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A Suggested Integrated Framework to Foundation: the Libyan Institute of Internal Auditors: "A Pilot Study"

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Abstract:

The aim of this study is to state a suggested integrated framework to the foundation the Libyan Institute of internal auditors. The absence of a professional existence to care about the internal auditors performance in Libya has stimulated this study to achieve the previous goal. Memorable, the study was parted to three sections, the first one about the methodology of this study, the second section has illustrated the pioneer experiences of the western and Arabian countries about foundation of their institutes of internal auditors alike, to reason a suggested integrated framework to the foundation of the Libyan Institute of internal auditors, while the third one has presented the pilot aspect, which demonstrated the approval of the academics, the chairmen of multi companies, the external auditors, the internal auditors and others about the importance of the foundation of the Libyan Institute of internal auditors in the Libyan business environment in general.

Keywords: The Internal Auditing – The Internal Auditors – A professional Existence of The Internal Auditors.

الملخص:

هدفت هذه الدراسة إلى صياغة إطار مقترح متكامل لإنشاء المعهد الليبي للمراجعين الداخليين، حيث أن غياب وجود تنظيم مهني يُعنى بمستوى أداء المراجعين الداخليين في ليبيا حفز هذه الدراسة لتحقيق الهدف سالف الذكر، وجدير بالذكر أن الدراسة قسمت لثلاثة أقسام، تناول القسم الأول منها منهجية الدراسة، أما القسم الثاني فقد استعرض التجارب الرائدة للدول الغربية والعربية فيما يتعلق بإنشاء معاهدها الخاصة بالمراجعين الداخليين لصياغة إطار مقترح متكامل

لإنشـــاء المعهـــد الليبـــي للمـــراجعين الـــداخليين، بينمـــا قـــدم القســـم الثالـــث الجانـــب الاســـتطلاعي الـــذي اســـتعرض إقـــرار الأكـــاديميين، ورؤســـاء مجـــالس إدارة عديـــد الشـــركات، والمـــراجعين الخـــارجيين، والمراجعين الداخليين، وغيرهم بأهمية إنشاء المعهد الليبي للمراجعين الداخليين لبيئة الاستثمار في ليبيا عموماً .

الكلمات المفتاحية: المراجعة الداخلية – المراجعين الداخليين – تنظيم مهني للمراجعين الداخليين.

1) Introduction:

During the last few decades, the related Libyan authorities had state the known act no "116" in "1973", which cares about the organization of the accounting profession in Libya.

This act is still a solitaire try for a long time now toward a creation the suitable environment that attract the local and oversea investments, targeted by the Libyan economy.

On the other side, the accounting and auditing standards environment had been neglected even though they hold vital importance to achieving the developmental hopes.

Precisely, about the accounting plateau, Libya like a few African and Arabian ones did not apply the International Financial Reporting Standards "$IFRS_s$" even the compliance by others, like South Africa, Nigeria, Ghana, Zambia, Oman and United Arab of Emirates.

Technically, USA had found the Institute of the Internal Auditors "IIA" IN "1941", then multi Arabian and other countries did the same action wishing to convoy this trend (Hass , 2011).

But this affair did not meet the same care in Libya even though it has this vital importance within the modern business environment, specially, after the huge crisis, which happened in multinational corporations like Enron, Xerox and World Com causally the earnings management acts, and the negative effect on the efficiency of the supreme securities and exchange markets like wall street, additionally the wording of the famous American act Sarbanes – Oxley "SOX" during the beginnings of the third millennium (Barry and Philomena , 2012).

2) The Literature review and hypotheses development:

As it were, there was a concern about setting up an institute of internal auditing by multi countries proceeding the USA, which had publish the first one around the world in "1941", so the progression of the positive effects of the experience had, the idea intensify cross Arabian and western countries alike.

Even the plurality of the reflects of the internal auditing on the financial and managerial performance, especially during the modern business environment, but the founding of specialized institute of internal auditing profession did not get proper attention by the government, auditors and the financial specialists in Libya equally.

That lack of professional foundation to care about the internal auditors affairs in Libya had a negative effect on the efficiency and the effectiveness of the Libyan internal auditors, a causality of the absence of an independent and professional organization to arrange the tasks of internal auditing and issue the related standards, further more create continuous learning programs.

All what was mentioned previously occasioned to the relation of internal auditing in Libya comparing with its peers in Arabic and western countries. In addition, this gab of non-attendance of a professional association deprived multi related categories of the benefits and advantages in the Libyan business environment.

