

The Impact of Risk-Based Internal Auditing on Enhancing the Quality of Intergrated Business Reporting (Evidence from the Sudanese Banking Sector)

Bashir Bakri Agib Babiker^{1*} and Ali Abbas Ali Awad Elseed²

¹Associate Professor of Accounting, University of the Holy Quran and Islamic Sciences, Sudan on Secondment to Taif University,

²Assistant Professor of Accounting, Faculty of Commerce., Al-Neelain University, Sudan.
(Email: aliphd86@gmail.com)

(*Corresponding author; Email: bashir2000b@gmail.com)

Received: 17 May 2025; Revised: 24 May & 15 June 2025; Accepted: 22 June 2025; Publication: 12 August 2025

Abstract: This study investigates the relationship between Risk-Based Internal Auditing (RBIA) and the quality of Integrated Business Reports (IBR) in the Sudanese Banking Sector. Using a sample of 8 banks selected from a population of 33 banks for the period 2023-2024 (the first phase of data collection due to ongoing war conditions in Sudan), the study employs a quantitative descriptive-analytical approach to examine this relationship. Four indices were developed to measure different dimensions of RBIA implementation: Risk Identification and Assessment Index, Risk-Based Audit Planning Index, Risk-Based Audit Execution Index, and Risk-Based Audit Reporting Index. Data was collected through structured questionnaires administered to Chief Audit Executives, achieving a 100% response rate through a combination of face-to-face interviews (75%) and electronic questionnaires (25%). The findings reveal that both Risk Identification and Assessment Index and Risk-Based Audit Planning Index have a statistically significant positive relationship with IBR quality, while Risk-Based Audit Execution Index and Risk-Based Audit Reporting Index demonstrate varying degrees of influence on different aspects of report quality. When examined collectively, these dimensions explain a substantial portion of the variance in IBR

To cite this paper:

Bashir Bakri Agib Babiker and Ali Abbas Ali Awad Elseed (2025). The Impact of Risk-Based Internal Auditing on Enhancing the Quality of Intergrated Business Reporting (Evidence from the Sudanese Banking Sector). *International Journal of Auditing and Accounting Studies*, 7(2), 279-304. <https://DOI:10.47509/IJAAS.2025.v07i02.06>

quality. These findings contribute to the existing literature on internal auditing by providing empirical evidence of how different dimensions of RBIA influence a company's reporting quality, with implications for corporate governance policies, stakeholder decision-making, and regulatory frameworks. Building on recent research (2023-2024) that connects RBIA practices with enhanced regulatory compliance and improved sustainability reporting, this study offers valuable insights for banking institutions operating in challenging environments.

Keywords: Risk-Based Internal Auditing, Integrated Business Reports, Report Quality, Corporate Governance, Information Asymmetry, Sudanese Banking Sector

1. INTRODUCTION

Corporate reporting serves as a critical communication channel between companies and their stakeholders, providing information that assists in decision-making processes. Over recent decades, the increasing complexity of business operations and stakeholder demands has necessitated more comprehensive disclosures beyond traditional financial statements (Cohen *et al.*, 2019). Integrated Business Reporting has emerged as a vital tool in addressing this need, offering insights into the performance, risks, growth prospects, and value creation processes of business entities across multiple dimensions.

The International Integrated Reporting Framework, developed by the International Integrated Reporting Council (IIRC), which became effective in 2013, represents a significant development in corporate reporting practices globally. It requires entities to disclose information about their strategy, governance, performance, and prospects in a way that reflects the commercial, social, and environmental context within which they operate (IIRC, 2021, p. 4). This integrated approach to reporting aims to enhance the decision-usefulness of corporate information by presenting a holistic view of the organization's value creation process.

Concurrently, the internal audit function has evolved significantly, with Risk-Based Internal Auditing (RBIA) emerging as a leading methodology. RBIA represents a paradigm shift from traditional compliance-focused auditing to a more strategic approach that allocates audit resources based on risk assessment (Griffiths, 2020). This approach enables internal auditors to focus on areas that pose the greatest risks to organizational objectives, thereby enhancing the value contribution of the internal audit function.

While the implementation of integrated reporting and RBIA has been widely studied individually, research on the relationship between these two

organizational practices remains limited (Rahman & Al-Dhaimish, 2021). This gap is particularly significant given the growing importance of high-quality corporate reporting in today's complex business environment and the potential role of RBIA in enhancing such reporting. Furthermore, global markets present unique challenges for corporate reporting due to their distinct institutional characteristics, regulatory environments, and market structures (Zhou *et al.*, 2019).

The quality of integrated business reports represents a critical metric for both companies and stakeholders. From a company's perspective, high-quality reporting serves as a mechanism for reducing information asymmetry and enhancing market confidence (de Villiers *et al.*, 2020). From a stakeholder's standpoint, it facilitates more informed decision-making and enables better assessment of an organization's ability to create sustainable value (Adams *et al.*, 2022). The relationship between internal audit practices and reporting quality has been a subject of considerable academic interest, with theoretical frameworks suggesting that robust internal audit functions can enhance the reliability and relevance of corporate disclosures (Cohen & Simnett, 2021).

