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Impact of Audit Work on Corporate Governance and Performance of Business: A Case of Cimerwa Plc/ Musanze Plant

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Abstract: *This study examines the impact of audit work on corporate governance and business performance in Musanze District, focusing on the CIMERWA PLC/Musanze Plant between 2021 and 2023. Data was analyzed using descriptive and inferential techniques to assess the relationships between audit activities and business performance. The results show that audit work significantly enhances accountability, transparency, and regulatory adherence, improving financial performance, risk management, and investor confidence. Furthermore, the frequency of audits plays a crucial role in organizational stability, with a moderate positive effect observed between audit frequency and financial stability ($R = 0.482$, $p < 0.05$). Audit quality emerged as a critical driver of operational performance, with a correlation of $R = 0.440$, highlighting the importance of high-quality audits in improving operational efficiency and resource allocation. Audit follow-ups also positively impacted operational performance, with a regression analysis revealing that follow-up actions contributed to a 0.674 unit improvement in performance ($\beta = 0.674$, $p = 0.000$). Lastly, clarity in audit reporting was shown to positively influence market performance, increasing stakeholder trust and enhancing organizational outcomes. The study concludes that robust audit practices, including quality, frequency, follow-up, and reporting clarity, are essential for improving business governance, financial stability, operational efficiency, and market performance. It recommends that businesses invest in strengthening audit functions by providing necessary resources, increasing audit frequency, improving audit quality, and establishing effective follow-up mechanisms to ensure actionable recommendations. Clear and transparent reporting should also be prioritized to build stakeholder trust and enhance market performance.*

Key words: Audit Work, Business Performance, Audit Frequency, Quality, Follow-Up, And Reporting Clarity

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1. Introduction

Effective audit work significantly enhances corporate performance and governance by promoting transparency, accountability, and informed decision-making. Audits provide valuable insights that help organizations identify inefficiencies, mitigate risks, and comply with regulatory requirements, ultimately leading to improved financial health and organizational sustainability. For example, Rogo and Noronha (2021) found that high-quality and frequent audits are directly linked to improved corporate governance and financial stability in Kenyan firms, while Waweru and Prot (2018) demonstrated that effective audits strengthen risk management processes and decision-making in South African enterprises. Despite the well-documented benefits of effective audit work, many Rwandan companies, particularly in Musanze District, struggle to implement audit recommendations effectively. Challenges such as a shortage of skilled auditors, inadequate resources, and resistance to change within management hinder the ability of these companies to leverage the full potential of audits. Consequently, this leads to recurring inefficiencies, improper handling of finances, and subpar performance.

Many businesses in Musanze District face poor corporate governance and ineffective auditing methods, resulting in financial mismanagement and a lack of accountability. These issues contribute to ongoing problems in corporate performance. Despite the known benefits of thorough auditing in enhancing transparency and accountability, there has been limited research on its impact in this specific context. This study aims to address this gap by investigating how audit work affects corporate governance practices and business performance in Musanze District. By examining the challenges faced by businesses in implementing audit recommendations and analyzing their impact on governance and performance, the research will provide actionable insights. These insights are intended to help businesses in the region better capitalize on audit processes to foster sustainable growth and stronger governance frameworks.

The general objective of this study is to analyze the impact of audit work on corporate governance and the performance of businesses in Musanze District. A case study of CIMERWA Musanze Plant, From 2021 up 2023.

Specific Objectives of the Study:

1. To evaluate the effect of audit frequency on financial performance and organizational stability of businesses in CIMERWA PLC/Musanze Plant.
2. To evaluate the relationship between audit quality and operational performance of businesses within CIMERWA PLC/Musanze Plant.
3. To evaluate the influence of audit follow-up on the operational performance of businesses in CIMERWA PLC/Musanze Plant.
4. To evaluate the relationship between audit reporting clarity and market performance of businesses in CIMERWA PLC/Musanze Plant.

Research Hypotheses:

1. $H_0$1: Audit frequency has a positive effect on the financial performance and organizational stability of businesses in CIMERWA PLC/Musanze Plant.
2. $H_0$2: Audit quality has a significant effect on operational performance and organizational stability of CIMERWA PLC/Musanze Plant.
3. $H_0$3: Audit follow-up has a significant influence on the operational performance of businesses in CIMERWA PLC/Musanze Plant.
4. $H_0$4: Audit reporting clarity has a significant relationship with the market performance of businesses in CIMERWA PLC/Musanze Plant.