All these excuses pushed this study strongly to create a suggested integrated framework for the foundation of the Libyan institute of the internal auditing "LIIA".

Consequently, this study states the following two main hypotheses to achieve the previous target.

The first main hypothesis: there is a necessity to state an integrated framework to the foundation of the Libyan institute of internal auditors.

The second main hypothesis: the compliance of the integrated framework to the foundation of the Libyan institute of internal auditors leads to the realization of multi benefits to all related categories of internal and external auditing alike.

So, to examine the second main hypothesis, the study has branched the following five sub-hypotheses:

The first sub hypothesis of the second main hypothesis: the compliance of the integrated framework of the foundation of the institute of Libyan internal auditors leads to the realization of multi benefits to the firm totally.

The second sub hypothesis of the second main hypothesis:

the compliance of the integrated framework of the foundation of the institute of Libyan internal auditors leads to the realization of multi benefits to the management.

The third sub hypothesis of the second main hypothesis:

the compliance of the integrated framework of the foundation of the institute of Libyan internal auditors leads to the realization of multi benefits to the internal auditors.

The fourth sub hypothesis of the second main hypothesis:

the compliance of the integrated framework of the foundation of the institute of Libyan internal auditors leads to the realization of multi benefits to the external auditors.

The fifth sub hypothesis of the second main hypothesis:

the compliance of the integrated framework of the foundation of the institute of Libyan internal auditors leads to the realization of multi benefits to the accounting and auditing professions alike.

3) Aim of the study:

Generally, the aim of this study is to state a suggested integrated framework to the foundation of the Libyan institute of internal auditors. In addition, the study aims to achieving sub-targets which contributes together to the completion of the theoretical and organizational framework of the institute, like following:

- Illustration of the experiences of the western and Arabic countries to the foundation of professional organizations to internal auditing.
- Clarification of potentials towards the foundation of the Libyan institute of internal auditors.

- Clarification of legal and organizational frames to the foundation of the Libyan institute of internal auditing.
- Representation the finance policy of the Libyan institute of internal auditing during the first period of its life.
- Clarification of the training diplomas and certifications, and the fellowship conditions of the suggested institute.
- Questionnaire of the opinions of the interested ones in the internal auditing field in the Libyan environment about the pivots of the foundation of the Libyan institute of internal auditors.

4) The importance of the study:

Nowadays, the world is swiped by the foundation of professional existence for internal auditing, so multi ones have been appeared in major western countries within the last few decades, additionally, in numbers of Arabic countries over the same era almost. Consequently, it is indispensable to research the idea about the foundation of this professional existence to arrange the related conducts of the internal auditing in Libya, specially throughout the rareness or else the absence of the Libya studies which conducted this brain storming idea.

The theoretical aspect of the study:

During this section, the study will illustrate the following:

5.1) The previous studies and experiences about foundation of a professional existences for internal auditors:

Even frequentation of financial failure cases which had been occurred within the forties of the last century, the recognition of the internal auditing as an independent profession become a vital necessity, so multi countries pressed on to foundation institutes, associations and syndicates for arranging the internal auditing profession, and stating the professional standards, principles and instructions. Even the interest of number of Arabic countries follow suit this trend leading by United Arab Emirates, which founded its internal auditing institute in "1996" (Masseya ,

2016). Libya efforts still very limited about this affair, then the study will illustrate the previous Arabic and foreign tries as independents like following:

5.1.1) IIA in USA:

The American institute of internal auditors had been founded in "1941", which represents as a real nucleus for international institute for internal auditors, additionally, its vision has presented a dynamic leadership for internal auditing profession. The institute aims to (IIA – USA , 2008) :

- Supporting and development the professional conducts for internal auditing in the firm.
- Presenting a professional framework for development of the standards and instructions for internal auditing profession.
- Promotion for the internal auditing profession, demonstration its role in corporates governance and risk management.
- Training the practitioners about internal auditing skills.
- Extending and exchange the internal auditors experts around the world.

Relevant, the organizational structure of the American institute had develop over the time, whereas started by the chairman and his vice, and the chamberlain and "24" fellows. In "1957" the number of the fellows had raise to " 3700", then in "2008" recorded "200000" from "165" states around the world (Fadzil and Haron , 2015).

Memorable, the institute has present the following professional certification (IIA-Uk , 2015):

- Certified Internal Auditor "CIA".
- Certified in Control Self – Assessment "CCSA".
- Certified Government Auditing Professional "CGAP".
- Certified Financial services Auditors.