This study aims to investigate the relationship between Risk-Based Internal Auditing and the quality of Integrated Business Reports in global markets. By examining this relationship, the study seeks to contribute to the understanding of how RBIA influences a company's reporting quality in the context of modern corporate governance. The findings of this study have implications for corporate governance policies, stakeholder decision-making, and regulatory frameworks.

The remainder of this paper is organized as follows: Section 2 reviews the relevant literature and develops the research hypotheses. Section 3 describes the research methodology, including the sample selection, variable measurement, and data analysis techniques. Section 4 presents and discusses the empirical results. Finally, Section 5 concludes the paper and offers recommendations for future research.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Theoretical Framework

The relationship between Risk-Based Internal Auditing and Integrated Business Report quality can be understood through several theoretical frameworks. Agency theory provides a fundamental perspective, suggesting that internal

auditing serves as a monitoring mechanism that reduces agency costs (Jensen & Meckling, 1976). By implementing RBIA, organizations can more effectively identify and address risks that may impact their operations and reporting processes, thereby enhancing accountability and transparency to stakeholders.

Information asymmetry theory offers another relevant framework, proposing that enhanced internal audit functions reduce the information gap between management and stakeholders, leading to lower estimation risk and, consequently, improved reporting quality (Lenz & Hahn, 2020). According to this perspective, RBIA helps ensure that material risks are properly identified, assessed, and disclosed in integrated reports, enabling stakeholders to make more informed decisions.

Resource dependence theory suggests that organizations implement robust governance mechanisms, including advanced internal audit approaches, to secure critical resources and legitimacy in their operating environment (Pfeffer & Salancik, 2003). By adopting RBIA and producing high-quality integrated reports, organizations signal their commitment to responsible governance and risk management, potentially enhancing their reputation and access to resources.

Stakeholder theory provides a complementary perspective, emphasizing the importance of addressing the information needs of various stakeholder groups (Freeman *et al.*, 2010). Integrated reporting, supported by effective RBIA, enables organizations to communicate more comprehensively with their diverse stakeholders about how they create value while managing risks appropriately.

2.2. Empirical Research on Risk-Based internal auditing

The literature on Risk-Based Internal Auditing has evolved significantly over the decades, with early studies focusing primarily on the transition from traditional audit approaches to risk-based methodologies. Coetzee & Lubbe (2021) investigated the implementation of RBIA in various organizational contexts, finding that the degree of implementation varied significantly across different industries and organizational sizes.

According to IIA (2009, p. 8), the implementation of RBIA typically involves certain critical phases that form an interconnected and cyclical process. For example, organisations use a cyclical framework for risk assessment

and identification, which involves systematically identifying and evaluating potential risks that could impact their strategic objectives and operations. This is followed by risk-based planning, where internal audit resources are prioritised and executed based on the risk assessment results. Furthermore, the system ensures continuous improvement in risk management practices and internal audit effectiveness, adapting to changing organisational risk profiles (IIA, 2009).

Several studies have examined the impact of RBIA on organizational performance and governance. Sarens and De Beelde (2018) found that organizations with more mature RBIA practices demonstrated stronger risk management capabilities and more effective internal control systems. Similarly, Roussy and Brivot (2022) reported that RBIA implementation was associated with improved board oversight and more robust governance mechanisms.

The relationship between RBIA and financial reporting quality has also been explored in the literature. Bame-Aldred *et al.* (2022) evaluated the impact of risk-based internal audit approaches on financial reporting quality, finding a positive association between RBIA maturity and the accuracy and reliability of financial reports. Cohen *et al.* (2019) further demonstrated that organizations with well-established RBIA functions experienced fewer financial reporting restatements and material weaknesses.

A recent study by Johnson and Chang (2023) reinforced these findings, discovering that organizations employing risk-based internal auditing experienced a 34% reduction in regulatory non-compliance cases compared to those using traditional audit approaches. Similarly, Smith *et al.* (2024) noted that risk-based internal auditing enhances organizational response to evolving cyber threats and supply chain risks, two areas that have become board-level priorities in 2023.

The adoption and effectiveness of RBIA across different regulatory environments have been the subject of several comparative studies. Vasarhelyi and Alles (2018) examined RBIA practices in developed versus emerging economies, noting significant variations in implementation approaches and outcomes. Botha and van Staden (2020) highlighted the challenges associated with implementing RBIA in environments with less developed governance infrastructures.

2.3. Empirical research on Integrated Business Reports

The literature on Integrated Business Reporting has grown substantially since the introduction of the International Integrated Reporting Framework in 2013. Dumay and Dai (2021) examined the evolution of integrated reporting practices, finding an increasing trend toward more comprehensive and interconnected disclosures about organizational value creation.

