



The Impact of the Code of Professional Conduct for Internal Auditors on the Effectiveness of Internal Auditing Units in Banks Listed on the Palestine Stock Exchange During COVID-19 Pandemic

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Abstract. The study aimed to identify the impact of the Code of Professional Conduct for Internal Auditors on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic. The sample of the study consisted of 50 employees from the internal audit department employees in the banks listed in the Palestine Stock Exchange, randomly selected, and a descriptive approach has been implemented to achieve the study's objectives. In addition, a questionnaire was designed to fit the purpose of the study, and after implementation and data analysis, the results indicated that there is a high impact of the attributes (integrity, objectivity, confidentiality, and competency) on the effectiveness of internal auditing units. According to a mean of 4.07 and an overall standard deviation of 0.41, Consequently, the study recommended that it is necessary to strengthen the ethical environment and its principles in the work of internal audit units in banks because of their great impact on achieving goals during crises, especially at the COVID-19 pandemic.

Keywords: Internal audit unit · Banks listed on the Palestine Stock Exchange · Code of Professional Conduct · COVID-19 pandemic

1 Introduction

Internal audit plays a vital role in improving operational performance and identifying the main risk factors by identifying current and future strengths and weaknesses and finding possible opportunities to improve or develop them. The role of the internal auditor is to ensure that the risk management, governance, and internal control processes operate effectively and implement all the objectives, policies, procedures, and plans approved by senior management in their annual plans, identify potential threats that may affect their profitability, and provide the necessary suggestions to mitigate those risks and threats and identify areas that can be improved in them [1].

Therefore, we care about all institutions of internal audit units, including banks, by laying down several pillars for them, the most important of which are the ethical principles and rules that are necessary for the internal audit activity, considering that the internal audit profession is based mainly on confidence in its objective assertion regarding risk management, control and governance, and breaching the rules of ethics of the profession is considered as unacceptable behavior, it will be evaluated and acted upon in by the laws and administrative regulations in force the institutions, and reflect all Palestinians economy [2].

During the COVID-19 pandemic, the internal audit profession has transformed from being a tool for internal control to becoming more comprehensive than this traditional concept, with the predictive information they provide that contributes to the prediction of risks that may hinder the company's achievement of its goals, and no doubt achieving this will help companies face risks. unexpected ones, such as the COVID-19 epidemic, and trying to deal with it in a way that reduces the size of losses and costs resulting from what it imposes on the environment and working conditions that differ fundamentally from what was followed previously [3].

Where institutions seek to improve performance by strengthening the work ethics system, which in turn reflects on the growth of society, Therefore, some internal auditors may not adhere to the ethics of the profession, which leads to the weakening of confidence of the public and beneficiaries of services, and, consequently to the loss of a lot of objectivity and position in society. Given the possibility that the principles and rules of ethics for the internal audit profession will not have an impact on the effectiveness of internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, given that the ethical principles of the internal audit profession are expectations that govern the behavior of individuals and institutions in the context of conducting internal audit work, as shown by the limit minimum requirements and behavioral expectations, not specific activities, according, there is a need for this study to answer the main study question:

Is there an Impact Code of Professional Conduct for Internal Auditors on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic?

Therefore, this study will be implemented to examine the impact of each of the attributes of (integrity, objectivity, confidentiality, and Competency) on the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic to enhance the strengths of these units and address the weaknesses that exist in them to advance their work and achieve the purpose of their presence, and to identify the factors that affect the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

So, the study derives its significance from the importance of the internal audit activity in the business environment, especially the banks listed on the Palestine Stock Exchange during crises and instability, given the effective role it plays in achieving the goals it seeks. and the extent of its impact on the profession's achievement of its objectives in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, it's also contributing to increased interest in the ethical environment in banks by decision-makers.

