

## **Assessing the Impact of Skills on the Effectiveness of Internal Audit: Empirical Evidence from Sri Lanka**

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### **Abstract**

In the dominion of Sri Lankan audit practices, this research endeavors to dissect the elaborate interaction between professional, interpersonal, technical, and audit-specific skills and their influence on the effectiveness of internal audits. The study draws upon a diverse sample of 120 participants from varied sectors such as hotels, manufacturing, banking, and audit firms to precisely assess the connection between these skills and the effectiveness of internal audit functions. Utilizing a strong conceptual framework where these skills are suggested as independent variables and internal audit effectiveness as the dependent variable, the research crafts and empirically evaluates four hypotheses. These hypotheses scrutinize the extent to which internal auditors' skills possess the necessary to influence audit functions effectively. Findings explain a significant positive correlation between professional factors and internal audit effectiveness. This underscores the paramount importance of cultivating and honing professional skills such as accounting expertise and regulatory acumen to bolster audit performance. The study explained a persuasive link between interpersonal skills, and technical and audit skills with internal audit effectiveness, highlighting the instrumental role of effective communication, team collaboration, and relationship-building capabilities in enhancing audit outcomes. The implications of these findings extend beyond theoretical dimensions and concrete the way for actionable recommendations. The study underscores the imperative for technical skill enhancement programs, continuous skill assessments, and cross-industry collaborations to fortify the skill arsenal of Sri Lankan internal auditors.

**Keywords:** Internal Audit, Internal Audit Effectiveness, Professional Skills, Audit Skills