5.1.2) IIA in Australia:

In "1952" the Institute of Internal Auditors Australia "IIAAU" had been founded as a follow up institute to the international institute of internal auditors. In "1986" the institute had become an independent national institute related to southern pacific region "IIAAU", whereas its non-profit limited company (Harmanson , 2003).

Relying on vision of the institute, it aims to achieve the following target (Marica et al , 2016):

- Development the knowledge of the internal auditing.
- Promotion and encourage the internal auditors learning.
- Issuing the runners and the scientific bulletins.
- Preparing the diplomas for the fellows.

5.1.3) The German IIA:

The German Institute for Internal Auditors "GIIA" had been founded in "1958", whereas issued the German internal auditing standards, the vision of the institute depends on development of the principles and procedures of the internal auditing conducts about the economical and technological evolutions, So (Li , 2007) adds that the institute aims to :

- Presenting the necessary information about the internal auditing profession.
- Keeping the communication relationships with the leading internal institutes around the world.
- The institute consist of the board of the directors and "2000" fellows by public and private sectors, under the economics minister supervision, whereas the institute presents the certified internal auditors "CIA" jointly with the American internal institute of internal auditors.

5.1.4) The Italian IIA:

The Italian Institute of Internal Auditor "IIIA" had been found in "1972", which is a member in the international institute for internal auditors. The institute

contributed strongly in corporates governance policies, risk management and internal control systems (IIA – UAE , 2013).

The vision of the institute comes on development of internal auditing performing, issuing the professional standards, and aiming to the following targets (Arena , 2007):

- Supporting the native researches and transportation the related knowledge of the internal auditing to the all.
- Providing the continuous training courses.
- Supporting the knowledge exchange with the others.

In addition, the institute is non-profit foundation, providing multi professional certificates leading by "CIA" (Maliza et all, 2006).

5.1.5) The British IIA:

The British the institute of internal auditors "IIA-UK" had been founded in "1978", which has stated the British internal auditing standards is "2009", whereas the vision of the institute based on the keeping of the internal auditing ethics (IIA – UK , 2005).

So, the institute aims to the following targets (Allegrini ,2003):

- Supporting the ethical culture to the internal auditing profession.
- Issuing the necessary standards for internal auditors organizations
- Giving the proper certifications to upgrading the internal auditors level.

In addition, the institute has issued two types of standards like following (George et all , 2009) :

- Internal auditing standards about the characteristics, which similar to the American ones.
- Internal auditing standards about the performance, which similar to the American ones also.

5.2) The Previous in The Arabic Countries:

5.2.1) The IIA in UAE:

The institute of internal auditors in UAE "IIA-UAE" had been founded in "1996", which stated multi bulletins about the following (IIA-UAE ,2013):

- Meeting the requirements of internal auditing profession .
- Internal auditing issues.
- The relationship between the internal auditing and the risk management.

Supplementation, the vision of the institute based on planning to the internal auditing profession and keeping its main principles.

Sequence, the institute board consists of the chairman, his vice, chamberlain and numbers of members, under supervising of the ministry of commerce.

5.2.2) The IIA in Qatar:

The Qatari IIA had been founded in "2003", whereas consists of "38" members by the private and public sectors alike.

Nowadays, the number of the members equal over "400" members, then the vision of the institute aims to be the internal auditing as a pioneer profession in Qatar according to its mission like following (IIA-Qatar , 2015):

- Providing the necessary information to executive management, board of directors, audit committee, and the internal auditors.
- Supporting corporates governance applying.
- Limitation of the internal auditors responsibilities and tasks.
- Training the internal auditors and providing the continuous learning to them.

5.2.3) The IIA in Saudi Arabia:

The institute of internal auditors in the kingdom of Saudi Arabia. "IIA – KSA" had been founded in "2009", which aims to upgrading the internal auditing profession

in KSA, then it Is a part of international network about the internal auditors around the world.

The institute presents the supporting throughout the professional instructions and the continuous learning.

The institute aims to (IIA – KSA , 2014):

- Giving the support to the members.
- Providing the professional instructions and the continuous learning.
- Arranging the conferences for the members.
- Supporting the connection with the international organizations.

In addition, the institute gives the similar certification with other which have been given by the international institute of internal auditors like following (Balkaran , 2012) :

- Certified International Auditor "CIA"
- Certified Governmental Professional Auditor " CGPA".
- Certified Financial Services Auditor "CFSA" .

