

The Impact of Contemporary Internal Auditing Trends on the Quality of Financial Reporting: A Field Study on Sudanese Banks

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Abstract :

This study seeks to examine the effect of contemporary internal auditing trends -including the consulting role of internal auditing , risk management , governance support and technology adoption- on the quality of financial reporting, measured through its relevance and faithful representation. A descriptive and deductive research design was employed , utilizing advanced statistical techniques such as SEM and Path Analysis, implemented through SPSS and AMOS software.

The findings reveal statistically significant relationships between contemporary internal auditing trends and financial reporting quality , confirming their positive influence in enhancing both relevance and faithful representation.

Keywords: Contemporary Internal Auditing Practices - Financial Reporting Quality.

JEL Classification Codes : M40, M41, M42.

1. Introduction

In light of the significant transformations occurring in the global business environment, the roles and responsibilities of internal auditing have evolved beyond their traditional functions to include more strategic and dynamic tasks. Contemporary internal auditing trends reflect the profession's proactive involvement in organizational governance, risk management, and performance enhancement, driven by the growing demand for high-quality financial information that exhibits relevance, faithful representation, and other key qualitative characteristics.

Modern internal auditing practices increasingly focus on evaluating control systems, identifying emerging risks, and supporting management decisions through advisory insights. Approaches such as risk-based auditing, advanced analytical techniques, and information system reviews play a critical role in enhancing the credibility and reliability of accounting information.

The quality of accounting information is central to effective financial reporting. In particular, relevance ensures that information is timely and useful for decision-making, while faithful representation guarantees that financial data accurately reflects the underlying economic reality. Together, these characteristics underscore the vital role of contemporary internal auditing in safeguarding financial reporting quality, particularly in Sudanese banks, where institutions face rapid economic, regulatory, and technological changes. Understanding the impact of modern internal auditing trends is therefore essential to assess the ability of these banks to improve control systems, enhance disclosure practices, and strengthen stakeholder confidence.

In light of the significant transformations that the business environment is witnessing globally, the roles and responsibilities of internal auditing have expanded from their traditional functions to include more dynamic and strategic tasks. Contemporary internal auditing trends now reflect the profession's proactive involvement in organizational governance, risk management, and performance enhancement. This shift has been driven by the growing demand for relevance and faithful representation and the other qualitative characteristics of financial reporting.

2. Research Problem

Despite the theoretical consensus on the importance of internal auditing in enhancing financial reporting, the empirical validation remains limited -especially in emerging markets like Sudan- on how contemporary internal audit practices contribute to the qualitative characteristics of financial reports. Accordingly, this study addresses the following central research question: What is the impact of contemporary internal audit trends on the quality of financial reporting in Sudanese banks? From this overarching question, the following sub-questions emerge:

- To what extent does the advisory role of internal auditing affect the quality of financial reporting?
- How does internal audit participation in risk management influence financial reporting quality?
- In what ways does internal audit involvement in governance support enhance the quality of financial reports?
- What is the effect of technology adoption in internal auditing on the quality of financial

reporting ?

3. Research Objectives

This study seeks to accomplish the following objectives :

- Assess the impact of the internal audit's advisory role on the quality of financial reporting.
- Examine the effect of internal audit involvement in risk management on the quality of financial reports .
- Measure the contribution of internal audit practices to governance support in enhancing financial reporting quality .
- Evaluate the influence of technology adoption in internal auditing on the quality of financial reporting.

4. Research Importance

This research holds notable value on both academic and practical fronts , as outlined below:

- **Academic Value** : The study advances the body of knowledge on internal auditing by providing fresh evidence on how contemporary audit practices affect the quality of financial reporting. By focusing on the Sudanese banking sector -a setting that remains largely underexplored in the literature -it contributes contextually grounded insights to global accounting research.
- **Practical Value** : The findings offer Sudanese banks a clear framework for leveraging modern internal audit approaches to improve the relevance and reliability of financial disclosures , thereby strengthening stakeholder confidence and supporting more effective decision-making.
- **Timeliness**: Conducted against a backdrop of rapid digitalization and growing governance pressures , the study provides evidence that is both immediate and strategically significant for institutions adapting to evolving regulatory and technological demands.