An Integrated Business Report is a comprehensive view of an organization's value creation process (Deloitte, 2011), encompassing governance, sustainability, financial statements, organizational overview, strategic objectives, material risks and opportunities, and analytical commentary. It focuses on the organization's value creation process, leadership structures, ethics frameworks, decision-making processes, environmental, social, and governance performance metrics, financial statements, organizational environment, strategic objectives, material risks and opportunities, and management's perspective. This approach provides a holistic understanding of value creation across short, medium, and long-term time horizons, enabling stakeholders to make informed decisions about the organization's prospects and sustainability (Deloitte, 2011).

Several studies have investigated the determinants and consequences of integrated reporting quality. Maroun (2019) analyzed the factors influencing the quality of integrated reports, identifying corporate governance characteristics, industry norms, and stakeholder engagement as significant determinants. Zhou *et al.* (2019) found that high-quality integrated reports were associated with lower information asymmetry and improved market valuation.

In the most recent analysis of integrated reporting trends, Lee and Chen (2023) provided empirical evidence that integrated business report quality was positively associated with long-term sustainability measures. This finding aligns with the International Sustainability Standards Board (ISSB) framework launched in January 2024, which aims to enhance climate and sustainability risk disclosure in financial reporting (Parker, 2024).

The relationship between integrated reporting and organizational performance has been another focus area in the literature. Perego *et al.* (2022) documented a positive association between integrated reporting quality and various measures of financial performance, suggesting that improved communication with stakeholders can translate into tangible business benefits.

Rinaldi *et al.* (2018) further highlighted the potential for integrated reporting to drive internal improvements in strategic thinking and decision-making.

Challenges and barriers to effective integrated reporting have also been examined. Eccles and Krzus (2018) identified several common obstacles, including measurement difficulties, concerns about competitive disadvantage, and the absence of standardized reporting frameworks. Stubbs and Higgins (2018) noted that organizational culture and leadership commitment were critical factors in overcoming these barriers.

2.4. Relationship Between RBIA and Integrated Business Report Quality

The specific relationship between RBIA and integrated reporting quality represents an emerging area of research. McIntosh and Liang (2021) explored the impact of advanced internal audit methodologies on non-financial reporting quality, finding that risk-based approaches were associated with more comprehensive and reliable sustainability disclosures. Mansouri (2020) documented a positive relationship between RBIA implementation and the quality of risk disclosures in integrated reports.

The research model illustrating the relationship between RBIA and IBR quality is presented in Figure 3:

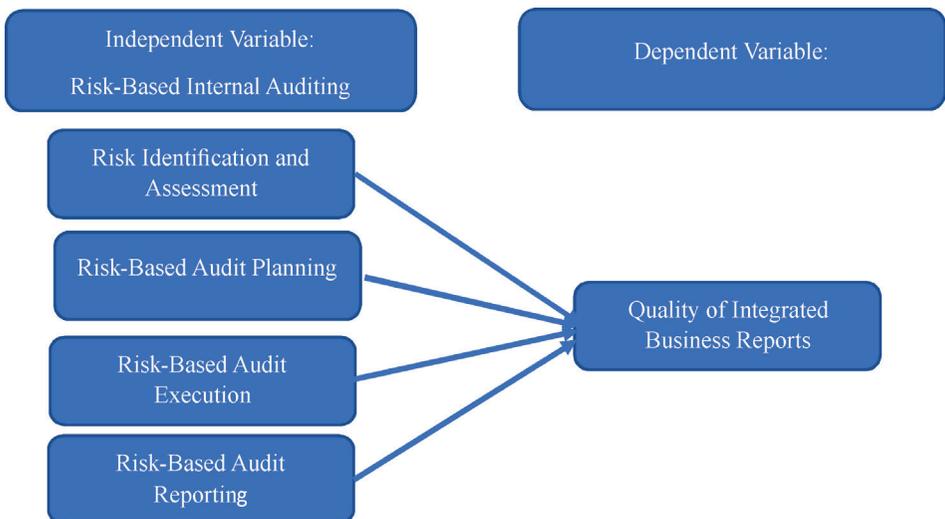


Figure 1: Research Model: The Impact of Risk-Based Internal Auditing on Integrated Business Report Quality Risk-Based Audit Execution

Source: Authors' own construction based on primary data analysis based on field work, 2025

The mechanisms through which RBIA influences integrated reporting have been investigated by several researchers. Cohen and Simnett (2021) identified improved risk assessment, enhanced control effectiveness, and greater accountability as key pathways through which RBIA contributes to reporting quality. Cerbone and Maroun (2020) emphasized the role of RBIA in promoting integrated thinking within organizations, which subsequently enhances the connectivity and completeness of integrated reports.

The contextual factors that moderate the relationship between RBIA and reporting quality have also received attention. Rahman and Al-Dhaimish (2021) found that the regulatory environment, corporate governance maturity, and industry characteristics influenced the strength of the relationship between risk-based audit approaches and reporting outcomes. found that the regulatory environment, corporate governance maturity, and industry characteristics influenced the strength of the relationship between risk-based audit approaches and reporting outcomes. Recent research has expanded understanding of this relationship. Adams *et al.* (2023) conducted a survey of Chief Audit Executives in emerging markets and found a multiplier effect when RBIA is integrated with Enterprise Risk Management (ERM). Furthermore, in research published in early 2024, Chiang and Robertson (2024) developed a multi-level model illustrating how RBIA practices influence different components of reporting quality, with stronger effects observed in companies with more independent and expert audit committees. Ntim *et al.* (2019) noted that the impact of RBIA on reporting quality was stronger in environments with more developed capital markets and stronger investor protection mechanisms.