Thus, the paper makes an important and novel contribution to the literature on the code of professional conduct. So far as we are aware, it is the only paper to examine the impact of each of the attributes (integrity, objectivity, confidentiality, and competency) on the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic. Moreover, it is the first paper to identify the factors that impact the effectiveness of internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

2 Literature Review

The researchers dealt with previous studies that dealt with the subject of the study, and those studies can be summarized as follows:

Study [4] aimed to examine the effect of competence, objectivity, independence on the effectiveness of internal audit with management support as moderating variables and showed that competence, objectivity, and independence significantly affect the effectiveness of the audit internal, as well a study [5] is to aim at the impact of auditor's competency, integrity, and ethics on audit quality from the perceptions of auditors. and the findings showed that the attributes of competence, integrity, and ethics have a significant impact on audit quality, while the study [6] showed Internal audit effectiveness in steel enterprises in Vietnam is influenced by various internal factors, including the size of internal audit, the scope of internal audit, the capacity of internal auditors, the independence of the internal auditor, and the operational base and methods of internal audit.

However, the study [7] purposed was to determine the purpose of integrity, objectivity, moral courage on the effectiveness of the internal audit. The result of the research indicated resources significantly influenced the effectiveness of internal audit and moral courage that significantly influenced the effectiveness of internal audit, while a study [8] revealed that internal auditor's integrity has a positive and significant effect on internal audit effectiveness of government departments.

Also, the study [9] purpose to investigate the effects of internal audit independence and objectivity on internal audit effectiveness in the Malaysian context, and the findings revealed that internal audit independence was positively affecting internal audit effectiveness. However, the effect of internal audit objectivity does not appear in the relationship with internal audit effectiveness.

While dealing with the study [10] which was entitled "The effect of internal auditor competence and objectivity, and management support on the effectiveness of internal audit function and financial reporting quality implications at local government" which aimed to examine the effect of the internal auditor competence and objectivity, and management support on the effectiveness of the internal audit function, and it showed that the internal auditor competence and objectivity, and management support have significant influence to the effectiveness of the internal audit function, which increases sustainability and gaining increasing attention among different stakeholder groups [11].

Commenting on Previous Studies

By presenting and analyzing some of the previous studies, it is possible to monitor the similarities and differences between them and this study, the aspects of benefiting from them, the most important thing that distinguishes this study from it, and explaining that as follows: where they are similar This study with many previous studies in its handling issue of principles and rules of professional conduct, its use of the descriptive approach, and the questionnaire as a tool for collecting information, moreover the researchers will benefit from the previous studies in several aspects, including choosing the study method used, building the study tool, the theoretical framework, the type of statistical treatments, and discussing and analyzing the results, But what distinguishes the current study is that it is the first attempt to study the impact of the principles and rules of ethics for the internal audit profession on the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, which is more important to adhere to ethics in times of crises than in normal circumstances, and study of independent variables related to the principles and rules of code professional ethics issued by the Institute of Internal Auditors.

3 Research Framework and Development Hypotheses

See Fig. 1.

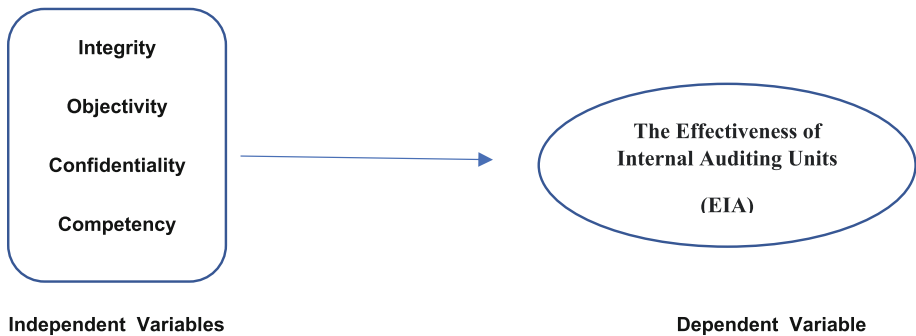


Fig. 1. The research framework

Independent Variables: It was built according to instructions No. (10) of 2017 regarding the guide to rules and best practices for bank governance in Palestine, the principles of professional ethics issued by the Institute of Internal Auditors (2017), and from the researcher’s suggestion that he works in this field.

– **Study Concepts:**

The Effectiveness Internal Audit: Is the ability of IA to achieve specified goals in monitoring and improving internal control, risk management, and governance process

that contributes to creating added value for businesses. IA does not only play an important role in audited units but also the whole organization, it helps senior managers fulfill their governance responsibilities, allows the harmonization of stakeholders' interests, and increases the efficiency of the overall businesses [6].