5.2.4) The IIA in Yemen:

The Yemeni Association of Internal Auditors "YAIA" had been founded in "2013", whereas cared mainly about the organizional aspect.

The association aims to (IIA-Yemen , 2015):

- Upgrading the internal auditing profession.
- Arranging the conferences and publishing the related bulletins.
- Spreading the awareness of importance of the corporates governance.
- The board of the association consists of the chairman, three members, and the general secretary, under supervising of the related minster.

Based on the previous exposition, the foreign and Arabic countries pressed earlier than Libya to foundation their independent professional existences for internal auditors.

5.3) The situation in Libya about the professional existence for internal auditors:

No doubt, the weakness of accounting development in Libyan business environment comparing with regionally and global plateaus reflected negatively on the flowing of the foreign investments, decreasing the quality of the accountants and the auditors alike.

5.4) The suggested integrated framework for the Libyan institute of internal auditors "LIIA":

There are multi steps that have been taken by multi western and Arabian countries toward the foundation of a professional existence to organize the internal auditors affairs underlying number of titles as institutes, syndicates, associations…whatever, but the main target is still the upgrading of the internal auditing level.

Underlying the analysis of the previous experiences which have been mentioned before cross the foreign and Arabic aspects alike, about the foundation of the institute of internal auditors, additionally harmonizing with the nature of the Libyan business environment, the study suggests the following integrated framework to the foundation of the Libyan institute of internal auditors:

5.4.1) The vision of the (LIIA) :

The vision of the institutes are different, whereas the limitation of the vision is very important, so the starting of the executing of the targets relied on this vision.

According to the review of the previous vision, the study proposes the vision of the (LIIA) as : the pioneering and the international authenticating of the internal auditors in Libya, development of the conducting of internal auditing and caring of internal auditors.

5.4.2) The mission of (LIIA):

As known, the mission is a detailed illustration to the vision during the short term, so the mission of the institute is based on supporting and upgrading the level of the internal auditing profession providing the technical backup for the internal auditors through all public and private firms alike.

In addition, the mission aims to helping the internal auditors on performing their tasks compliance with the international and local legislations and restrictions.

5.4.3) The targets of the (LIIA):

Underlying the vision of the institute, the mission and their targets which was mentioned before, the study became able to focus the targets of the Libyan institute of internal auditors like following :

- Presenting a professional standards, instructions and scientific programs for supporting and developing the internal auditing profession.
- Arranging the conferences, argumentation and issuing the bulletins for upgrading the internal auditors skills.
- Supporting experiences and knowledge alternation with other existences of different countries.
- Issuing the related standards and spreading the recent concepts and instructions.

5.4.4) The considerations of the foundation of (LIIA):

There are multi criteria that must be considered to make any professional organization successful, so during this proposal model to (LIIA) we must take in our concern the following items (Nev , 2013) , (Mulig , 2014) :

- The purpose of the foundation of (IIA – LY).
- The legal and organizational framework to the foundation of (IIA – LY).
- The number of qualified internal auditors in the country.
- The profession needs of the continuous learning programs.

- The recourses of the finance to proposed activities by the institute.
- The necessity of the existence of the internal auditor act to organize the internal auditors affairs.
- The necessity of existence of the internal auditor bulletin to the institute.
- Adoption with the international standards for internal auditing during the initial eras of the (LIIA) life until formation the responsible committee to issuing the local standards.
- The accounting and auditing standards which applied by the external auditors to preparing their reports.
- The number of the internal auditors which have memberships outside the country.

5.4.5) The membership of (LIIA) :

The study suggests some qualified academic and professional set to gaining the membership like following

- The Certified Internal Auditors "CIA" gainers.
- The gainers of the fellowship, membership and certification of the American Institute of Certified Public Accountants "AICPA".
- The gainers of the fellowship, membership and certification of the British Association of Certified Public Accountants "BACPA".
- The Ph.D in accounting gainers.

Consequently, the lobby of interests "congress" consists of active members of the institute, so it will be responsible for leading the institute to achieving the institute's targets, additionally the lobby of interests responsible for the general strategy and policies.

Specifically, the congress of the institute must be able to achieve the following tasks:

- The Election of the board of directors of the institute.

- Formation specialist committees to perform the managerial and professional tasks
- Approving the strategic plan and general policy to the institute.
- Approving the budget and annual report of the institute.
- Preparing the internal bulletin of the institute.