5. Research Hypotheses

Drawing on the stated research problem and objectives, the following hypotheses are

proposed::

- **H1:** The advisory role of internal auditing contributes positively and significantly to the enhancement of the relevance of financial reporting .
- **H2 :** The advisory role of internal auditing contributes positively and significantly to the attainment of faithful representation in financial reporting.
- **H3 :** Internal auditing practices related to risk management contribute positively and significantly to the enhancement of the relevance of financial reporting.
- **H4:** Internal auditing practices related to risk management contribute positively and significantly to the attainment of faithful representation in financial reporting .
- **H5:** Internal auditing practices related to governance support contribute positively and significantly to the attainment of faithful representation in financial reporting.
- **H6:** The use of technology in internal auditing contributes positively and significantly to the enhancement of the relevance of financial reporting.
- **H7:** The use of technology in internal auditing contributes positively and significantly to the attainment of faithful representation in financial reporting.

6. Research Methodology

This study adopts a quantitative , descriptive and deductive approach aiming to identify the associations among the independent variables (the four contemporary internal auditing trends: advisory role , risk management , governance support, and technology use) and the dependent variable (the quality of financial reporting, represented by relevance and faithful representation).

6.1 Population and Sample

The study population is drawn from employees in Sudanese commercial banks who are directly involved in the internal audit process and financial reporting. These include :

- Internal auditors
- Financial managers
- Compliance and risk officers

A purposive sampling technique was adopted to derive a sample of 215 respondents, ensuring that the participants possess sufficient experience and practical exposure to the subject matter.

6.2 Data Collection Tool

A structured questionnaire was developed based on a thorough review of relevant literature and validated measurement scales. It included the following sections:

- Demographic questions: Collecting information on respondents' age, years of experience, and job position.
- Independent variables: Four main variables -Consulting Role, Risk Management, Governance Support, and Technology Adoption- each measured through a sub-dimension of five items, totaling 20 items.
- Dependent variable: Measured through two sub-dimensions, Relevance and Faithful Representation, with five items each, totaling 10 items.

Responses were recorded using a five-point Likert scale, ranging from (1) "Strongly Disagree" to (5) "Strongly Agree".

The questionnaire was designed to be a valid and reliable measurement tool. It was initially developed in Arabic to suit the respondents and later translated into English. Items were derived from established theoretical frameworks and prior empirical studies in internal auditing and financial reporting to ensure content validity. Each statement was formulated in clear, concise language to facilitate understanding and minimize ambiguity. The independent and dependent variables were operationalized through their sub-dimensions, capturing the multi-faceted nature of contemporary internal auditing practices and financial reporting quality.

To ensure validity, the questionnaire underwent review by a panel of auditing and accounting experts. Their feedback was incorporated to refine the wording, enhance clarity, and confirm that each item accurately reflected the intended construct.

7 .Theoretical Framework and Previous Studies

The internal auditing function has evolved beyond traditional audit activities to encompass strategic roles that significantly influence the quality of financial reporting. Among these , four contemporary trends are particularly prominent: the consulting role , risk management practices, governance support , and the integration of technology.

7.1 The Consulting Role of Internal Auditing

The consulting role of internal auditing comprises non-audit activities such as providing

advisory services , strengthening internal controls, improving managerial processes, and supporting evidence-based decision-making (Sawyer, 2020). In today's dynamic business environment , this role has become strategically significant. By offering data-driven recommendations, internal auditors help organizations enhance operational efficiency, reduce risks, and refine financial reporting processes , thereby improving the relevance and reliability of financial statements (IIA, 2021).

Empirical evidence highlights the contribution of this function to financial reporting quality. Fadzil et al. (2005) found that effective consulting strengthens internal controls, improving reporting credibility. Likewise , Alqudah et al. (2023) showed that empowering auditors through training and digital tools enhances their consulting capacity , which in turn supports higher-quality financial reporting.

7.2 Internal Auditing and Risk Management Practices

Risk management in internal auditing refers to the systematic identification, assessment, and mitigation of risks -operational, financial, legal, and strategic- that may hinder organizational objectives (Fraser & Simkins, 2016). Effective risk management is essential for financial reporting quality , as it enables internal auditors to detect financial and non-financial risks early , reducing the likelihood of material misstatements and improving the reliability and relevance of reported information (IIA, 2021). It also helps organizations adapt to environmental changes , strengthen internal controls , and limit potential losses.