Code of Ethics: The Code of Ethics is a statement of principles and expectations governing the behavior of individuals and organizations in the conduct of internal auditing Principles from the Code of Ethics: [12].

1. **Integrity:** The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.
2. **Objectivity:** An unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others.
3. **Confidentiality:** Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
4. **Competency:** Internal auditors apply the knowledge, skills, and experience needed in the performance of internal auditing services.

The framework of the research illustrates the association between the dependent variable and explanatory variables of the study, it depicts those four factors that may influence the effectiveness of internal auditing units.

The independent variables are Integrity, Objectivity, Confidentiality, Competency while the dependent variable is the effectiveness of internal auditing units. Four hypotheses were developed to measure the effect of the Code of Professional Conduct for Internal Auditors on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

H: The auditor's the Code of Professional Conduct for Internal Auditors has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

From the main hypothesis ramify the following hypotheses:

H1: The auditor's Integrity has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

H2: The auditor's Objectivity positively influences the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

H3: The auditor's Confidentiality has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

H4: The auditor's competency positively influences the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

4 Methodology

4.1 Study Methodology

The method used is the descriptive approach. At the level of the descriptive approach, a desk survey was conducted, and a review of Arab and foreign research, studies, and theoretical and field research was conducted to crystallize the foundations and premises on which the theoretical framework is based and to stand on the most important previous studies that represent a vital tributary in the study. A questionnaire was used, which was prepared based on the theoretical literature of previous studies and based on standards developed by many researchers and in a manner that suits the existing environment in the banks listed on the Palestine Exchange, intending to collect primary data and testing hypotheses.

4.2 The Study Population

The study population consists of (55) employees of the Internal Audit Department in the banks listed on the Palestine Exchange, which are: Bank of Palestine, Palestine Islamic bank, Arab Islamic Bank, Palestine investment bank, The national bank, Quds bank.

4.3 The Study Sample and the Demographic Characteristics of the Study Sample Members

According to the Krejcie and Morgan method [13], researchers had selected 50 employees from the internal audit department employees in the banks listed in the Palestine Stock Exchange and were selected randomly and systematically at a percentage of 90% of the total study population.

Nevertheless, the failure to retrieve all the questionnaires distributed to the study sample is due to the absence of some employees within reason of the outbreak of the new Corona epidemic, Covid-19, in Palestine and the world.

The data on the demographic characteristics of the study sample were analyzed using descriptive statistics indicators (frequencies, percentages), and the results were shown in Table 1 as follows:

Statistical analysis of the above table data indicates the following:

1. The majority of the study sample members have their position (Internal auditor) repeating (29) times and at a rate of 58% of the total, followed by the sample members with position (Head of a department) repeating (16) times for each of them and at a rate of 32% of the total, followed by The sample members with the position (Director of the Department) repeat (5) times for each of them and at a rate of 10% of the total, so the target sample in the study is considered representative of the original community.

Table 1. The demographic characteristics of the study sample

Variables	Categories	Frequency	% Percentage
Position	Director of the Department	5	10
	Head of the Department	16	32
	Internal Auditor	29	58
	<i>Total</i>	<i>50</i>	<i>100</i>
Educational qualification	Master's degree and above	6	12
	Bachelor	43	86
	Intermediate Diploma	1	2
	<i>Total</i>	<i>50</i>	<i>100</i>
Years of experience	Less than 5 years	16	32
	5–15 years old	26	52
	More than 15 years	8	16
	<i>Total</i>	<i>50</i>	<i>100</i>
Obtaining professional certification in auditing	Yes	10	20
	No	40	80
	<i>Total</i>	<i>50</i>	<i>100</i>

- That 100% of them are university-qualified, and they hold certificates from specializations that deal in their study plans with the subject of the research (internal auditing and its ethics), where the percentage of the sample members who hold a bachelor's degree reached 86%, and this reflects the fact that most of the workers in banks are holders of a bachelor's degree, while the graduate studies holders (Masters and above) have a small percentage, amounting to 12% of the total sample of the study.
- That 84% of them have more than five years of professional experience in the jobs they practice, which makes them aware of the internal audit activity, and then realize its effects and repercussions on the efficiency and effectiveness of operations and operational activities at banks, and this is an indication of the availability of sufficient expertise for the study sample's vocabulary to understand the purpose of the questionnaire and thus enhances Trust their answers.
- In terms of the number of obtains of professional certificates in auditing, 80% of the study sample do not have specialized audit certificates, while 20% have specialized certificates in auditing.