2. Literature Review

2.1 Audit Scheduling Theory

According to Lenz & Hahn (2019) Audit Scheduling Theory focuses on determining the optimal timing and frequency of audits to enhance their effectiveness. It suggests that conducting audits at regular intervals allows organizations to detect risks early, thereby minimizing financial misstatements and operational inefficiencies. This theory posits that scheduling audits at critical points in the business cycle enables better risk identification and mitigation, which in turn improves financial performance and organizational stability. Organizations, particularly those with complex operations or frequent changes in governance, may benefit from more frequent audits to maintain continuous oversight and early risk detection, contributing to long-term financial stability.

Teece, (2018) emphasizes the importance of organizational adaptability in dynamic environments. Frequent audits serve as mechanisms to assess and realign resources, improving financial performance and maintaining stability. Regular audits allow businesses to evaluate their resource deployment and strategic direction, especially in response to changing market conditions, technological advancements, or regulatory updates. By using audit findings to make timely adjustments, organizations can sustain their competitive advantage and operational stability.

2.2 Agency Theory

Agency Theory developed by Jensen & Meckling (1976) emphasizes the agency problem that arises when there is a divergence of interests between the principals (shareholders) and the agents (managers). Audits, especially frequent ones, help mitigate these conflicts by ensuring transparency and accountability, thereby improving financial and operational performance and fostering organizational stability. This theory underscores the importance of auditing as a mechanism for reducing agency costs and aligning the interests of managers with those of shareholders. This theory is highly relevant to the study’s objectives, particularly in evaluating the effect of audit frequency on financial performance and organizational stability, as well as the relationship between audit quality and operational performance.

2.3 Resource Dependence Theory

Pfeffer & Salancik (1978) indicate that Resource Dependence Theory emphasizes the need for organizations to manage their external dependencies, such as the relationship with auditors. Regular audits and follow-up activities are crucial in managing these dependencies effectively, ensuring that the firm remains operationally stable and performs well. This theory highlights how the firm’s reliance on external resources, like audit services, can influence its governance practices and overall performance. The ability to manage these resources effectively through audit mechanisms can directly affect the organization’s stability and performance, which aligns with the study's objective of analyzing audit follow-up and its impact on operational performance.

2.4 Empirical Review

Kivung'a and Nyang’au (2021) employed a quantitative approach, surveying SMEs across various sectors in Kenya to assess the relationship between audit frequency and financial performance. The authors utilized statistical methods to analyze the enterprises, focusing on key performance indicators such as profitability, liquidity, and financial ratios. The results revealed a significant positive correlation between higher audit frequency and improved financial performance, demonstrating that businesses that underwent quarterly audits were more adept at identifying and rectifying financial discrepancies in a timely manner. The implications of these findings suggest that regular audits are essential for SMEs looking to enhance their financial stability. By facilitating timely interventions, frequent audits enable businesses to adapt more swiftly to market changes and operational challenges, ultimately leading to a 15% increase in profitability for those audited quarterly. This study highlights the necessity for SMEs to prioritize regular audits as a strategic tool for improving financial outcomes.

Abba and Ma'aji (2020) focused on various organizations to examine how operational performance and financial health impacts. Using a mixed-method approach, the authors conducted management teams across different sectors. The findings underscored frequency, with organizations that engaged in monthly audits reporting a remarkable 20% increase in operational efficiency compared to those with less frequent audits. Frequent audits not only enhance financial health but also improve overall organizational stability. The regular scrutiny of financial processes fosters, enabling organizations to refine their operations effectively. This research advocates for organizations to adopt a more proactive audit schedule, which could lead to improved performance in an increasingly competitive environment.

Dzhusupbekov and Tsukrov (2020) focused on the banking sector, using a quantitative analysis of operational efficiency indicators to determine the effects of audit quality. By examining various banks that adhered to stringent audit standards, the study demonstrated that high-quality audits significantly enhance operational efficiency, with typical results showing a 30% improvement in process efficiency. The authors analyzed factors such as customer satisfaction, error rates, and compliance with regulations to substantiate their findings. The implications of this study suggest that banks must invest in high-quality audit practices to maintain competitive advantage and improve operational outcomes. By ensuring that audits are thorough and accurate, banks can enhance their service delivery, reduce operational risks, and foster greater trust among stakeholders. The research underscores the importance of maintaining rigorous auditing standards to achieve operational excellence in the banking industry.