Recent studies highlight the role of risk management in enhancing reporting accuracy. Al Lawati et al. (2024) found that big data disclosure strengthens risk management practices, thereby improving external audit quality and financial reporting precision. Similarly , Sun et al. (2024) showed that integrating artificial intelligence into risk management enhances internal auditors' ability to detect irregularities early, supporting the relevance of financial reporting. In the context of internal auditing , risk management has become a central mechanism for ensuring the integrity and effectiveness of oversight processes . Drawing on evidence from the Algerian banking sector , Charef and Azzaoui (2025) argue that when internal audit functions are supported by structured risk management, auditors are better positioned to detect irregularities, promote transparency, and enhance institutional resilience.

7.3 Governance Support through Internal Auditing

Corporate governance refers to the rules and structures that guide organizational operations , with internal auditing providing assurance on governance effectiveness and

strengthening control and disclosure processes (Tricker, 2019). By supporting governance, internal auditing enhances transparency and accountability, thereby improving the reliability of financial reports and fostering stakeholder confidence (Spencer Stuart, 2020). Audit committees further reinforce this role by overseeing internal audit performance and safeguarding its independence.

Empirical studies underscore the governance–audit nexus. Senan (2024) found that governance acts as a mediating factor, improving internal audit quality and financial reporting in Yemeni banks. Likewise, Rashid et al. (2021) showed that audit committee attributes - such as independence and meeting frequency- positively affect internal audit effectiveness and the credibility of financial reporting.

7.4 Technology Adoption in Internal Auditing

Technology adoption in internal auditing involves the use of modern tools - such as artificial intelligence, data analytics, and advanced software- to enhance audit processes and improve financial reporting quality (Kokina & Davenport, 2017). By enabling more thorough and efficient audits, technology accelerates analysis, reduces human error, and strengthens both the relevance and reliability of financial statements (Mokander & Floridi, 2024). It also facilitates early risk detection and provides management with actionable insights.

Recent evidence highlights the practical benefits of technology integration. Deloitte (2024) reported that generative AI at WestRock reduced routine workload and improved audit quality. Similarly, Staufer et al. (2025) introduced an “Audit Cards” model for documenting AI assessments, enhancing the credibility of technology-driven reports.

7.5 Relevance in Financial Reporting

Relevance is a basic qualitative characteristic of financial information, reflecting its capacity to influence economic decisions by enabling users to assess past, current, and prospective events or to validate and revise prior judgments (IASB, 2018). High-quality financial reporting depends on relevance, ensuring that information is useful for investors, creditors, and other stakeholders. Key sub-dimensions -predictive value, confirmatory value, and timeliness- determine its effectiveness (Barth et al., 2001). Consequently, internal controls and auditing processes that enhance the accuracy and timeliness of disclosures directly strengthen this attribute.

Empirical studies support this link. Alqudah et al. (2023) confirmed that empowering

internal auditors improves the delivery of relevant information for decision-making. Similarly , Beest et al. (2009) highlighted that relevance reflects the ability to provide information supporting economic performance evaluation , indicating that improvements in accounting and auditing practices positively enhance this quality.

7.6 Faithful Representation of Financial Reporting

Faithful representation, often synonymous with reliability, reflects the degree to which financial information accurately portrays underlying economic events, being complete, neutral and free from material misstatement. It is a basic qualitative characteristic of high-quality financial reporting (IASB, 2018).

Ensuring faithful representation enables users to rely on financial statements for sound economic decisions . It is closely tied to transparency , accurate accounting treatments, and effective internal control systems- areas inherently linked to modern internal auditing (Jonas & Blanchet, 2000). Effective internal audit practices reduce the likelihood of errors or manipulation , thereby reinforcing the faithful representation of financial data.

Empirical evidence supports this link. Senan (2024) found that high-quality internal audits positively influence the reliability of financial disclosures in Yemeni banks . Similarly, Rashid et al. (2021) highlighted that active and effective audit committees improve the accuracy and neutrality of financial reports , strengthening their faithful representation.

