

## ABSTRACT

The study aims to assess the factors influencing the effectiveness of internal audit functions in Tanzania's public sector, specifically within the Tanzania Rural and Urban Agency (TARURA). A systematic literature review was conducted to assess factors influencing internal audit functions effectiveness, relevant studies of the period 2014 to 2022 were reviewed, assessment focused on the key factors of internal audit effectiveness. Moreover, the study reviewed what is expressed in the International Professional Practices Framework for Internal Auditing (IPPF). The Internal audit effectiveness factors of audit independence, audit proficiency, audit charter and management support with their dimensions were selected and comprised into conceptual model. A cross-sectional research design was employed, incorporating a mixed methods approach. Data were collected by field visit and through mail and phone calls, 114 questionnaires were sent to internal auditors, regional and district managers of all TARURA offices of which 97 responses to the questionnaire were received. Analysis of data was done by using descriptive statistics.

Key findings suggest that internal audit independence is critical for unbiased auditing, proficiency of audit personnel directly impacts audit effectiveness, and the internal audit charter needs clear articulation for its effective implementation while management support also plays a vital role in the function's effectiveness, indicating a need for consistent management engagement. The study provides internal audit practitioners, audit committees, and senior management in organizations with a broad understanding and comprehensive overview of the key factors that should be considered to make their internal audit functions more effective. The study revealed that effectiveness of internal audit functions in Tanzania's public sector is significantly influenced by internal audit independence, proficiency, charter clarity, and management support. The study recommended reinforcing auditor independence, bolstering auditor proficiency, enhancing the internal audit charter, and amplifying management support. Further research is suggested in sector-specific internal audit challenges, the role of technology in audit functions, and the cultural factors influencing internal audit perceptions.