4.4 The Study Tool and Sources for Obtaining Data and Information

To achieve the objectives of the study, the researchers developed a questionnaire to answer the study questions and test its hypotheses, the Data is collected through a self-designed English-Arabic questionnaire using Google online. The tool was developed

concerning the relevant theoretical literature, and two main sources were used to collect information:

Secondary Sources: In addressing the theoretical framework of the study, the researcher used secondary data sources, which are related to foreign books and references, periodicals, articles, reports, research, and previous studies that dealt with the subject of study, research, and reading on various internet sites, and the researcher’s goal were to resort to secondary sources in the study, identifying the sound scientific foundations and methods in writing studies, as well as taking a general perception of the latest developments that occurred in the subjects of the study.

Primary Sources: To address the analytical aspects of the subject of the study, the primary data collection was resorted to through the questionnaire as the main tool for the study, which included several phrases that reflected the study objectives and questions to be answered by the respondents, and a five-dimensional Likert Scaling Method was used, so that each answer was taken relative importance.

The main study tool (the questionnaire) included three sections:

The First Section: contains the demographic data of the study sample members through (4) variables: (position, educational qualification, years of experience, obtaining professional certification in auditing), to describe the characteristics of the study sample.

The Second Section: The measure of factors affecting the effectiveness of the internal auditing units in the banks listed on the Palestine Exchange included four dimensions (Integrity, Objectivity, Confidentiality, and Competency) across (15) paragraphs to measure.

Third Section: The measure of the degree of effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange included (4) items to be measured.

The response ranged from (1–5) according to the Five Likert Scale, as follows:

Answer alternatives	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Degree	5	4	3	2	1

Thus, the questionnaire (the study tool) in its final form consisted of (19) items on a five-point Likert scale.

4.5 Data Analysis

The result will be interpreted according to the following table:

Categories	More than 4.2	More than 3.4 and less than 4.2	More than 2.6 and less than 3.4	More than 1.8 and less than 2.6	Less than 1.8
Answer alternatives	Strongly agree	Strongly agree	Agree	Neutral	Strongly disagree
Significance	Very high	High	Average	Low	Very low

4.6 The Reliability of the Study Tool

The Reliability of the questionnaire means the stability of the results of the questionnaire and not changing them significantly if it was redistributed to individuals several times during certain periods. Cronbach’s alpha can also be interpreted as the internal consistency coefficient between the answers, and its higher value indicates a higher degree of stability, and its value is acceptable at (60%) and above according to [14], where the stability coefficient of the tool is (91.3%). This indicates that the study tool has a high stability coefficient and its ability to achieve the objectives of the study.

5 Descriptive Analyses

It shows through the analysis of the questionnaire:

1. The most important factors that affected the effectiveness of the internal audit units in the banks listed on the Palestine Exchange during the COVID-19 pandemic showed the following:

The factors	Mean	Std. deviation	Significance
The auditor is obligated to respect the confidentiality of information obtained about the bank’s business during the COVID-19 pandemic	4.30	0.67	1
The internal auditor is obligated not to be a party to any illegal activity that harms the profession of internal auditing or the bank during the COVID-19 pandemic	4.28	0.38	2
The auditor is concerned not to use the information for his benefit or the benefit of a third party during the COVID-19 pandemic	4.26	0.63	3
The internal auditor is keen not to engage in any activity that would misrepresent his impartial assessment during the COVID-19 pandemic	4.24	0.55	4

2. Descriptive Analysis: for the attributes of the Code of Professional Conduct and the Effectiveness of Internal Auditing units:

It shows in Table 2 that:

Table 2. Descriptive analysis:

Variables	Mean	Std. deviation
Integrity	4.03	.38
Objectivity	4.13	.50
Confidentiality	4.20	.52
Competency	3.94	.59
Code of professional conduct	4.07	.41
Effectiveness of internal auditing	4.10	.49

1. The attribute of Confidentiality has a high impact on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, followed by the attribute of Objectivity, then Integrity, and finally the factor competency.
2. The degree of Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic is high.
3. The Code of Professional Conduct for Internal Auditors has a high impact on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.
4. When looking at the figures for the standard Deviation, it indicates relative consistency between the opinions of all the samples, in the sense that the opinion of the sample is not dispersed.