7.7 The Relationship between Contemporary Trends and Financial Reporting Quality

Contemporary trends in internal auditing -including the consulting role, enhanced risk management, governance support , and technology adoption- expand the function beyond traditional monitoring duties. These trends enable auditors to detect risks and errors early, improve the timeliness and accuracy of disclosures, and optimize processes underlying financial reporting . As a result , they directly enhance the relevance and reliability of financial statements. Moreover, the evolving role of internal auditors strengthens internal controls, boosts report credibility for regulators and investors, and reduces information gaps.

Empirical studies support these effects . Alqudah et al. (2023) found that well-trained, technology-enabled internal auditors enhance financial reporting quality by reinforcing qualitative information characteristics . Rashid et al. (2021) highlighted that audit committee practices aligned with governance principles strengthen the modern auditing role, improving disclosure quality. Similarly , Jonas and Blanchet (2000) noted that high-quality auditing enhances reliability, while appropriate use of technology improves relevance by accelerating

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access to information.

Table 01: Summary of the Conceptual Framework and Related Hypothesis

Contemporary Internal Auditing Dimensions	Hypothesis	Financial Reporting Quality Dimension	Supporting Theoretical Basis
Consulting Role	H1, H2	Relevance and Faithful Representation	Resource-Based View (RBV); Value Addition (IIA, 2017)
Risk Management	H3, H4	Relevance and Faithful Representation	Risk-Based Auditing Theory; COSO Framework
Governance Support	H5	Faithful Representation	Agency Theory; Governance Reports; IFRS Practices
Technology Adoption	H6, H7	Relevance and Faithful Representation	Digital Transformation Theory; Artificial Intelligence; Blockchain; Big Data Analytics

Source: Prepared by the researcher, (2025)

7.8 Research Gap

Although prior literature has emphasized the importance of internal auditing in improving financial reporting, there is a scarcity of empirical studies in emerging markets, particularly in Sudan , that examine the combined influence of modern internal auditing dimensions on financial reporting quality . Existing studies have mostly treated these dimensions in isolation, without integrating them into a unified framework using robust statistical models like SEM. This research therefore fills a significant gap by:

- Integrating key internal audit functions within one model.
- Applying CFA and SEM to ensure methodological rigor.
- Providing evidence from a unique and underexplored context.

8. Applied Research Framework

8.1 Validity and Reliability

The questionnaire was reviewed by a panel of academic experts in accounting and auditing to ensure face validity and content validity.

A pilot test was conducted to assess the internal consistency of the items using Cronbach's Alpha , which exceeded the threshold of 0.75 for all constructs, indicating high reliability.

Table 02 : Results of Reliability and Validity Testing

	Variable	Cronbach's Alpha	Validity Coefficient
1	Contemporary Internal Audit Dimensions	0.912	0.955
	- Advisory Role	0.900	0.949
	- Risk Management	0.891	0.944
	- Governance Support	0.923	0.961
	- Technology Adoption	0.872	0.934
2	Financial Reporting Quality	0.852	0.923
	- Relevance	0.874	0.935
	- Faithful Representation	0.876	0.936
*	Overall Scale	0.926	0.962

Source: Prepared by the researcher using SPSS, (2025)

8.2 Statistical Methods and Data Analysis

Data were processed using the (SPSS) and (AMOS) software, applying a multi-layered analytical strategy designed to enhance robustness and validity . The following techniques were utilized:

- Cronbach's Alpha to evaluate internal consistency and confirm the reliability of the measurement instrument.
- Descriptive Statistics to summarize and profile the demographic and professional characteristics of the respondents.
- Chi-Square Tests to examine categorical relationships among key variables .
- Exploratory Factor Analysis to identify latent factor structures within the measurement items.
- Confirmatory Factor Analysis to validate the dimensional integrity of the constructs.
- Path Analysis to assess the hypothesized causal relationships among variables.

The final three techniques -EFA , CFA , and Path Analysis- are core components of Structural Equation Modeling , which provides a sophisticated and statistically rigorous framework for testing complex theoretical relationships.