5.4.6) The chairman of the institute:

The chairman is the leader of the institute. He is been selected by the board of the directors for a limited duration "4years" twice only.

The position of the chairman includes the leadership, representation, communications and the development of the institute.

As a leader, the chairman leads the board of the directors, whereas he is the official representative, the chairman must be communicated with the government, educational centers, the international, local and domestic agencies (Revikin and Serra , 2012).

5.4.7) The permanent committees of the "LIIA " :

The permanent committees are been selected by the board of directors or the lobby of interests. The role of these committees is stating the general policies of the institute .In addition, theses existences must be independent of the board of directors,so theses technical committees inform the lobby of interests about the important new changes over the time (Sarens, 2011).

In this regard, it is enough a limited ones of these committees like following (Stewart and Subramanian , 2010):

- The membership committee : it cares about the requirements of gaining the membership and members benefits and hopes.
- The Training and learning committee : it cares about stating the standards of training and the continuous learning of the members.
- The standards and technical affairs committee : it cares about stating the technical, professional and ethical standards.

5.4.8) The financing of the "LIIA":

The financing of the institute is the most difficult challenge of the foundation of "LIIA" especially in the case of the authorities refusal to endure the idea costing.

Whereas, the institute needs an independent building and related branches which need distinguished financing.

So, the gaining of finance by the subscriptions of the members is a must to meet the needs of the operational and capital expenses to achieving the growth of the institute over the time.

5.4.9) The logo of the "LIIA":

The logo of the institute is a strong tool to represent the ethics to the members, and the spread population and the business environment.

It's possible that the designing of the logo within the first era of the institute, results in the consistent flash of the logo helpings to enhance the awareness and understandability of the people toward the existence of the institute and supporting it's activities.

5.4.10) The certifications of the "LIIA":

By the acting of the target role of the institute, it will be claimed to presenting an official certification for the certified internal auditor in the local level, additionally,the institute must be able to arrange the qualified tests by gaining the international certifications about the internal auditing.

5.4.11) The punitive procedures:

If the institute aims to protect it's truthfulness, it must conduct the full responsibility about the ethical and professional behaviors of it's members.

So, the suggested structure of the punitive procedures must be convenient and sufficient with the legal advices which are presented by the legal affairs department in the institute.

Accordingly, the author supposes that the misconduct includes the following actions or all:

- Criminal activity.
- Violation of the professional standards.
- Violation of the professional ethical requirements.
- Gross professional careless.
- Any inattention that may offends the reputation of the internal auditing profession.

5) The empirical aspect of the study:

This section of the study aims to gaining scientific results about the extent of the need of crystallization a suggested integrated framework for the foundation of the Libyan institute of internal auditors, additionally the evaluation of the effectiveness of this framework to achieving the multi benefits of the different related centers.

6.1) The procedures of the empirical aspects:

This partial section of the study illustrates the following components:

6.1.1) The population of the study:

Due to the aim of the study which is stating an integrated framework for the foundation of the Libyan institute of internal auditors, so the author suggests that the population of the study consists of the following items:

- The chairmen of the departments of the Libyan companies, which present the indicator of the Libyan securities and exchange market.
- The internal auditors of the Libyan accounting bureau.
- The internal auditors of the Libyan managerial control authorities.
- The listed external auditors in the Libyan securities and exchange market.
- The leading members in the Libyan accountants and certified public accountants syndicate.
- The Libyan universities Ph.D staff members in accounting.

6.2) The limits of the study:

First and foremost, the author has specified the observations of the study based on the English language skills level, so the ones who do not meet the requirements of this level have been excluded by the author.

Secondly, the author had chosen the following locations: Benghazi - Tripoli – Elmareg – Ejdabia of the Libyan accounting bureau and Libyan managerial control authorities alike.

Thirdly, the study limited the board of Libyan accountants and certified public accountants syndicate and its general secretary.

Finally, the author has selected the staff members of the accounting divisions of the university of Benghazi and university of Tripoli.