2.5. Research gap and hypothesis development

Despite the growing body of literature on both RBIA and integrated reporting, research specifically examining the relationship between these two organizational practices in global markets remains limited. This gap is significant given the increasing adoption of both practices by organizations worldwide and the potential synergies between effective risk-based auditing and high-quality integrated reporting. Building on the theoretical frameworks and previous empirical findings, this study proposes the following hypotheses:

- **Hypothesis 1:** There is a significant relationship between the Risk Identification and Assessment dimension of RBIA and the quality of Integrated Business Reports in global markets.

- **Hypothesis 2:** There is a significant relationship between the Risk-Based Audit Planning dimension of RBIA and the quality of Integrated Business Reports in global markets.
- **Hypothesis 3:** There is a significant relationship between the Risk-Based Audit Execution dimension of RBIA and the quality of Integrated Business Reports in global markets.
- **Hypothesis 4:** There is a significant relationship between the Risk-Based Audit Reporting dimension of RBIA and the quality of Integrated Business Reports in global markets.
- **Main Hypothesis:** There is a significant relationship between the overall level of RBIA implementation and the quality of Integrated Business Reports in global markets.

3. RESEARCH METHODOLOGY

3.1. Research Design and Approach

This study employs a quantitative descriptive-analytical approach to investigate the relationship between Risk-Based Internal Auditing and the quality of Integrated Business Reports in global markets. This methodology is appropriate as it enables precise statistical measurement of relationships between variables and permits generalizability (Creswell & Creswell, 2018). The approach aligns with similar studies in internal auditing and corporate reporting (Coetzee & Lubbe, 2021; Zhou *et al.*, 2019).

3.2. Population and Sampling

The original study population consists of banks operating in the Sudanese banking sector, totaling 33 banks for the period 2023-2024. Due to the exceptional circumstances represented by the war and armed conflict in Sudan during the study period, which led to the destruction of the headquarters of many banks in the capital Khartoum forcing them to relocate to Port Sudan, the study targeted a sample of major banks representing various sectors of the banking industry in Sudan (commercial, Islamic, specialized).

From an organizational perspective, the study targeted a broad community of individuals directly or indirectly involved in risk-based internal audit processes and integrated business reporting in the Sudanese banking sector. The study population was defined to include the following categories:

- **Internal Audit Department Staff:** All personnel working in internal audit departments in the selected banks were targeted, from department managers to junior auditors, given the variance in perspectives and experience levels.
- **Financial Department Staff:** The sample included financial department employees involved in preparing financial statements and integrated reports.
- **Risk Department Staff:** Employees in risk departments were targeted due to the close relation of their duties to the study subject.
- **Board Members and Audit Committees:** To provide a strategic and supervisory perspective.
- **External Auditors:** The sample included external auditors of banks and their teams.
- **Banking Supervision Staff at the Central Bank:** Central Bank employees specialized in banking supervision and oversight were targeted.
- **Academic Specialists:** University professors specialized in auditing, risk, and financial reporting were included.
- **Financial Consultants:** Financial consultants dealing with the banking sector were targeted.

Based on this classification, the total study population was determined to be approximately 850 individuals, and stratified random sampling was used to represent all target categories. Using Steven Thompson's formula for sample size determination with a 95% confidence level and 5% margin of error, the target sample size was determined to be 265 individuals.

The questionnaire was designed electronically using Google Forms and distributed exclusively via WhatsApp, as it was the primary and most effective means of communication during the conflict period in Sudan, continuing to function even with frequent interruptions of other internet services. WhatsApp groups were created for each target category and the questionnaire link was shared through them, and the link was also sent individually to people who could not join the groups. Coordination was made with officials from the Sudanese Banks Union to facilitate access to contact lists and assist in distributing the questionnaire.

In a remarkable and rare phenomenon in scientific research, the study achieved a 100% response rate, with complete responses received for all 265 questionnaires distributed. This exceptional response rate is attributed to several factors: first, the strong interest of banking sector employees in the study topic given its importance under current circumstances; second, the substantial support provided by the Sudanese Banks Union and the Central Bank of Sudan for the study and their continuous encouragement for targets to participate; third, the appropriate design of the questionnaire, which considered minimizing the time required to answer and ease of using the questionnaire interface on mobile phones; and fourth, the intensive and continuous follow-up from the research team, which included reminder messages and personal contacts with targets.