Omane-Antwi and Quaye (2022) follow-up actions on the operational performance of firms in Ghana, employing authors analyzed how effectively firms implemented audit recommendations and the subsequent effects on productivity. The study revealed that firms that effectively followed up on audit recommendations experienced a 22% increase in productivity. The findings underscore the significance of timely and effective follow-up actions in translating audit findings into actionable improvements. The research advocates that organizations develop robust follow-up mechanisms to ensure that audit recommendations lead to meaningful changes in operational practices. By prioritizing follow-ups, firms can enhance their performance and achieve greater efficiency in their operations.

Chang and Li (2021) focused on the retail sector to examine follow-up procedures on organizational performance. Through a detailed analysis of customer satisfaction and inventory turnover rates, businesses implementing prompt follow-ups improved their operational performance by 20%. The research emphasizes that effective audit follow-up is vital for enhancing operational performance in the retail industry. By addressing audit findings and recommendations, retail businesses can optimize their operations and improve customer satisfaction levels. The findings advocate for the integration of systematic follow-up processes within audit programs to maximize the benefits of audits.

Islam and Hossain (2021) focused on the financial services sector, examining the effects of audit report clarity on operational performance. The study revealed that firms with high clarity in reporting enjoyed a 10% increase in client retention rates, highlighting the significance of clear audit communication in building client trust and loyalty. The authors utilized a mixed-method approach, gathering quantitative data alongside qualitative insights from industry experts.The findings indicate that clear audit reports positively influence operational metrics and customer relationships, underscoring the importance of transparency in financial communications. The research advocates for financial institutions to enhance the clarity of their audit reports to foster client relationships and improve overall business performance.

Zeng and Chen (2020) explored the effects of audit reporting clarity on market performance by analyzing stock market reactions to audit disclosures. Their study concluded that clear, detailed, and unambiguous audit reports led to an average 15% increase in stock prices post-disclosure, as they signaled operational efficiency and risk mitigation to investors. This emphasizes the role of clarity in driving investor behavior and improving market outcomes.

Nkurunziza et al. (2022) examined the role of audits in small and medium enterprises (SMEs) in Rwanda, a sector often facing resource constraints in implementing formal governance structures. The study revealed that SMEs with internal audits experienced significant improvements in corporate governance and financial management. Using case studies and interviews, the study illustrated that businesses with internal audits had better financial oversight, enabling them to identify financial leakages, improve budgeting, and streamline operational costs (Nkurunziza *et al*., 2022). The study found that SMEs with an audit function exhibited greater accountability to stakeholders, including shareholders and financial institutions, and had more structured decision-making processes. Despite the challenges of limited resources, businesses with regular internal audits were more likely to grow and achieve financial sustainability than those without such practices. The ability of audits to improve governance structures in SMEs was seen as a key factor in their long-term performance (Nkurunziza *et al*., 2022).

Ojo and Wright (2019) confirm that audits play a crucial role in fostering ethical behavior within organizations. By holding management accountable and ensuring compliance with ethical standards, audits create a culture of integrity. Their study highlights the importance of ethical audits in building trust among employees, stakeholders, and the public. A study by Aghimien et al. (2020), which underscores the benefits of digital auditing tools in improving accuracy, real-time reporting, and operational efficiency. Their study notes that digital audits reduce human error and enhance the timeliness of audit processes, making them more effective.

3. Methodology

This section deals with the methods and approach to be used to obtain data and information from the field. This chapter contain the following sections:

3.1 Research design

Descriptive and correlation research design was used to accomplish the hypothesis of this study.

3.2 Population and sample size

The study population in this study was 200 people consisting of Auditors, chief financial officers (CFOs), Financial directors and members of Audit committee of Musanze District, especially in CIMERWA PLC/Musanze Plant.

The sample size was determined by the help of Slovin's formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where and **e** is the marginal of error (5%).

n=$\frac{200}{1+200(0.05)^2}$=$\frac{200}{1+0.5} = \frac{200}{1.5} = 133.33 \cong 133$

The adjusted sample size is 133 responders, representing the complete population of 200. It is statistically acceptable because a sample size more than 30(n 30) is considered as a big sample and was always reduce margin error as much as feasible regardless of confidence level.

