

# CHAPTER I

## CONCLUSION AND RECOMMENDATION

This chapter presents the conclusion from the study and also make some recommendations for future research.

### 5.1 Conclusion

Following the discussion of the literature review, several conclusions could be made. Establishing a strong internal audit function in an organisation is a wholesome investment for the organisation since its role to provide independent assurance that an organisation's risk management, governance, and internal control processes are operating effectively. Despite the numerous benefits gained from having internal audit function within the organisation, negative perceptions of internal audit are still emerging from stakeholders. This literature review has compiled some of the causes of the negative perceptions, namely lack of value added by internal audit, to whom internal audit is actually serving, negative images of internal audit, and internal audit expectation gap. These negative perceptions impact the internal audit itself, some of them are recruiting challenge of internal audit position and distrust of unwilling to implement internal audit recommendations as this literature review has compiled. However, the important roles of internal audit and its usefulness to the organisations are uncontested, therefore positive perceptions are also included in this literature review as the comparison among perceptions of internal audit as well as expected improvements

of internal audit. Given the negative perceptions of internal audit, internal auditors should be aware of the negative perceptions surrounding its profession as the chance for them to make adequate changes in order to combat the negative perceptions.

## **5.2 Recommendations**

Researcher acknowledge that there are several limitations of the literature review, some of which offer opportunities for future research. Though researcher has compiled factors influencing negative perceptions of internal audit based on existing literatures into five categories, there are still some other factors that researcher might not include. Future research can identify other factors that has not been included in this study. Additionally, the perceptions about internal audit in this study are varied from across countries and perhaps not all perceptions are the same in every country. Research about internal audit especially perceptions about internal audit is still limited in Indonesia. Furthermore, researcher encourage future research to enrich studies about internal audit in Indonesia, specifically about the perceptions of internal audit and improvements of internal audit function.