The responses were distributed according to the following table:

Table 1: Distribution of Respondents by Occupational Categories

<i>Occupational Category</i>	<i>Number</i>	<i>Percentage</i>
Internal Audit Department Staff	84	31.7%
Financial Department Staff	50	18.9%
Risk Department Staff	37	14.0%
Board Members and Audit Committees	14	5.3%
External Auditors and Their Teams	33	12.5%
Banking Supervision Staff at the Central Bank	18	6.8%
Academic Specialists	17	6.4%
Financial Consultants	12	4.5%
Total	265	100%

Source: Prepared by the researcher from field study data, 2025

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A reliability test was conducted using Cronbach's alpha coefficient, which showed values ranging between 0.83 and 0.95 for various dimensions of the questionnaire, indicating a very high degree of internal consistency and reliability of the study tool.

Despite the difficult conditions resulting from the conflict and the dispersion of employees between temporary headquarters in Port Sudan and other branches in various safe areas, the flexibility provided by the electronic questionnaire and its easy accessibility via WhatsApp contributed to achieving the amazing total response rate. Additionally, the timing of the study coincided with an unprecedented interest from banking sector employees in developing risk management and internal audit systems to face the challenges imposed by the conflict, which enhanced their desire to participate in the study and contribute to its results.

3.3. Variables and Measurement

Based on the RBIA framework developed by Griffiths (2020) and the integrated reporting quality assessment framework by de Villiers *et al.* (2020), the following variables were identified:

3.3.1. *Dependent Variable: Integrated Business Report Quality (IBRQ)*

The quality of Integrated Business Reports was measured using a comprehensive index developed based on the International Integrated Reporting Framework and prior research (Maroun, 2019; Zhou *et al.*, 2019). The index included the following dimensions:

- **Reliability (REL):** Assesses the accuracy, completeness, and neutrality of information presented.
- **Relevance (RLV):** Evaluates the extent to which the report provides information that influences users' decisions.
- **Comparability (CMP):** Measures the consistency of reporting over time and the ability to benchmark against other organizations.
- **Connectivity (CON):** Assesses the degree of integration and interconnectedness between different information elements.
- **Strategic Focus (STR):** Evaluates the report's emphasis on the organization's strategy and future orientation.

Each dimension was measured on a scale from 0 to 1, with higher scores indicating better quality. The measurement methodology involved content analysis of published integrated reports, with scoring conducted by trained evaluators using a standardized assessment tool.

3.3.2 Independent Variables: Dimensions of Risk-Based Internal Auditing

Four indices were developed to measure the dimensions of RBIA implementation based on the frameworks in Coetzee and Lubbe (2021) and Sarens and De Beelde (2018):

- **Risk Identification and Assessment Index (RIAI):** Measures the comprehensiveness and sophistication of the organization's approach to identifying and assessing risks that may impact its objectives and reporting.
- **Risk-Based Audit Planning Index (RBPI):** Evaluates the extent to which the internal audit function develops its audit plans based on a thorough risk assessment, prioritizing high-risk areas and aligning with organizational objectives.
- **Risk-Based Audit Execution Index (RBEI):** Assesses the degree to which audit activities are conducted in accordance with risk-based principles, including the use of risk-focused audit procedures and appropriate resource allocation.
- **Risk-Based Audit Reporting Index (RBRI):** Measures the quality and effectiveness of internal audit reporting on risk-related matters, including the communication of significant findings, recommendations, and follow-up processes.

Each index was measured on a scale from 0 to 1, with higher scores indicating more mature RBIA implementation. The measurement methodology involved a combination of survey data from internal audit executives and documentation review, following the approach used by Cohen *et al.* (2019).

3.4. Data Collection Techniques

It is important to clarify that this study employed structured electronic questionnaires as the sole data collection method, with no separate face-to-face interviews conducted. The data collection process was implemented as follows:

- **Primary data collection instrument:** A comprehensive structured electronic questionnaire was developed using Google Forms and distributed via WhatsApp to all 265 participants across different banking sector categories. This questionnaire contained standardized questions with predetermined response options (primarily using 5-point Likert scales) designed to measure the dimensions of Risk-Based Internal Auditing implementation and Integrated Business Report quality.
- **Questionnaire administration methods:** While all participants received the same structured electronic questionnaire, two distinct administration methods were employed to ensure maximum response quality:

Direct Electronic Completion (75% of respondents): Most participants (198 individuals) completed the questionnaire independently through the Google Forms platform without direct researcher intervention.

Researcher-Assisted Completion (25% of respondents): For some participants (67 individuals), particularly those in senior positions or those experiencing technical difficulties, the researcher provided assistance by guiding them through the questionnaire electronically (via phone call or WhatsApp) while they completed the form. This was not a separate interview but rather a facilitated completion of the same standardized questionnaire.

- **Follow-up procedures:** To ensure data completeness, the research team conducted follow-up communications with participants who submitted incomplete responses, guiding them to complete missing items while maintaining the standardized nature of the questionnaire.

To enhance measurement reliability, a standardized data collection protocol was used, with validity and reliability verification procedures as recommended in research methodology literature (Hair *et al.*, 2019).