3.3 Data Collection

In this research two main sources of information were used; these are primary and secondary data. In this research, the primary data was collected through a questionnaire that was distributed to auditors, chief financial officers (CFOs), financial directors, corporations with varied governance structures, and members of the Audit Committee of Musanze District. The secondary data extracted from different books, thesis and other previous research documents in the same field.

3.4 Data Analysis

The process of descriptive analysis technique entails analyzing and interpreting data to produce a concise yet thorough synopsis of its key characteristics. In order to compute measures like means, medians, modes, ranges, and standard deviations, this procedure involves gathering data using a variety of methods, such as surveys or financial records, and then organizing it using statistical tools. The objective is to characterize the fundamental properties of the data, spot trends, and clearly communicate the conclusions.

Inferential analysis is a set of statistical techniques for making inferences or drawing conclusions about a population using data from a sample. This form of analysis goes beyond simply summarizing the data, allowing researchers to test hypotheses, evaluate correlations between variables, and predict.

To establish the link between impact of audit work on corporate governance and performance of business, linear regression model was used to analyse the variables of the study. The purpose was to estimate and fit a structure model to explain the effect in observation of Y (Corporate governance and business performance are dependent variables, such as; $x_1, x_2, x_3, x_4 and\, x_5$ (financial performance, operation performance, strategy performance, market performance and social and environment) thus for this study, the regression model is the form

$Y= \alpha+\beta_1X_1+\beta_2X_2+ \beta_3X_3+ \beta_4X_4+ę$

Where:
Y=Business performance
α= Constant Term
X_1= Audit quality
X_2= Audit reporting
X_3= Audit follow up
X_4= Audit frequency
β= Beta Coefficient
ę=Error terms

Where Y is Business performance X_1, (audit frequency), X_2 (auditor quality), X_3 (Audit follow-up), X_4 (Audit reporting).

3.5 Ethical Considerations

To ensure that respondents provided informed permission, the study's objective was communicated in full to them. The information that respondents provided through surveys or interviews will be kept strictly confidential. It is critical that all participants in this study understand the potential risks and rewards of conducting audits on. Consent should be freely given to participants, without any pressure or compulsion. Ensuring the anonymity of all concerned parties is critical. Any personal information collected was kept completely confidential and shared only with the study team without the express consent of the subject. Regardless of their age, gender, race, or other traits, all respondents are valued for their diversity in the study.

4. Results and Discussion

This section presents study results based on research objectives as derived from research data. The response return rate is presented followed by the respondent's demographics. The findings on the study objectives are presented through statistics of correlation and regression qualitative findings from the interviews with the key informants.

4.1 Response Return Rate

Out of the sampled 133 participants, 131 returned dully filled and complete questionnaires, which represents 98.5% return rate as presented in Table 1.

Table 1: Questionnaire Response Rate

Sample size	Questionnaires returned	Return rate (%)
133	131	98.5%

Table 1 shows the obtained return rate of 98.5% was deemed fit for the study and as representative of the population characteristics. Mugenda and Mugenda (2003) acknowledge that a response rate of at least 70% is sufficient for social science research analysis. The high response rate was attained because the researcher made follow-ups with the selected respondents and allowed them adequate time to fill in the questionnaires.

4.2 Correlation Analysis

Pearson Correlation analysis was conducted, Since the indicators of the variables were measured on an ordinal scale (Likert), summated scores for scale of measurement were obtained to provide continuous data necessary for Pearson Correlation. As such, the minimum score on the audit frequency scale with four items was = 4 while the maximum score = 20. Similarly, for the financial performance and organizational stability of businesses scale, the minimum score = 5 while the maximum score = 25 for the five (5) items.

Table 2: Relationship between audit frequency and financial performance and organizational stability

		Audit Frequency	Financial Performance and Organizational Stability
Audit Frequency	Pearson Correlation	1	.482**
	Sig. (2-tailed)		.000
	N	133	133
Financial Performance and Organizational Stability	Pearson Correlation	.482**	1
	Sig. (2-tailed)	.000	
	N	133	133

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation results in Table 2 show that there is a moderate positive correlation (R = 0.482) between audit frequency and financial performance and organizational stability which is statistically significant ($p = 0.000$, $p < 0.05$). This shows that audit frequency and financial performance and organizational stability are statistically moderately and positively correlated such that as audit frequency increases, financial performance and organizational stability also improves to a moderate extent. Kivung'a and Nyang'au (2021) also concluded a significant positive correlation between higher audit frequency and improved financial performance, demonstrating that businesses that underwent quarterly audits were more adept at identifying and rectifying financial discrepancies in a timely manner.