6 Hypothesis Testing

H: The auditor's the Code of Professional Conduct for Internal Auditors has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

To test the hypothesis, the researchers used Simple linear regression analysis:

Table 3. Simple linear regression analysis of the impact of the Code of Professional Conduct for Internal Auditors on the effectiveness of internal auditing units.

Variable	R	R square	F value	Sig
<i>The code of professional conduct for internal auditors</i>	75%	56.2%	61.673	0.000

Table 3 shows that the Code of Professional Conduct for Internal Auditors impact the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, where the value of the correlation coefficient (R) was 0.75, and the impact of the code of conduct on the effectiveness of the internal

auditing units in banks (0.562), which means that the variable the Code of Professional Conduct for Internal Auditors the independent was able to explain (56.2%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (43.8%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 61.673 is statistically significant at 95% confidence level and with a level of significance $\alpha \leq 0.05$, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between the Code of Professional Conduct for Internal Auditors and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic, which means rejecting the null hypothesis, and accept the alternative hypothesis.

Consequently, the researchers elucidate the high level of impact of the code of professional conduct on the effectiveness of internal auditing unit is due to the commitment of internal audit workers to the principles and rules of professional conduct, to achieve confidence in the reports and work of the internal audit unit in banks during crises, especially the COVID-19 pandemic, in addition to contributing to improving the effectiveness of governance and internal control system in it.

Table 4. Estimating the relationship between variables according to Simple linear regression analysis:

Coefficients ^a					
Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std. error	Beta		
<i>(Constant)</i>	.489	.462		1.058	.295
<i>Code of professional conduct</i>	.887	.113	.750	7.853	.000

^aDependent Variable: EIA

Table 4 shows the value of the regression coefficient of the Code of Professional Conduct, and this can be summarized by the regression line equation:

$$EIA = 0.489 + 0.887 \text{ code of conduct} + e$$

Moreover shows that the value of the code of conduct coefficient is 0.887, which means an increase in the value of the code of conduct by one unit leads to an increase of 0.887 units in the effectiveness of the internal auditing units in the banks listed in the Palestine Stock Exchange, accordingly, this means the existence of a significant, positive Impact the Code of Professional Conduct for Internal Auditors on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic.

H1: The auditor’s Integrity has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

To test the hypothesis, the researchers used Simple linear regression analysis:

Table 5. Simple linear regression analysis of the impact of integrity on the effectiveness of internal auditing units.

Variable	R	R square	F value	Sig
<i>Integrity</i>	<i>52.6%</i>	<i>27.7%</i>	<i>18.408</i>	<i>0.000</i>

Table 5 shows that integrity impacts the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, where the value of the correlation coefficient (R) was 0.526 and the impact of Integrity on the effectiveness of the internal auditing units In banks (0.277), which means that the variable integrity the independent was able to explain (27.7%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (72.3%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 18.408 is statistically significant at 95% confidence level and with a level of significance $\alpha \leq 0.05$, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between integrity and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic, which means rejecting the null hypothesis, and accepting the alternative hypothesis.

Consequently, the researchers expound on the high level of influence of the integrity on the effectiveness of the internal auditing unit is due to the obligation of the internal auditor not to be a party to any illegal activity that harms the internal audit profession or the bank during the COVID-19 pandemic.

Table 6. Estimating the relationship between variables according to Simple linear regression analysis:

Coefficients ^a					
Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std. error	Beta		
<i>(Constant)</i>	<i>1.417</i>	<i>.628</i>		<i>2.255</i>	<i>.029</i>
<i>Integrity</i>	<i>.667</i>	<i>.155</i>	<i>.526</i>	<i>4.290</i>	<i>.000</i>

^aDependent Variable: EIA

Table 6 shows the value of the regression coefficient of the Integrity, and this can be summarized by the regression line equation:

$$EIA = 1.417 + 0.667 \text{ Integrity} + e$$

Moreover, shows that an Integrity coefficient is 0.667, which means an increase in the value of the Integrity by one unit leads to an increase of 0.667 units in the effectiveness of the internal auditing units in the banks listed in the Palestine Stock Exchange, accordingly, this means the existence of a significant, positive impact of an Integrity attribute on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic.