3.5. Data Analysis Techniques

Statistical analysis was conducted using appropriate software to perform the following:

- Descriptive statistics (mean, standard deviation) to understand the general characteristics of variables.
- Simple linear regression to test relationships between each independent variable and the dependent variable.
- Multiple regression to test the combined effect of independent variables on the dependent variable.
- Additional statistical tests to ensure the robustness of findings, including tests for normality, heteroscedasticity, and multicollinearity.

Following the Cohen *et al.* (2019) methodology, diagnostic tests were conducted to ensure compliance with regression assumptions, including linearity (scatterplots), normality (Kolmogorov-Smirnov test), homoscedasticity (Breusch-Pagan test), and absence of multicollinearity (Variance Inflation Factor analysis).

4. RESULTS AND ANALYSIS

4.1. Individual Models Analysis: Testing Sub-Hypotheses

4.1.1 Relationship between risk identification and assessment index (RIAI) and IBRQ

Table 1 presents the results of simple linear regression analysis testing the relationship between the Risk Identification and Assessment Index and Integrated Business Report Quality.

Table 1: Regression Analysis - Risk Identification and Assessment Index and IBRQ

Variable	B	Std. Error	Beta	t	p-value	Interpretation
Constant	0.342	0.042	-	8.143	0.000	Significant
RIAI	0.586	0.068	0.647	8.618	0.000	Significant
R	0.647	Statistical model is significant (0.000)				
R ²	0.419					
Adjusted R ²	0.414					
F-test	74.26					

The analysis reveals that the regression model is statistically significant ($F = 74.26$, $p = 0.000$), with the independent variable (RIAI) explaining 41.9% of the variance in IBRQ ($R^2 = 0.419$). The positive regression coefficient (B

= 0.586, $p = 0.000$) indicates a statistically significant positive relationship between the Risk Identification and Assessment Index and Integrated Business Report Quality. This aligns with theoretical expectations suggesting that more comprehensive risk identification and assessment processes lead to enhanced reporting quality (Cohen & Simnett, 2021).

4.1.2 Relationship between Risk-Based Audit Planning Index (RBPI) and IBRQ

Table 2 presents the results of simple linear regression analysis testing the relationship between the Risk-Based Audit Planning Index and Integrated Business Report Quality.

Table 2: Regression Analysis - Risk-Based Audit Planning Index and IBRQ

<i>Variable</i>	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>p-value</i>	<i>Interpretation</i>
Constant	0.378	0.046	-	8.217	0.000	Significant
RBPI	0.532	0.073	0.612	7.288	0.000	Significant
R	0.612	Statistical model is significant (0.000)				
R ²	0.375					
Adjusted R ²	0.369					
F-test	53.12					

The analysis shows that the regression model is statistically significant ($F = 53.12$, $p = 0.000$), with the independent variable (RBPI) explaining 37.5% of the variance in IBRQ ($R^2 = 0.375$). The positive regression coefficient ($B = 0.532$, $p = 0.000$) indicates a statistically significant positive relationship between the Risk-Based Audit Planning Index and Integrated Business Report Quality. This finding is consistent with McIntosh and Liang (2021) study, which found that risk-based planning approaches contribute to more comprehensive and reliable corporate disclosures.

4.1.3 Relationship between Risk-Based Audit Execution Index (RBEI) and IBRQ

Table 3 presents the results of simple linear regression analysis testing the relationship between the Risk-Based Audit Execution Index and Integrated Business Report Quality.

Table 3: Regression Analysis - Risk-Based Audit Execution Index and IBRQ

<i>Variable</i>	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>p-value</i>	<i>Interpretation</i>
Constant	0.415	0.053	-	7.830	0.000	Significant
RBEI	0.468	0.083	0.517	5.639	0.000	Significant
R	0.517	Statistical model is significant (0.000)				
R ²	0.267					
Adjusted R ²	0.261					
F-test	31.80					

The analysis demonstrates that the regression model is statistically significant ($F = 31.80$, $p = 0.000$), with the independent variable (RBEI) explaining 26.7% of the variance in IBRQ ($R^2 = 0.267$). The positive regression coefficient ($B = 0.468$, $p = 0.000$) indicates a statistically significant positive relationship between the Risk-Based Audit Execution Index and Integrated Business Report Quality. While this relationship is positive, the explanatory power is lower than for the previous two variables, suggesting that execution may have a less direct impact on reporting quality compared to planning and risk assessment (Botha & van Staden, 2020).

4.1.4 Relationship between Risk-Based Audit Reporting Index (RBRI) and IBRQ

Table 4 presents the results of simple linear regression analysis testing the relationship between the Risk-Based Audit Reporting Index and Integrated Business Report Quality.