8.3 Descriptive Statistics of the Study Sample

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Table 03 : Descriptive Profile of the Study Respondents

Age			Years of Experience			Job Position		
Group	Frequency	%	Group	Frequency	%	Group	Frequency	%
Under 30	55	25.5%	Less than 5	88	40.9%	Financial Manager	9	4.2%
30–40	70	32.6%	5–10	37	17.2%	Audit Committee Member	14	6.5%
40–50	75	34.9%	10–15	38	17.7%	Department Head	20	9.3%
50 or above	15	7.0%	15 or more	52	24.2%	Banker	132	61.4%
						Other	40	18.6%
Total	215	100%	Total	215	100%	Total	215	100%

Source: Prepared by the researcher using SPSS, (2025)

The figures in Table 03 demonstrate that the sample encompasses a broad cross-section of respondents across age groups , professional experience, and job roles . This diversity strengthens the representativeness of the data and enhances the robustness of the responses to the questionnaire dimensions.

8.4 Exploratory Factor Analysis (EFA)

An Exploratory Factor Analysis was conducted to confirm the underlying structure of the measurement model . Using an eigenvalue cut-off of 1.5, the rotation converged on six factors representing the study’s core dimensions :

- The advisory role of internal auditing, denoted as **(AdvisR)**
- Risk management, denoted as **(RiskM)**
- Governance support, denoted as **(GovnS)**
- Technology adoption, denoted as **(TechA)**
- Relevance of financial reporting, denoted as **(Relev)**
- Faithful representation, denoted as **(F.Rep)**

Table 04 : Matrix of Rotated Components

	1	2	3	4	5	6
Advi1		0.865				
Advi2		0.884				
Advi3		0.857				
Advi4		0.791				
Advi5		0.812				
Risk1			0.871			
Risk2			0.746			
Risk3			0.844			
Risk4			0.792			
Risk5			0.907			
Govr1	0.843					
Govr2	0.946					
Govr3	0.864					
Govr4	0.911					
Govr5	0.803					
Tech1				0.710		
Tech2				0.832		
Tech3				0.865		
Tech4				0.743		
Tech5				0.915		
Relv1						0.841
Relv2						0.833
Relv3						0.827
Relv4						0.756
Relv5						0.784
Real1					0.823	
Real2					0.811	
Real3					0.682	

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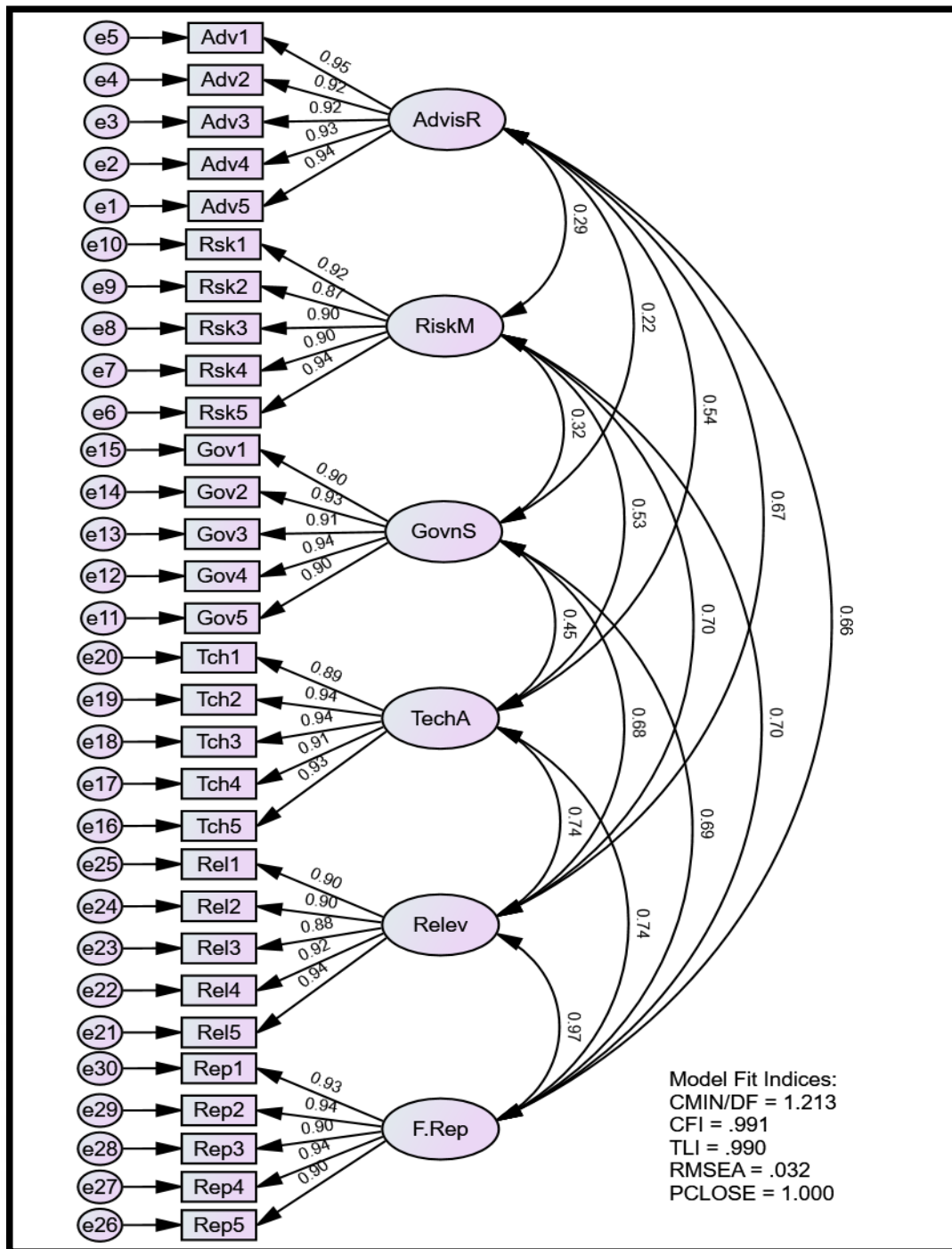
Real4					0.860	
Real5					0.873	