Table 3: Relationship between Audit Quality and Operational Performance

		Audit Quality	**Operational Performance**
Audit Quality	Pearson Correlation	1	.506**
	Sig. (2-tailed)		.000
	N	133	133
Operational Performance	Pearson Correlation	.506**	1
	Sig. (2-tailed)	.000	
	N	133	133

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation results in Table 3 show that there is a moderate positive correlation (R = 0.440) between Audit Quality and Operational Performance which is statistically significant ($p = 0.000 < 0.05$). This indicates that Audit Quality and Operational Performance are statistically moderately and positively correlated, such that as audit quality increases, operation performance also improves to a moderate extent.

Table 4: Relationship between Audit Follow-Up and Operational Performance

		Audit Follow-Up	**Operational Performance**
Audit Follow-Up	Pearson Correlation	1	.498**
	Sig. (2-tailed)		.000
	N	133	133
Operational Performance	Pearson Correlation	.498**	1
	Sig. (2-tailed)	.000	
	N	133	133

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation results in Table 4 show that there is a moderate positive correlation (R = 0.498) between Audit Follow-Up and Operational Performance which is statistically significant ($p = 0.000 < 0.05$). This indicates that Audit Follow-Up and Operational Performance are statistically moderately and positively correlated, such that as Audit Follow-Up increases, Operational Performance also improves to a moderate extent.

Table 5: Relationship between Audit Reporting Clarity and Market Performance

		Audit Reporting Clarity	**Market Performance**
Audit Reporting Clarity	Pearson Correlation	1	.521**
	Sig. (2-tailed)		.000
	N	133	133
Market Performance	Pearson Correlation	.521**	1
	Sig. (2-tailed)	.000	
	N	133	133

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation results in Table 5 show correlation (R = 0.521) between Audit Reporting Clarity and Market Performance which is statistically significant ($p = 0.000$, $p < 0.05$). This is shows that Audit Reporting Clarity and Market Performance are statistically significantly moderately and positively correlated such that Audit Reporting Clarity increase in effectiveness, Market Performance also improves to a moderate extent.

4.3 Regression Analysis

The researcher analyzed, through regression, the combined effect of the impact of audit work on corporate governance and the performance of businesses in Musanze District. A case study of CIMERWA Musanze Plant. This was achieved through multiple regression with audit frequency, audit quality, audit follow-up and audit reporting clarity as the predictor variables and business performance as the outcome variable.

Table 6: Influence of Combined work on corporate governance businesses in Musanze District

Summary		R	R Square		Adjusted R Square	Std. Error of the Estimate	
Model		.612a	.374		.360	3.457	
ANOVA		Sum of Squares		df	Mean Square	F	Sig.
Model	Regression	1245.218		4	311.305	25.954	0.000[b]
	Residual	2088.762		128	16.316		
	Total	3333.980		132			
Coefficients		Unstandardized Coefficients			Standardized Coefficients	t	Sig.
		B	Std. Error		Beta		
Model	(Constant)	2.134	1.568			1.361	.708
	Audit Frequency	.421	.123		.321	3.423	.001
	Audit Quality	.378	.141		.274	2.681	.001
	Audit Follow-Up	.492	.156		.309	3.153	.001
	Audit Reporting Clarity	.347	.135		.267	2.570	.000

a. Dependent Variable: businesses
b. Predictors: (Constant), audit frequency, audit quality, audit follow-up and audit reporting clarity

The model summary indicates an R value of 0.612, representing predictors (audit frequency, audit quality, audit follow-up, and audit reporting clarity) and the dependent variable (corporate governance and business performance). The R^2 value of 0.374 suggests that the predictors collectively explain 37.4% corporate governance and business performance. The adjusted R^2 (0.360) slightly adjusts for the number of predictors, confirming the model's reliability. The standard error of the estimate (3.457) represents the average deviation of the observed values from the predicted values. The ANOVA table evaluates the overall fit of the regression model. The regression sum of squares (1245.218) reflects the variation explained by the predictors, while the residual sum of squares (2088.762) captures the unexplained variation. The F-statistic (25.954) with p=0.000 indicates that the overall model is statistically significant, meaning the predictors collectively contribute to predicting corporate governance and business performance.

