis. The direction of the study sample’s opinions should be known regarding each of the questions related to the axis, and the median is calculated for the study sample’s answers to each question and then to the questions combined. Ascending or descending, and the standard deviation must be calculated, as in the following table:

**Table No. (1) Shows the median of the answers of the study sample to the statements of the first hypothesis:**

There is a statistically significant relationship between internal audit and governance mechanisms in the banking sector.

T	Phrases	standard deviation	mode	Arithmetic mean	explication
1	The interest of audit committees in applying the rules of governance mechanisms increases their quality in the banking sector.	0.943	4	4.16	agree
2	The contribution of audit committees in supervising accounting policies increases the competitive ability of banks.	0.611	4	3.96	agree
3	The use of modern methods in the audit process is evidence of the application of governance mechanisms in banks	0.735	4	4.04	agree
4	Audit committees’ interest in the quality and quality of financial reports	0.707	4	4.00	agree
5	The implementation of governance mechanisms by audit committees increases banks’ commitment to professional ethics	0.673	4	4.16	agree

Source: Prepared by the researcher, from the field study, 2023

From table (1), we note that the descriptive statistics for the first hypothesis phrases that state (There is a statistically significant relationship between internal audit and governance mechanisms in the banking sector) the arithmetic mean of which lies in the range between (3.96 – 4.16) and mode (4) for all statements and only On the five-point Likert scale, the respondents' answers are in agreement.

**Table No. (2) The arithmetic mean and standard deviation of the first hypothesis.**

	The number	Arithmetic mean	standard deviation	standard error
The first hypothesis	100	4.000	0.95743	0.19149

### One-Sample Test

#### T-test for the first hypothesis

	t	Df	Sig.(2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
	The first hypothesis	5.222	24	.000	1.000000	0.6048

**Source: Prepared by the researcher, from the field study, 2023.**

Table No. (2) Explains the arithmetic mean of the aggregated expressions that express the hypothesis. We note that the arithmetic mean has 4,000 with a standard deviation of 0.95743, and this value confirms that the respondents' answers are about approval. To confirm what was stated in the descriptive statistics of the chi-square test of the hypothesis, the researchers used the (T) test for the single formula, where the calculated T value was 5.222 with a degree of freedom of 24 and a significance level of 0.000. Significant differences and that it proves the validity of the hypothesis that states (There is a statistically significant relationship between internal audit and governance mechanisms in the banking sector).

Second: Presentation and discussion of the results of the second hypothesis: There is a statistically significant relationship between internal auditing and voluntary disclosure of social responsibility.

The aim of developing this axis A statistically significant relationship between internal auditing and voluntary disclosure of social responsibility, and the governmental role of internal auditing, and to verify the validity of this hypothesis. The direction of the study sample's opinions should be known regarding each of the questions related to the axis, and the median is calculated for the study sample's answers to each question and then to the questions combined. Ascending or descending, and the standard deviation must be calculated, as in the following table:

**Table No. (3)**

The median of the study sample answers to the second hypothesis statements is explained

There is a statistically significant relationship between internal auditing and voluntary disclosure of the social responsibility of Sudanese banks.

T	Phrases	standard deviation	Mode	Arithmetic mean	interpretation
1	Internal audit committees play an important role in internal control over the social responsibility disclosure process of Sudanese banks	0.943	4	4.16	agree
2	The internal audit process is responsible for ensuring the financial soundness of the social responsibility activities of Sudanese banks	0.611	4	3.96	agree
3	The responsibility of the internal auditor is to improve the general policies of voluntary disclosure and reporting on the social responsibility of Sudanese banks	0.735	4	4.04	agree
4	The internal auditor must examine and review the procedures followed by the establishments, including the ethical charters related to the social responsibility of Sudanese banks.	0.707	4	4.00	agree
5	The Audit Committee works to review the processes of preparing accounting and financial reports and also reviews the disclosure in the reports and accounting statements that it publishes.	0.673	4	4.16	agree

**Source: Prepared by the researcher from the field study, 2023**

From Table (3), we note that the descriptive statistics for the hypothesis phrases that state (There is a statistically significant relationship between internal auditing and

voluntary disclosure of the social responsibility of Sudanese banks), the arithmetic mean of which lies in the range between (3.76 and 4.20) and the mode (4). For all statements, according to the five-point Likert scale, the respondents' answers are in agreement.

**Table No. (4) The arithmetic mean and standard deviation of the second hypothesis statements**

**By T-test**

	Number	Arithmetic mean	standard deviation	standard error
First hypothesis	25	3.7600	1.20000	0.24000

**thesecond hypothesis**

	t	Df	Sig.(2-	Mean	95% Confidence Interval of the Difference	
					Lower	Upper
					<b>The hypothesis</b>	<b>8.167</b>

**Source: Prepared by the researcher, from the field study, 2023.**

Table (4) explains the arithmetic mean of the aggregated expressions that express the hypothesis. We note that the arithmetic mean has 3.7600 with a standard deviation of 1.2000, and this value confirms that the respondents' answers are about agreement.

To confirm what was stated in the descriptive statistics of the chi-square test of the hypothesis, the researchers used the (T) test for the single formula, where the calculated T value was 8.167 with a degree of freedom of 24 and a significance level of 0.000. Significant differences and that it proves the validity of the hypothesis that states (There is a statistically significant relationship between internal auditing and voluntary disclosure of the social responsibility of Sudanese banks).

**Conclusion:**

**First: The findings:**

- 1/ The study proved that the application of governance mechanisms by audit committees increases banks' commitment to professional ethics.
- 2/ The study proved that the responsibility of the internal auditor is to improve the general policies of voluntary disclosure and reporting on the social responsibility of Sudanese banks.
- 3/ The study proved that internal audit committees represent an important role in internal control over the social responsibility disclosure process of Sudanese banks.

**Second: The recommendations:**

- 1/ the need to further enhance awareness of the social responsibility of enterprises, and to improve the mechanism for disclosing social responsibility information
- 2/ for the success of the internal audit process, the financial, accounting and administrative policies of the establishment must be examined.
- 3/ The need to develop a guide for corporate governance mechanisms and standards in Sudan and develop and update regulations and laws.
- 4/ Holding courses and training programs related to the role of internal audit as one of the governance mechanisms in improving disclosure of social responsibility in the Sudanese banking sector.

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# دور المراجعة الداخلية كأحد آليات الحوكمة في تحسين الإفصاح عن المسؤولية الاجتماعية في القطاع المصرفي السوداني .

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## المستخلص :

هدفت الدراسة إلى بيان أهمية التدقيق الداخلي ومدى العلاقة التفاعلية بينها بما يحسن الإفصاح الطوعي عن المسؤولية الاجتماعية . واستخدم الباحث المنهج الاستنباطي في اختيار مشكلة البحث ووضع الفرضيات العلمية والمنهج التاريخي وكذلك التحليل الإحصائي الذي يمكن الاعتماد عليه في الدراسة الميدانية. مجتمع عينة الدراسة المتمثل في المحاسبين والمراجعين الماليين والأكاديميين ، وخلصت الدراسة إلى أن الإفصاح عن تقارير التدقيق ودرجة التقلبات التي تتعرض لها المنشأة يؤدي إلى التنبؤ بمدى استمرارية الجهات الحكومية في مسؤوليتها الاجتماعية . وتوصي هذه الدراسة بضرورة وضع دليل لآليات ومعايير حوكمة الشركات في السودان وتطوير وتحديث اللوائح والقوانين .

الكلمات المفتاحية: التدقيق الداخلي، الفرضيات العلمية، التحليل الإحصائي.