Source: Prepared by the researcher using SPSS, (2025)

KMO Measure of Adequacy Sampling: 0.874, Bartlett's Test of Sphericity : $\chi^2 = 4376.609$, $df = 435$, Sig. = 0.000 , These findings confirmed the suitability of conducting factor analysis.

8.5 Correlation Analysis of Study Variables

Figure 01 : Correlation Matrix of the Study Variables



Source: Prepared by the researcher using AMOS, (2025)

Table 05. Fit Indices for the Correlation Analysis of Study Variables

X2	X2/df	P	RMR	GFI	NFI	IFI	TLI	CFI	RMS EA
473.2 38	1.213	1.000	0.022	0.877	0.949	0.991	0.990	0.991	0.032

Source: Prepared by the researcher using AMOS, (2025)

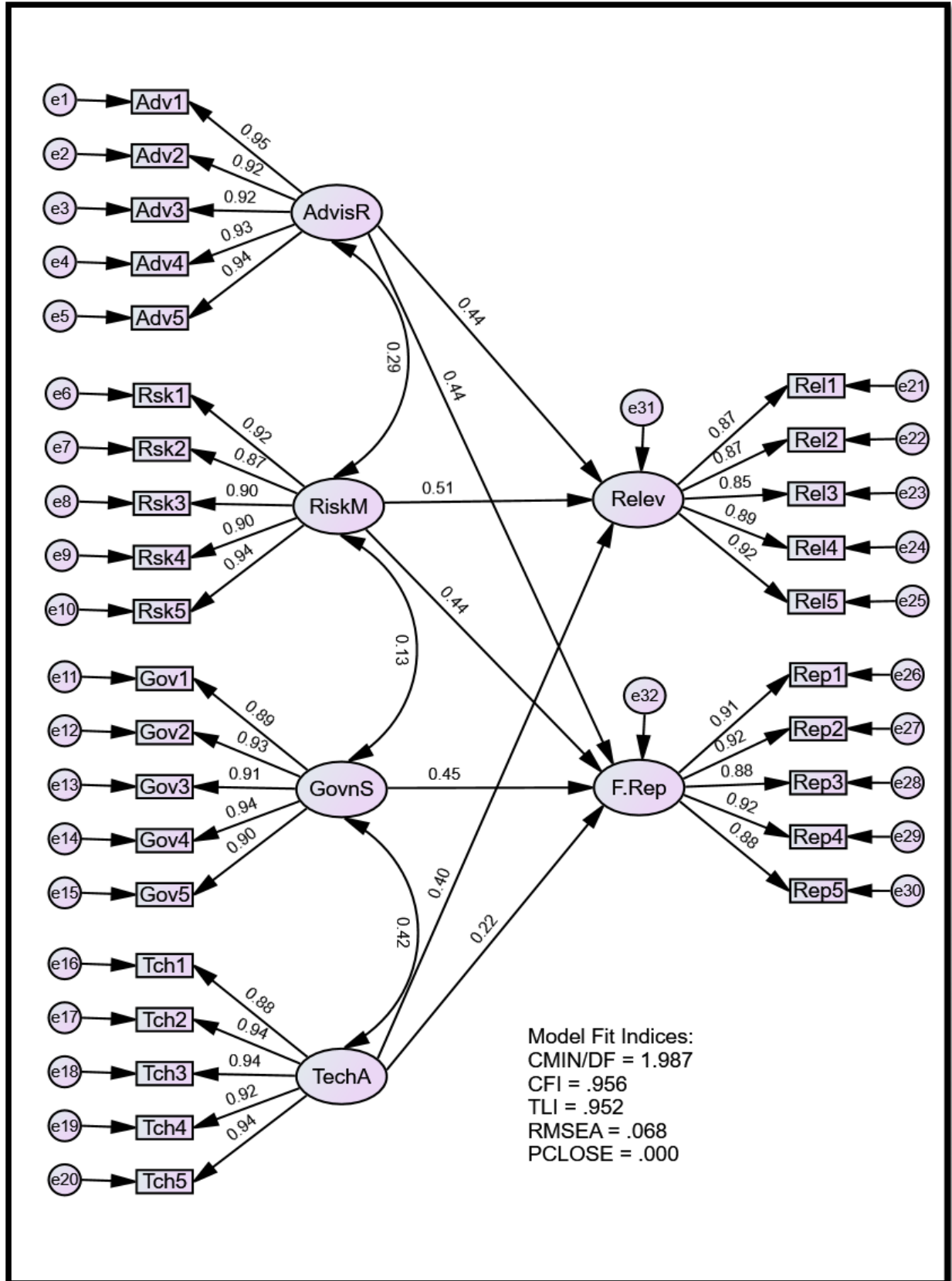
Table 05 presents the fit indices for the correlation analysis of the study variables. The results indicate an excellent model fit , as evidenced by key indices: RMSEA (0.032) is well below the 0.08 threshold , CFI (0.991) , TLI (0.990) , IFI (0.991), and NFI (0.949) all exceed the recommended 0.90, suggesting a strong fit . The GFI (0.877) and RMR (0.022) further support the adequacy of the model. Additionally, the ratio of X^2/df (1.213) falls within the acceptable range (≤ 3), confirming that the proposed model reliably represents the data .

9. Structural Equation Modeling (SEM)

9.1 Confirmatory Factor Analysis and Path Analysis