The coefficients table provides insight into the individual contributions of each predictor: Constant (β=2.134, p=0.708): The constant (p>0.05), indicating that without the predictors, the model does not significantly explain corporate governance and business performance. Audit Frequency (β=0.421, p=0.001): A statistically significant predictor (p<0.05). A unit increase in audit frequency 0.421-unit increase in corporate governance and business performance, with a standardized beta (β=0.321) indicating its relative contribution. Audit Quality (β=0.378, p=0.001): A statistically significant predictor (p<0.05). A unit increase in a 0.378-unit increase in corporate governance and business performance, with β=0.274.

Audit Follow-Up (β=0.492, p=0.001): A statistically significant predictor (p<0.05). A unit increase in audit follow-up 0.492-unit increase in corporate governance and business performance, with β=0.309, making it one of the strongest predictors. Audit Reporting Clarity (β=0.347, p=0.000): A statistically significant predictor (p<0.05). A unit increase in audit reporting clarity 0.347-unit increase in corporate governance and business performance, with β=0.267.

4.4 Regression Equation

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Where, B_0 is coefficient of the constant term, β_1, β_2, β_3 and β_4 were the coefficients of the predictors while X_1, X_2, X_3 and X_4 were the predictors (audit frequency, audit quality, audit follow-up and audit reporting clarity) and ε is the error term. Thus, replacing the coefficients, the equation becomes:

$Y = 0.421X1 + 0.378X2 + 0.492X3 + 0.347X4 + \varepsilon$

Thus, the four (4) Audit work business performance of CIMERWA Musanze Plant. Their simultaneous implementation yields better outcomes compared to focusing on individual practices.

5. Conclusion and Recommendations

5.1 Conclusion

The following conclusions were made ; On Audit Work and Performance of Business, work significantly enhances corporate governance and business performance. Respondents agreed on its positive influence in promoting accountability, transparency, and adherence to regulations. Key benefits include improved financial performance, better risk management practices, and increased investor confidence. These findings highlight the importance of audit work as a strategic tool for achieving organizational goals and fostering stakeholder trust.

On Frequency of Audit, the study concludes that the frequency of audits moderately impacts financial performance and organizational stability. Regular audits improve financial stability and risk management while addressing resource allocation concerns. This suggests that periodic audits play a vital role in maintaining operational resilience, though resource constraints need to be addressed to optimize their effectiveness.

On Audit Quality and Operational Performance, the study concludes that audit quality is a critical driver of operational performance. High-quality audits lead to improved operational efficiency, actionable recommendations, and better resource allocation. The findings emphasize the importance of maintaining audit standards to achieve organizational goals and enhance compliance.

On Audit Follow-Up and Operational Performance, the study concludes that systematic audit follow-ups moderately and positively influence operational performance. Follow-ups ensure that recommendations are implemented, leading to sustained operational improvements. This underlines the significance of follow-up actions in driving continuous organizational growth and addressing operational challenges effectively.

On Audit Reporting Clarity and Market Performance, the study concludes that clarity in audit reporting significantly impacts market performance. Transparent and clear reporting fosters trust among stakeholders and investors, contributing to enhanced organizational outcomes. These findings stress the role of effective communication in building stakeholder confidence and improving market performance.

The performance of businesses robust audit practices, including the quality, frequency, follow-up, and clarity of audits. These practices collectively enhance governance, financial stability, operational efficiency, and market performance. Organizations to invest in comprehensive audit frameworks to sustain success, address emerging challenges, and build long-term stakeholder confidence.

5.2 Recommendations

Based on the findings, the following recommendations are made:

1. To optimize these benefits, organizations should focus on strengthening their audit functions by investing in auditor training and providing the necessary resources to stay abreast of regulatory changes and best practices.
2. In terms of audit frequency, businesses are encouraged to increase the regularity of internal audits to cover various areas such as financial health and operational efficiency.

5.3 Areas for Further Research

Further research could extend these findings by exploring how audits affect non-financial performance metrics such as employee satisfaction, corporate culture, innovation, and environmental sustainability.

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