H2: The auditor’s Objectivity positively influences the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

To test the hypothesis, the researchers used Simple linear regression analysis:

Table 7. Simple linear regression analysis of the impact of Objectivity on the effectiveness of internal auditing units.

Variable	R	R square	F value	Sig
<i>Objectivity</i>	70.6%	49.9%	47.721	0.000

Table 7 shows that an Objective impact the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, where the value of the correlation coefficient (R) was 0.706 and the impact of the Objectivity on the effectiveness of the internal auditing units In banks (0.499), which means that the variable objectivity the independent was able to explain (49.9%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (50.1%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 47.721 is statistically significant at 95% confidence level and with a level of significance $\alpha \leq 0.05$, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between an Objectivity and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic, which means rejecting the null hypothesis, and accepting the alternative hypothesis.

Consequently, the researchers explain the high level of impact of the objectivity on the effectiveness of the internal auditing unit is due to the internal auditor’s keenness not to participate in any activity that would harm his impartial assessment during the COVID-19 pandemic.

Table 8 shows the value of the regression coefficient of the Objectivity, and this can be summarized by the regression line equation:

$$EIA = 1.249 + 0.690 \text{ Objectivity} + e$$

Table 8. Estimating the relationship between variables according to Simple linear regression analysis:

Coefficients ^a					
Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std. error	Beta		
<i>(Constant)</i>	1.249	.416		3.005	.004
<i>Objectivity</i>	.690	.100	.706	6.908	.000

^aDependent Variable: EIA

Moreover, shows that an Objectivity coefficient is 0.690, which means an increase in the value of the Objectivity by one unit leads to an increase of 0.690 units in the effectiveness of the internal auditing units in the banks listed in the Palestine Stock Exchange, accordingly, this means the existence of a significant, positive impact of an Objectivity attribute on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic.

H3: The auditor's Confidentiality has a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

To test the hypothesis, the researchers used Simple linear regression analysis:

Table 9. Simple linear regression analysis of the impact of Confidentiality on the effectiveness of internal auditing units.

Variable	R	R square	F value	Sig
<i>Confidentiality</i>	64.3%	41.3%	33.803	0.000

Table 9 shows that Confidentiality impacts the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, where the value of the correlation coefficient (R) was 0.643 and the impact of Confidentiality on the effectiveness of the internal auditing units in banks (0.413), which means that the variable a Confidentiality.

the independent was able to explain (41.3%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (58.7%) was attributed to other factors.

This relationship is considered statistically acceptable because the calculated F value of 33.803 is statistically significant at 95% confidence level and with a level of significance $\alpha \leq 0.05$, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude

the significance of the relationship between the Confidentiality and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic, which means rejecting the null hypothesis, and accepting the alternative hypothesis.

Consequently, the researchers interpret the high level of the impact of confidentiality on the effectiveness of the internal auditing unit as due to the auditor’s commitment to respecting the confidentiality of information obtained about the bank’s business during the COVID-19 pandemic.

Table 10. Estimating the relationship between variables according to Simple linear regression analysis:

Coefficients ^a					
Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std. error	Beta		
<i>(Constant)</i>	1.574	.438		3.596	.001
<i>Confidentiality</i>	.602	.104	.643	5.814	.000

^aDependent Variable: EIA

Table 10 shows the value of the regression coefficient of the Confidentiality, and this can be summarized by the regression line equation:

$$EIA = 1.574 + 0.602 \text{ Confidentiality} + e$$

Moreover, shows that a Confidentiality coefficient is 0.602, which means an increase in the value of the Confidentiality by one unit leads to an increase of 0.602 units in the effectiveness of the internal auditing units in the banks listed in the Palestine Stock Exchange, accordingly, this means the existence of a significant, positive impact of a Confidentiality attribute on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic.

H4: The auditor’s competency positively influences the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.

To test the hypothesis, the researchers used Simple linear regression analysis:

Table 11 shows that the Competency impact the effectiveness of the internal auditing units in the banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, where the value of the correlation coefficient (R) was 0.587 and the impact of the Competency on the effectiveness of the internal auditing units in banks (0.344), which means that the variable a Competency.