A Confirmatory Factor Analysis was performed to assess the associations between the observed variables and their respective latent constructs , as well as to evaluate the model's adequacy in representing the empirical data . The results indicate a well-fitting model, confirming the validity of the measurement structure.

Figure 02: Confirmatory Factor Analysis and Path Analysis



Source: Prepared by the researcher using AMOS, (2025)

Table 06 : Model Fit Measures for Confirmatory Factor Analysis

X2	X2/df	P	RMR	GFI	NFI	IFI	TLI	CFI	RMS EA
785.0 56	1.987	0.000	0.028	0.828	0.916	0.956	0.952	0.956	0.068

Source: Prepared by the researcher using AMOS, (2025)

Table 06 shows the model fit indices for the CFA. The results indicate a good fit between the proposed measurement model and the observed data. RMSEA (0.068) is below the recommended 0.08 threshold, while CFI (0.956), TLI (0.952), IFI (0.956), and NFI (0.916) all exceed 0.90, supporting a strong model fit. The GFI (0.828) and RMR (0.028) indicate acceptable fit, and the X^2/df ratio (1.987) is well within the acceptable range (≤ 3), confirming that the CFA model adequately represents the data.

9.2 Hypothesis Testing

The statistical analysis for hypothesis testing was conducted using Structural Equation Modeling, which allows for the examination of both direct and indirect linear relationships among latent constructs (observed variables) and measured indicators (unobserved variables). SEM was selected due to its suitability for the complex interrelationships examined in this study.

