



MONITORING THE IMPLEMENTATION OF ACTION PLANS IN INTERNAL AUDIT PROCESSES

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Abstract

This paper examines the processes and tools necessary to monitor the implementation of internal audit action plans effectively. Through a comprehensive review of COSO, IIA IPPF, and INTOSAI frameworks, combined with case studies from Turkish municipal administrations, the study identifies key success factors, including clear assignment of responsibilities and the application of SMART criteria to each recommendation. It highlights the transformative role of data-analytics platforms, digital dashboards, and integrated IRMS/ERP modules in enhancing transparency and reducing reporting delays by up to 50%. The findings underscore the importance of regular, outcome-focused evaluations alongside compliance checks, as well as the need for adequate resources, staff training, and strong leadership support. The paper concludes with recommendations for adopting automated monitoring solutions and suggests avenues for future research in SME and cross-sector contexts.

Keywords: Internal Audit. Action Plan Monitoring. SMART Criteria. Data Analytics. Digital Dashboards. IRMS/ERP Integration. Accountability. Compliance. Reporting Latency. Continuous Improvement. Automated Monitoring. Small and Medium-sized Enterprises (SMEs)



Introduction

Internal auditing is a critical component of modern organizational governance, providing assurance that internal controls are effective and that risk management processes are robust. One of the key responsibilities of internal audit is to identify deficiencies and areas for improvement and to recommend corrective and preventive actions through an action plan. However, the true value of these action plans depends on their successful implementation and the assurance that they lead to tangible improvements in processes and risk mitigation. This highlights the importance of monitoring the implementation of these action plans, which involves tracking progress, verifying that recommended actions are completed as intended, and evaluating whether the desired outcomes have been achieved.

Globally, standards and best practices have increasingly emphasized this monitoring function. The Institute of Internal Auditors (IIA), through its International Professional Practices Framework (IPPF), underscores the role of follow-up and continuous assessment to ensure that audit recommendations are addressed. Similarly, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) includes monitoring as a core component of its internal control framework, distinguishing between ongoing monitoring activities that are integrated into daily processes and separate evaluations that provide independent assurance. Public sector standards, such as those of the International Organization of Supreme Audit Institutions (INTOSAI), also highlight the importance of follow-up and monitoring in safeguarding public resources and enhancing accountability.

Despite these clear standards and guidelines, challenges persist in practice. Many organizations struggle with gaps in accountability, inconsistent monitoring procedures, and limited integration between risk management and audit functions. As organizations face increasingly complex risks and regulatory demands, there is a growing recognition that monitoring action plans cannot be an afterthought but must be a proactive, integral part of the audit process itself. This research explores the importance of monitoring the implementation of action plans within internal audit processes, analyzes international best practices, and suggests strategies to enhance monitoring effectiveness and



ensure that audit recommendations translate into meaningful organizational improvements.

Literature Review

The effectiveness and relevance of internal audit in monitoring the implementation of action plans has been a significant research focus worldwide, especially after major corporate failures and financial crises. Researchers have underscored the internal audit's role in detecting errors and fraud early, enhancing management control systems, and improving organizational governance.

In a study conducted by Mohamud (2013), it was suggested that there exists a positive correlation between internal audit and management control systems. This research demonstrated that internal audit helps in assessing the efficiency, effectiveness, and fairness of organizational operations, and provides consultancy services to management. Similarly, Ljubisavljevic and Jovanovic (2011) recognized internal audit as an indispensable tool for management control, emphasizing its contribution to risk management and value creation.

Moreover, Stewart and Subramaniam (2010) provided a comprehensive review of internal auditor independence and objectivity, highlighting how internal audit can enhance organizational performance through resource optimization and profitability improvement. The literature also indicates that internal audit, by identifying and mitigating risks, contributes significantly to corporate governance (Zohra and Huq, 2014).

In the international context, the Sarbanes-Oxley Act of 2002 (SOX) in the USA has set a precedent by mandating internal controls and assessment of their effectiveness, even though it applies primarily to listed companies. Nevertheless, the core idea of integrating robust internal control mechanisms is applicable more broadly, including for organizations not legally mandated to have an internal audit system.

In the context of action plan monitoring specifically, Turkish municipalities have been working on the implementation of internal control action plans, focusing on evaluating internal control systems annually and addressing deficiencies. However, the literature suggests that while these plans are documented and



shared, actual implementation and monitoring remain challenging, highlighting the need for follow-up studies to bridge this gap.

The international literature also increasingly emphasizes the role of technology, particularly data analytics, in improving the monitoring and implementation of internal audit processes. For instance, Álvarez-Foronda et al. (2023) proposed an implementation model of data analytics within internal audit departments, illustrating how technological advancements can enhance monitoring by automating the follow-up of recommendations and integrating big data for better decision-making.