The independent was able to explain (34.4%) of the changes that occurred in the variable of the effectiveness of the internal auditing units in banks, and the rest (65.6%) was attributed to other factors.

Table 11. Simple linear regression analysis of the impact of Competency on the effectiveness of internal auditing units.

Variable	R	R square	F value	Sig
<i>Competency</i>	58.7%	34.4%	25.177	0.000

This relationship is considered statistically acceptable because the calculated F value of 25.177 is statistically significant at 95% confidence level and with a level of significance $\alpha \leq 0.05$, and based on the calculated F value, this relationship is accepted because the significance level Sig of 0.000 is less than 0.05 and therefore we conclude the significance of the relationship between the Competency and the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic, which means rejecting the null hypothesis, and accepting the alternative hypothesis.

Consequently, the researchers explicate the high level of the impact of Competency on the effectiveness of the internal auditing unit is due to the internal auditor exerting the necessary professional care in his work during the COVID-19 pandemic.

Table 12. Estimating the relationship between variables according to Simple linear regression analysis:

Coefficients ^a					
Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std. error	Beta		
<i>(Constant)</i>	2.197	.383		5.731	.000
<i>Competency</i>	.484	.096	.587	5.018	.000

^aDependent Variable: EIA

Table 12 shows the value of the regression coefficient of the Competency, and this can be summarized by the regression line equation:

$$\text{EIA} = 2.197 + 0.484 \text{ Competency} + e$$

Moreover, shows that a Competency coefficient is 0.484, which means an increase in the value of the Competency by one unit leads to an increase of 0.484 units in the effectiveness of the internal auditing units in the banks listed in the Palestine Stock Exchange, accordingly, this means the existence of a significant, positive impact of a Competency attribute on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during COVID-19 pandemic.

7 Conclusion and Recommendations

This research was focused primarily on the Code of Professional Conduct for internal auditors and the factors that affected the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic. The Effectiveness of Internal Auditing is not primarily concerning auditing standards but the ethic of internal auditors, their Integrity, Objectivity, Confidentiality, Competency, and how they respond to the regulations of the professional review standards.

By analyzing the answers to questionnaires and testing the hypotheses, the results can be summarized as follows:

1. The auditor's the Code of Professional Conduct for Internal Auditors has Significantly a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.
2. The auditor's Integrity has Significantly a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, this result was similar to the studies [7, 8].
3. The auditor's Objectivity has Significantly a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, this result was similar to the studies [3, 7, 10], but it is not similar to the study [9].
4. The auditor's Confidentiality has Significantly positively influenced the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic.
5. The auditor's Competency has Significantly a positive influence on the effectiveness of internal auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, this result was similar to the studies [3, 10].
6. The attribute of Confidentiality has a high impact on the Effectiveness of Internal Auditing units in banks listed on the Palestine Stock Exchange during the COVID-19 pandemic, followed by the attribute of Objectivity, then Integrity, and finally the factor competency.
7. It showed that the most influential factor on the effectiveness of internal auditing units in banks during the COVID-19 pandemic is (The auditor is obligated to respect the confidentiality of information obtained about the bank's business during the COVID-19 pandemic), followed by the factor (The internal auditor is obligated not to be a party to any illegal activity that harms the profession of internal auditing or the bank during COVID-19 pandemic).

The Result of this study is the basis for the following recommendations for banks in Palestine in the current context:

1. Strengthen the potentials and capabilities of auditors through specialized training courses in the field of the Code of Professional Conduct for Internal Auditors.

2. Increasing the awareness of employees in the internal auditing units of the importance of obligation to the attributes of integrity and competency more during crises.
3. It is necessary to strengthen the ethical environment and its principles in the work of internal audit units in banks because of their great impact on achieving goals, during crises, especially at the COVID-19 pandemic.
4. Attention to developing the capabilities of employees in the internal audit units in banks and raising their competency.
5. Strengthening the independence of the internal audit unit in banks to increase the objectivity of the internal auditors, as it has a significant impact on the effectiveness of the unit's work.
6. Enhancing the values of integrity among employees of the Internal Auditing Unit through incentives and rewards.

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