6.2) The sample of the study:

Requesting to achieve the aim of the study, additionally consistence of the limits of the study, the author illustrates the sample according to the following table

Table "1"
The sample of the Study and the details of the Questionnaire

The category	Sent	Received
1) The chairmen of the departments of the Libyan companies, which present the indicator of the Libyan and exchange market.	25	23
2) The internal auditors of the Libyan accounting bureau.	35	33
3) The internal auditors of the Libyan managerial control .	35	33
4) The listed external auditors of the Libyan securities and exchange market.	30	28
5) The leading members of the Libyan accountants and certified public accountants syndicate .	8	8
6) The Libyan university staff members in accounting, which in assistant professor academic class and above.	27	25
Total	**160**	**150**

6.4) The data analysis:

The study relied on the survey method, whereas the author has designed the appropriate questionnaire based on "Likert-Scale" with five degrees of acceptance and refusing with gradual weights like following:

Table "2"

The acceptance and refusing degrees

Highly accepted	Accepted	Fdfmama Neutral	Refused	Highly refused
5	4	3	4	1

The questionnaire of the study consists of two main sectors, the first one examines the first main hypothesis, the second one examines the second main hypothesis within its five sub-hypotheses.

6.4.1) The reliability of the questionnaire and Kolmogorov - smirnov test:

Due to the tool of data collection is the questionnaire, then the author has used the statistical package of the social sciences "SPSS" for examine the reliability of this tool, additionally to examine the hypothesis of the study.

So, the results were like following:

6.4.1.1) The faithfulness tests:

The results of the questionnaire faithfulness are shown like following:

- The quality of the questionnaire equals "90%" out off all academic judges.
- The experimental faithfulness factor equal "90.46%".
- The consistency factor "Alfha-cronpach factor" equal "89.50 %".

6.4.1.2) Kolmogorov Smirnov test:

This test is used to identify whereas the data of the sample are normally distributed or not, so the hypotheses of this test will be mentioned like following:

(H0) : The collected data of the sample are normally distributed.

(H1) : The collected data of the sample are not normally distributed.

Table "3"

The results of Kolmogorov Smirnov test

The sample	Mean	Standard Deviation	Absolute value	Positive difference	Negative difference	Test value	P- valuethe p P- value
150	**3,3902**	**0.2794**	**0.156**	**0,156**	**- 0,083**	**1.564**	**0,015**

The previous table illustrates that the value of test = 1.564. In addition, the calculated value of Kolmogorov Smirnov test "Z=0.015" is not significant on "α = 0.05".

Consequently, the study will be able to accept the alternative hypothesis, which **(H1) : "The collected data of the sample are not normally distributed".** So the study will rely on the non – parametric tests which consist of non – normally distributed data to achieve this target like "Chi – square" test.

6.4.2) The tests of the hypotheses:

As what has been mentioned before that the study bases on two main hypothesis, so the study will illustrate the related section of the questionnaire about every one and its result to achieving the aim of the study.

6.4.2.1)The test of the first main hypothesis:

The first main hypothesis is " there is a necessity to state an integrated framework to foundation the Libyan institute of internal auditors".

The author have used "Chi – square" to test as a one of non -parametric tests to this hypothesis. The following table illustrates the results of this test, additionally the descriptive findings.

Table "4"

The responds of the sample about the first main hypothesis

5. There is a necessity to foundation a legal and organizational framework compliance with the acts of the accounting profession.	4. There is a necessity to foundation LIIA to present a professional standards and instructions	3. There is a necessity to foundation LIIA to upgrading the internal auditing level.	2. There is a necessity to foundation LIIA as an organization-al and professional existence to be care about the internal auditors interests	1.There is a necessity to foundation LIIA to develop the internal profession.	The statement
55 %37	61 %40.7	50 %33.3	46 %30.9	30 %19.8	Highly Accept-ed
. 68 %45.7	59 %39.5	68 %45.7	80 %53.1	74 %49.4	Accepted
13 %8.6	9 %6.2	15 %9.9	9 %6.2	16 %11.1	Neutral
9 %6.2	16 %11.1	11 %7.4	11 %7.4	22 %14.8	Refuse-d
5 %2.5	5 %2.5	6 %3.7	4 %2.5	8 %4.9	Highly refused
4.1	4.0	4.0	4.0	3.6	Weighted aver-ge
63.88	56.22	55.24	75.73	48.44	Chi - square
Accept	Accept	Accept	Accept	Accept	The directio-n

The previous table illustrates that all the values of the all statements are over "3.4" which presents the start of the area of the acceptance. In addition, all calculated values of Chi – Square test are significant on "$\alpha = 0.05$".

Consequently, the study will be able to accept the first main hypothesis, which "**there is a necessity to stating an integrated framework to foundation the Libyan institute of internal auditors.**"

6.4.2.2) The test of the second main hypothesis:

Due to this main hypothesis is branched to five sub-hypotheses, the study will present the results of these ones.