CFA and Path analysis revealed the following significant relationships:

1. Advisory role $\rightarrow$ Relevance ($\beta = 0.44$, $p < 0.000$)
2. Advisory role $\rightarrow$ Faithful representation ($\beta = 0.44$, $p < 0.000$)
3. Risk management $\rightarrow$ Relevance ($\beta = 0.51$, $p < 0.000$)
4. Risk management $\rightarrow$ Faithful representation ($\beta = 0.44$, $p < 0.000$)
5. Governance support $\rightarrow$ Faithful representation ($\beta = 0.45$, $p < 0.000$)
6. Technology use $\rightarrow$ Relevance ($\beta = 0.40$, $p < 0.000$)
7. Technology use $\rightarrow$ Faithful representation ($\beta = 0.22$, $p < 0.000$)

10. Conclusions and Recommendations

10.1 Conclusions

This study provides robust empirical evidence on the impact of contemporary internal auditing trends on the quality of financial reporting in Sudanese banks. Based on the results of the structural model, all four examined dimensions - advisory role, risk management,

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governance support, and technology use - demonstrated statistically significant positive effects on both relevance and faithful representation. These findings affirm the theoretical proposition that internal auditing , when practiced with a modern and strategic outlook, contributes meaningfully to enhancing the credibility and usefulness of financial information. In particular:

Based on Figure 03 and Table 05, the findings regarding the study hypotheses are as follows:

1. The consulting role of internal auditing explains 0.44 of the variance in the relevance of financial reporting information, indicating that a one-unit increase in the consulting role corresponds to a 44% increase in relevance , thereby supporting Hypothesis 1.
2. The consulting role accounts for 0.44 of the variance in achieving faithful representation within financial reporting , indicating a one-unit increase in the consulting role corresponds to a 44% increase in faithful representation , supporting Hypothesis 2.
3. Risk management accounts for 0.51 of the variance in the relevance of financial reporting information, meaning that a one-unit increment in risk management corresponds to a 51% enhancement in relevance, confirming Hypothesis 3 .
4. Risk management explains 0.44 of the variance in faithful representation, meaning that enhancing risk management by one unit increases faithful representation by 44%, confirming Hypothesis 4.
5. Governance support accounts for 0.45 of the variance in faithful representation, indicating that a one-unit increase in governance support corresponds to a 45% improvement in faithful representation , supporting Hypothesis 5.
6. Technology adoption explains 0.40 of the variance in relevance, implying that a one-unit increase in technology adoption leads to a 40% improvement in relevance, supporting Hypothesis 6.
7. Technology adoption explains 0.22 of the variance in faithful representation, meaning that a one-unit increase in technology adoption is associated with an 22% increase in faithful representation , confirming Hypothesis 7.

10.2 Recommendations

Drawing on the study's empirical results, the following recommendations are presented:

1. Enhance the Advisory Role of Internal Auditing:

Internal auditors should be formally empowered to provide strategic consultation beyond traditional compliance reviews, given its significant direct impact on both the relevance and faithful representation of financial reporting information (explaining 44% of the variance in relevance and in faithful representation).

2. Institutionalize Risk-Based Auditing :

Banks should integrate risk management more deeply into internal audit programs to enhance predictive insights. Specialized training programs and an integrated framework for periodic assessment of operational and financial risks are recommended, reflecting the positive effect of risk management on relevance (51%) and faithful representation (44%)

3. Strengthen Governance Involvement:

Internal audit units should actively monitor compliance with governance policies, particularly regarding disclosure, conflict-of-interest management, and ethical frameworks. This is justified by the observed impact of governance support on faithful representation (0.45)

4. Invest in Audit Technologies:

Banks should prioritize adopting advanced analytical and electronic auditing tools, as technology adoption significantly enhances financial reporting quality, improving relevance by 40% and faithful representation by 22%.

10.3 Future Research Directions

Drawing from the outcomes of this study, the researcher suggests the following avenues for future research :

1. The mediating role of internal controls in the relationship between contemporary internal auditing practices and quality of financial reporting .
2. The link between internal audit independence and financial reporting quality under contemporary auditing trends.
3. The impact of artificial intelligence adoption in internal auditing on financial reporting quality.
4. Modeling the relationship between contemporary auditing components and financial

disclosure quality using structural equation modeling.

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