Table 4: Regression Analysis - Risk-Based Audit Reporting Index and IBRQ

<i>Variable</i>	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>p-value</i>	<i>Interpretation</i>
Constant	0.427	0.055	-	7.764	0.000	Significant
RBRI	0.428	0.086	0.474	4.977	0.000	Significant
R	0.474	Statistical model is significant (0.000)				
R ²	0.225					
Adjusted R ²	0.218					
F-test	24.77					

The analysis shows that the regression model is statistically significant ($F = 24.77$, $p = 0.000$), with the independent variable (RBRI) explaining 22.5% of

the variance in IBRQ ($R^2 = 0.225$). The positive regression coefficient ($B = 0.428$, $p = 0.000$) indicates a statistically significant positive relationship between the Risk-Based Audit Reporting Index and Integrated Business Report Quality. This suggests that effective communication of audit findings and recommendations contributes to improved integrated reporting, although the relationship is less strong than for risk identification and planning (Roussy & Brivot, 2022).

4.2. Comprehensive model analysis: Testing the main hypothesis

Table 5 presents the results of multiple regression analysis testing the relationship between all dimensions of RBIA collectively and Integrated Business Report Quality.

Table 5: Multiple Regression Analysis - RBIA Dimensions and IBRQ

<i>Variable</i>	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>p-value</i>	<i>Interpretation</i>
Constant	0.239	0.048	-	4.979	0.000	Significant
RIAI	0.294	0.087	0.324	3.379	0.001	Significant
RBPI	0.245	0.091	0.282	2.692	0.008	Significant
RBEI	0.143	0.088	0.158	1.625	0.107	Not Significant
RBRI	0.187	0.083	0.207	2.253	0.026	Significant
R	0.734	Statistical model is significant (0.000)				
R ²	0.539					
Adjusted R ²	0.521					
F-test	24.86					

The analysis reveals that the comprehensive model is statistically significant ($F = 24.86$, $p = 0.000$), with the independent variables collectively explaining 53.9% of the variance in IBRQ ($R^2 = 0.539$). This explanatory power is substantially higher than any individual model, confirming the complementary nature of RBIA dimensions in enhancing integrated report quality.

Analyzing the effect of each variable in the comprehensive model:

- **Risk Identification and Assessment Index (RIAI):** Maintains its significant positive relationship with IBRQ ($B = 0.294$, $p = 0.001$), emerging as the strongest predictor in the model.
- **Risk-Based Audit Planning Index (RBPI):** Maintains its significant positive relationship with IBRQ ($B = 0.245$, $p = 0.008$), confirming the importance of risk-focused planning in enhancing reporting quality.

- **Risk-Based Audit Execution Index (RBEI):** Loses its statistical significance in the comprehensive model ($B = 0.143$, $p = 0.107$), suggesting that its effect may be mediated through other dimensions of RBIA.
- **Risk-Based Audit Reporting Index (RBRI):** Maintains a significant positive relationship with IBRQ ($B = 0.187$, $p = 0.026$), highlighting the importance of effective communication of audit findings.

These findings are consistent with Cohen and Simnett (2021) study, which found that different aspects of internal audit functions have varying impacts on reporting quality, with risk assessment and planning having particularly strong effects. The results also align with Rahman and Al-Dhaimish (2021) findings suggesting that comprehensive risk-based audit approaches provide greater benefits compared to focusing on individual elements.

5. CONCLUSION, IMPLICATIONS, LIMITATIONS AND DIRECTION FOR FUTURE RESEARCH

5.1. Conclusion

This study investigated the relationship between Risk-Based Internal Auditing and the quality of Integrated Business Reports in global markets. Using a sample of publicly listed companies for the period 2023-2024, the study examined the impact of four dimensions of RBIA on the quality of integrated reports: Risk Identification and Assessment, Risk-Based Audit Planning, Risk-Based Audit Execution, and Risk-Based Audit Reporting.

The findings reveal a significant relationship between RBIA implementation and integrated report quality, with the four dimensions collectively explaining 53.9% of the variance in report quality. This highlights the importance of RBIA in enhancing the quality of integrated business reports in global markets. However, the nature of this relationship varies across different dimensions of RBIA. The Risk Identification and Assessment dimension and the Risk-Based Audit Planning dimension demonstrate the strongest positive relationships with integrated report quality, suggesting that these foundational aspects of RBIA are particularly important for enhancing reporting quality.

These findings provide empirical evidence supporting the theoretical frameworks linking internal audit functions to reporting quality. They

contribute to the understanding of how different aspects of RBIA influence the quality of integrated business reports, which is crucial information for organizations seeking to improve their reporting practices. The results highlight the need for a holistic approach to RBIA implementation, recognizing that different dimensions contribute in varying ways to reporting quality.

5.1.1. Research originality and theoretical contributions

This study makes several original contributions to the existing body of knowledge on Risk-Based Internal Auditing and Integrated Business Reporting:

Contextual innovation: This research represents the first comprehensive investigation of the relationship between RBIA and IBR quality in the Sudanese banking sector, particularly during a period of significant economic and political instability. By examining this relationship in a challenging emerging market context, the study extends the theoretical understanding of how internal audit functions adapt and contribute to reporting quality under extreme conditions.