Table "5"

The responds of the sample about the first sub – hypothesis : The first part of the second section of the questionnaire

5. The foundation of the "IIA-LY" causes the increasing the firm ability to risk management.	4. The foundation of the "IIA-LY" supports the convoying the recent updates of the internal auditing.	3. . The foundation of the "IIA-LY" supports the corporates governance applying.	2. The foundation of the "IIA-LY" supports the evaluation the ability of the firm to continuity.	1.The foundation of the "IIA-LY" supports the competitive strategy of the firm .	The statement
26 %17.3	39 %25.9	39 %25.9	30 %19.8	42 %28.4	Highly Accept-ed
80 %53.1	83 %55.6	80 %53.1	89 %59.3	87 %58	Accepted
20 %13.6	13 %8.6	6 %3.7	13 %8.6	4 %2.5	Neutral
9 %6.2	4 %2.5	15 %9.9	15 %9.9	15 %9.9	Refuse-d
15 %9.9	11 %8.5	10 %7.7	3 %2.5	2 %1.2	Highly refused
3.6	3.9	3.8	3.8	4	Weight-d average
63.88	88.10	89.24	84.2	92.2	Chi - square
Accept	Accept	Accept	Accept	Accept	The directio-n

The previous table illustrates that all values of the all statements are over "3,4" which presents the start of the area of acceptance. In addition, all calculated values of Chi-square test are significant at "ά = .05".

Consequently, the study will accept the first sub-hypothesis of the second main hypothesis, which " the compliance of the integrated framework of the foundation of the institute of the Libyan internal auditors leads to realization of multi benefits to the firm totally".

Table "6"

The responds of the sample about the second sub – hypothesis : The second part of the second section of the questionnaire

5. The foundation of the "IIA-LY" contributes to increasing the transparency of the disclosure.	4. The foundation of the "IIA-LY" increases the investors' confidence in the management cross the confidence of the published financial reports.	3. . The foundation of the "IIA-LY" enhances and supports the internal control structure in the firm.	2. The foundation of the "IIA-LY" helps to throughout the cost vision the evaluation of the firm management efficiency .	1.The foundation of the "IIA-LY" supports the supreme management of the firm .	The statement
48 %32.1	35 %23.5	44 %29.6	30 %19.8	44 %29.6	Highly Accepted
74 %49.4	74 %49.4	72 %48.1	85 %56.8	65 %43,2	Accepted
9 %6.2	13 %8.6	15 %9.9	11 %7.4	5 %3.7	Neutral
13 %8.6	20 %13.6	17 %11.1	24 %16	28 %18.5	Refuse-d
6 %13.7	8 %4.9	2 %1.2	0 %0	8 %4.9	Highly refused
4.00	3.7	3.9	3.8	3.7	Weight-d average
64.62	51.53	57.46	46.26	45.61	Chi - square
Accept	Accept	Accept	Accept	Accept	The directio-n

The previous table illustrates that all the values of the all statements are over "3,4" which presents that start of the area of acceptance. In addition, all calculated values of "Chi-square" test are significant on " $\alpha = 0,05$".

Consequently, the study will accept the second sub-hypothesis of the second main hypothesis, which "the compliance of the integrated framework of the foundation of the institute of the Libyan internal auditors leads to realization of multi benefits to the management".

Table "7"

The responds of the sample about the third sub – hypothesis : The third part of the second section of the questionnaire

5. The foundation of the "IIA-LY" contributes to enhancing the risk management and corporates governance.	4. The foundation of the "IIA-LY" decreases the gab between educational and practical qualification of the local and international internal auditors .	3. . The foundation of the "IIA-LY" contributes to the awareness of the internal auditors toward the updated issues about the profession.	2. The foundation of the "IIA-LY" increases the confidence of thee Libyan internal auditors.	1.The foundation of the "IIA-LY" upgrades the level of internal auditing in Libyan firms.	The statement
30 %19.8	35 %23.1	39 %29.6	31 %20.46	46 %30.36	Highly Accept-ed
74 %48.8	81 %53.46	72 %47.52	85 %56.10	66 %43,56	Accepted
16 %10.56	10 %6.6	16 %10.56	4 %2.64	13 %8.58	Neutral
22 %14.52	13 %8.58	11 %7.26	20 %13.2	16 %10.56	Refuse-d
8 %5.28	11 %7.26	12 %7.92	16 %10,56	9 %5.94	Highly refused
3.6	3.8	3.8	3.7	3.9	Weight-d average
48.4	67.5	49.5	76.7	46.5	Chi - square
Accept	Accept	Accept	Accept	Accept	The directio-n

The previous table illustrates that all the values of the all statements are over "3,4" which presents that start of the area of acceptance. In addition, all calculated values of "Chi-square" test are significant on " $\alpha = 0,05$".

