



A Study on Internal Auditing with Compliance Financial Performance

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Abstract: This study explores the relationship between internal auditing practices and compliance with financial performance in a leading tax firm and legal consultants. Internal auditing plays a crucial role in ensuring regulatory adherence, identifying operational inefficiencies, and safeguarding assets. Compliance with financial regulations is essential for maintaining organizational integrity and stakeholder trust.

INTRODUCTION

This study focuses on the critical intersection of internal auditing, compliance, and financial performance. As organizations navigate a complex regulatory environment, the effectiveness of internal auditing becomes paramount not only for ensuring legal compliance but also for optimizing financial outcomes. A distinguished firm providing tax and legal services, serves as the focal point of this investigation. The study aims to analyse the current internal auditing practices employed by the firm, assess its financial performance, and explore the correlation between internal auditing effectiveness and compliance with financial outcomes.

NEED OF THE STUDY.

The establishment of large hospitals where hundreds to thousands of patients are treated, it has created a serious problem of biomedical waste management. The seriousness of improper biomedical waste management was brought to the light during summer 1998. In India studies have been carried out at local / regional levels in various hospitals, indicate that roughly about 1-5 kg/bed/day of waste is generated. Among all health care personnel, ward boys, sweepers, operation theatre & laboratory attendants have come into contact with biomedical waste during the process of segregation, collection, transport, storage & final disposal. The knowledge of medical, paramedical staff & ward boys, sweepers about the biomedical waste management is important to improve the biomedical waste management practices. The biomedical waste requiring special attention includes those that are potentially infectious, sharps, example needle, scalpels, objects capable of puncturing the skin, also plastic, pharmaceutical & chemically hazardous substances used in laboratories etc.

3.1 Data and Sources of Data

The type of research adopted is descriptive in nature and the data collected for this study is the secondary data i.e. from newspaper, magazines, journals, various books, articles and internet.

3.2 Theoretical framework

Variables of the study contain dependent and independent variables. The study used a pre-specified method for the selection of variables. The study used stock returns as the dependent variable. From the share price of the firm, the stock returns are calculated. Rate of a stock sale at the stock market is known as stock price.

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done systematically. In those various steps, those are generally adopted by a researcher in studying his problem along with the logic behind them. It is important for research to know not only the research method but also methodology. The procedures by which researchers go about their work of describing, explaining and predicting phenomena are called methodology.

3.1 Sample

Simple Random Sampling:

In the study of Dharmalingam Thulasidharn @ Co Tax and Legal Consultants, the use of simple random sampling involves randomly selecting participants or elements associated with their tax and legal consultancy services, ensuring an equal opportunity for each entity in the population to be included, thereby maintaining unbiased representation in the analysis.

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3.3 Theoretical framework

Investigated on the determinants of internal audit effectiveness in the selected Ethiopian public sector offices. The investigation was focused on 15 purposely selected public sector offices that are expected to represent all other sectors. The management teams and the internal auditors of the selected public sector office were the source for the required data to the researcher through the questionnaires administered. Tested the factors that influence the internal audit effectiveness, including internal auditor competencies, internal auditor independence, audited support to internal audit activity, and the internal and external auditor relationship. Using the internal auditor inspectorate in Java Province, Indonesia, the researcher found that the internal audit effectiveness can be attained through increase internal audit competence, independence and strong relationship between internal and external auditor. However, this study found that audited support has no effect on internal audit effectiveness.

3.4 Statistical tools

In financial analysis, solvency ratios, proprietary ratios, and turnover ratios are essential tools utilized to assess a company's financial health and operational efficiency.

IV. RESULTS AND DISCUSSION

4.1 3.APPROACH & RESULTS:

Proprietary Ratio: It is a type of solvency ratio that is useful for determining the amount or contribution of shareholders or proprietors towards the total assets of the business

Table 4.1

YEAR	SHAREHOLDERS FUNDS	TANGIBLE ASSETS	RATIO
2018 – 19	49238487	8963922	5.50
2019 – 20	25403276	6401050	3.97
2020 – 21	36229808	5189175	6.99
2021 – 22	23950660	7042562	3.40
2022 – 23	32268447	5184106	6.22

I. ACKNOWLEDGMENT

From this study, it is evident that internal auditing plays a pivotal role in shaping compliance standards and financial performance within the organization. The rigorous internal auditing practices implemented by the firm serve as a cornerstone for ensuring adherence to regulatory requirements and industry best practices. By conducting regular audits, identifying potential risks, and implementing corrective measures can effectively mitigate compliance-related issues and safeguard its financial stability.

References

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