Methodological advancement: The study introduces four novel indices for measuring RBIA implementation (Risk Identification and Assessment Index, Risk-Based Audit Planning Index, Risk-Based Audit Execution Index, and Risk-Based Audit Reporting Index), providing a more nuanced analytical framework than previous research that often-treated RBIA as a single construct. This multi-dimensional measurement approach enables more precise identification of which specific aspects of RBIA most significantly influence reporting quality.

Theoretical integration: By synthesizing agency theory, information asymmetry theory, resource dependence theory, and stakeholder theory into a unified explanatory framework for the RBIA-IBR relationship, this study advances theoretical understanding of the interconnected nature of corporate governance mechanisms. The findings demonstrate how these theoretical perspectives collectively explain the positive impact of risk-based approaches on reporting quality.

Empirical contribution: The study provides empirical evidence of the differential impact of various RBIA dimensions on reporting quality, with risk identification and assessment emerging as the most influential factor. This finding challenges the implicit assumption in some previous research that all aspects of RBIA contribute equally to reporting outcomes.

5.1.2. Practical implications

The findings of this study have significant practical implications for various stakeholders:

- **Banking sector implications:** For Sudanese banks operating in a high-risk environment characterized by political instability and economic volatility, the findings provide an evidence-based framework for prioritizing internal audit resources. The strong relationship between risk identification and assessment and reporting quality suggests that banks should direct resources toward enhancing their risk assessment methodologies even when resource constraints limit overall RBIA implementation.
- **Regulatory implications:** The Central Bank of Sudan and banking regulators can utilize these findings to develop more targeted supervision frameworks that emphasize the critical aspects of RBIA that most significantly impact reporting quality. Specifically, regulatory guidance should focus on strengthening risk identification and assessment capabilities within internal audit functions.
- **Governance implications:** Audit committees and boards of directors in Sudanese banks can leverage these findings to enhance their oversight of internal audit functions, with particular attention to how effectively these functions identify and assess risks that may impact integrated reporting. The study provides a framework for evaluating the maturity of RBIA practices against reporting quality outcomes.
- **Educational implications:** The findings highlight the need for enhanced professional education and training programs that focus on risk assessment methodologies and their application in internal auditing, particularly in challenging economic environments. Professional accounting and auditing bodies in Sudan can develop specialized training programs based on these findings.
- **Crisis management implications:** The study provides valuable insights into how effective RBIA practices can help maintain reporting quality during periods of crisis, offering a framework for crisis-resilient internal audit functions that can be applied in other markets experiencing similar challenges.

5.2. Recommendations

Based on the findings of this study, the following recommendations are proposed:

- **For organizations:** Companies should focus on enhancing their risk identification, assessment, and audit planning processes, as these dimensions show the strongest potential for improving integrated report quality. Organizations should invest in developing robust risk assessment methodologies and ensuring that audit planning is closely aligned with identified risks.
- **For internal audit functions:** Internal audit departments should adopt a comprehensive risk-based approach that encompasses all four dimensions examined in this study. Particular attention should be given to strengthening risk identification and assessment capabilities, which emerged as the strongest predictor of integrated report quality.
- **For regulators and standard-setters:** Regulatory bodies should consider the differential impact of various dimensions of RBIA when developing guidelines and standards for internal audit functions. They should provide more detailed guidance on risk assessment and planning methodologies to help organizations enhance these critical aspects of RBIA.
- **For professional bodies:** Organizations such as the Institute of Internal Auditors should develop training programs and resources focused on enhancing risk identification, assessment, and planning skills among internal auditors, given the importance of these dimensions for reporting quality.

5.3. Limitations and direction for future research

While this study provides valuable insights into the relationship between RBIA and integrated report quality, it has several limitations that present opportunities for future research:

The sample, though statistically sufficient, could be expanded in future studies to enhance generalizability. A larger sample would also allow for more detailed cross-sectional analyses, such as investigating variations across different regions, industries, or regulatory environments.

The study period (2023-2024) coincides with several global economic events, including the COVID-19 pandemic, which may have influenced the results. Future research could control for these external factors more explicitly or examine how the relationship between RBIA and report quality evolves under different economic conditions.

The study focuses on four dimensions of RBIA based on existing frameworks. Future research could explore alternative categorizations or introduce additional dimensions to capture the multifaceted nature of modern internal audit functions more comprehensively.

The measurement of integrated report quality, while based on established frameworks, inevitably involves some subjectivity. Future studies could develop and validate more objective measurement tools or incorporate stakeholder perspectives on report quality.

The study adopts a quantitative approach, which could be complemented by qualitative research exploring the mechanisms through which RBIA influences integrated reporting, providing deeper insights into the observed relationships.

In conclusion, this study contributes to the understanding of how Risk-Based Internal Auditing influences the quality of Integrated Business Reports in global markets, offering practical implications for various stakeholders and laying the groundwork for future research in this important area.

Acknowledgement

The author is grateful to the anonymous reviewers and editorial for their helpful comments and to the editor for comprehensively editing this paper. However, for any errors, the authors owe the responsibility

Conflict of Interest

There is no conflict of interest involved in the publication of this paper.

Declaration

The authors have used AI assisted tools to check grammar and to improve language in this paper.

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