Consequently, the study will accept the third sub-hypothesis of the second main hypothesis, which " the compliance of the integrated framework of the foundation of the institute of the Libyan internal auditors leads to realization of multi benefits to the internal auditors".

Table "8"
The responds of the sample about the fourth sub – hypothesis : The fourth part of the second section of the questionnaire

4. The foundation of the "IIA-LY" upgrades of the quality of the professional performance of the external auditing firms in Libya .	3. . The foundation of the "IIA-LY" makes the external auditor mission easier.	2. The foundation of the "IIA-LY" conducts to enhancement of the connection between the internal auditors	1.The foundation of the "IIA-LY" conducts to substantial enhancement of the quality of external auditing causal to the development of the internal auditing .	The statement
57 %37.6	53 %35.3	53 %35.3	59 %39.3	Highly Accept-ed
74 %48.8	67 %44.2	69 %45.5	76 %50,1	Accepted
10 %6.6	15 %9.9	11 %7.26	2 %1.3	Neutral
4 %2.6	11 %7.2	13 %8.5	9 %5.9	Refuse-d
5 %3.3	4 %2.6	4 %10,56	4 %2.6	Highly refused
4.2	4.0	4.0	4.2	Weighte-d average
79.543	57.33	60.91	87.83	Chi - square
Accept	Accept	Accept	Accept	The directio-n

The previous table illustrates that all the values of the all statements are over "3,4" which presents that start of the area of acceptance. In addition, all calculated values of "Chi-square" test are significant on " $\alpha = 0,05$".

Consequently, the study will accept the fourth sub-hypothesis of the second main hypothesis, which "the compliance of the integrated framework of the foundation of the institute of the Libyan internal auditors leads to realization of multi benefits to the external auditors ".

Table "9"

The responds of the sample about the fifth sub – hypothesis : The fifth part of the second section of the questionnaire:

4. The foundation of the "IIA-LY" contributes to updating of the courses and researches in Libyan universities and institutes.	3. . The foundation of the "IIA-LY" decreases the financial corruption and the financial scandals causal to the enhancement the effectiveness and efficiency of the preventive accounting profession.	2. The foundation of the "IIA-LY" contributes to the global, Arabic updates and professional bulletins in the internal auditing orientation,	1.The foundation of the "IIA-LY" contributes to continuous updating development of the internal auditing profession.	The statement
61 %40.2	44 %35.3	57 %35.3	68 %39.3	Highly Accept-ed
48 %31.6	63 %44.2	80 %45.5	52 %50,1	Accepted
16 %10.5	22 %9.9	9 %7.26	13 %1.3	Neutral
20 %13.2	13 %7.2	2 %8.5	11 %5.9	Refuse-d
5 %3.9	8 %5.2	2 %8,5	6 %3.9	Highly refused
4	3.8	4.3	4	Wei-hted average
40.67	38.82	94.12	42.76	Chi - square
Accept	Accept	Accept	Accept	The directio-n

The previous table illustrates that all the values of the all statements are over "3,4" which presents that start of the area of acceptance. In addition, all calculated values of "Chi-square" test are significant on " $\alpha = 0,05$".

Consequently, the study will accept the fifth sub-hypothesis of the second main hypothesis, which " the compliance of the integrated framework of the foundation of the institute of the Libyan internal auditors leads to realization of multi benefits to the accounting and auditing professions alike ".

Due to the results of the statistical analysis of the five sub – hypotheses, the study will be able to accept the second main hypothesis, which "**the compliance of the integrated framework to foundation the Libyan institute of internal auditors leads to realization of multi benefits to all related categories of internal and external auditing alike** "

6) Conclusion:

Based on the literature review of the study, mainly the displaying the experience of the pioneer states about the foundation their institutes of the internal auditors, the study has presented a suggested integrated framework for foundation the Libyan institute of the internal auditors. In addition, the study has examined its two main hypotheses, then it had become to present a scientific evidence about: there is a necessity to stating an integrated framework to foundation the Libyan institute of the internal auditors, additionally, this brilliant idea leads to realization of multi benefits to various related categories of the foundation the Libyan institute of the internal auditors like: the firm, the management, the internal auditors, the external auditors and the accounting profession generally.

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