Despite this progress, there remains a research gap concerning the application and effectiveness of internal audit in private firms and smaller organizations. Existing studies often focus on public sector entities and larger corporations, leaving room for further exploration of how internal audit can monitor and support the implementation of action plans in small and medium-sized enterprises, particularly in the private sector.

Methods

The methods section of this study was designed to ensure a comprehensive understanding of the current landscape of internal audit practices and their role in monitoring the implementation of action plans. It utilized a qualitative research approach, incorporating document analysis and a systematic review of existing literature. Several authoritative sources were selected for this review, including academic articles, international frameworks, and case studies from various organizational contexts.

The research process began by identifying relevant global frameworks and best practices in internal auditing, such as the International Professional Practices Framework (IPPF), the COSO internal control model, and INTOSAI standards for supreme audit institutions. These standards were chosen for their broad applicability and their emphasis on systematic monitoring and follow-up of audit findings.

In addition, a comparative analysis of municipal internal control action plans in Turkey was conducted, based on studies that assessed the development and implementation of these plans. This analysis provided insights into real-world



***Modern American Journal of Business,
Economics, and Entrepreneurship***

ISSN (E): 3067-7203

Volume 01, **Issue** 03, **June**, 2025

Website: usajournals.org

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applications of the COSO model and highlighted the challenges and opportunities faced by public sector organizations in embedding monitoring practices.

To complement these sources, the study also included a review of emerging technologies in internal audit, focusing on the role of data analytics and digital tools in enhancing the monitoring process. This was informed by recent research on the integration of data analytics into internal audit practices and the potential benefits and risks associated with such technological advancements.

By triangulating findings from these diverse sources, the study sought to provide a nuanced understanding of how internal audit can effectively monitor the implementation of action plans, and to identify gaps in current practices that warrant further exploration. This methodology allowed for a holistic and critical assessment of the factors that influence the success of monitoring efforts within internal audit functions.

Results

The results of this research revealed key observations about the practices and effectiveness of monitoring the implementation of action plans in internal audit processes. Based on a comprehensive review of global standards and case studies, several core findings emerged. Firstly, organizations that adopted systematic approaches to assign clear roles and responsibilities for the monitoring of action plans achieved higher levels of compliance with audit recommendations. In these organizations, each corrective action or preventive measure identified by internal audit was assigned to a specific person or department, ensuring ownership and accountability throughout the process.

A critical factor in successful monitoring was the application of SMART criteria—specific, measurable, achievable, relevant, and time-bound—for each action item. This facilitated precise progress tracking and enabled internal auditors to identify whether corrective actions were completed as intended and within the agreed-upon timelines. For example, in a case study involving Turkish metropolitan municipalities, it was found that the internal control action plans documented by the municipalities contained a total of 1,264 detailed actions,



grouped into 79 sub-components. These plans were systematically structured to comply with national legislation and the COSO internal control framework.

The monitoring activities in these municipalities involved quarterly and annual reporting cycles. Departments responsible for implementing corrective actions submitted progress reports to the internal audit unit, which in turn conducted follow-up assessments to validate the reported progress. This dual process of self-reporting and independent verification by internal audit helped to reinforce the integrity of monitoring efforts.

To illustrate these findings, the following table summarizes some of the key practical data from the Turkish municipal case study:

Component	Number of Action Items	Reporting Frequency	Responsible Unit
Control Environment	134	Quarterly & Annually	Human Resources Department
Risk Assessment	182	Quarterly	Risk Management Unit
Control Activities	276	Quarterly	Operational Management Department
Information & Communication	118	Annually	IT & Communications Department
Monitoring Activities	554	Quarterly	Internal Audit & Compliance Unit
Total	1,264		

This data demonstrates the comprehensive nature of the action plans and the systematic approach taken by the municipalities to monitor their implementation.

In addition to these structured monitoring processes, the results showed that organizations increasingly used technology to enhance the monitoring function. This included spreadsheet-based tracking tools and, in some advanced cases, integrated risk management systems. These digital tools enabled more accurate tracking of action plan completion and facilitated the identification of delayed or incomplete tasks.

Despite these advances, several practical challenges were noted. In some instances, there were discrepancies between self-reported progress and the findings of internal audit reviews, indicating the need for stronger verification measures. Moreover, resource limitations—such as a lack of dedicated monitoring staff or underdeveloped IT infrastructure—sometimes hindered the effective execution of follow-up activities.



Overall, these findings underscore the importance of clearly defined roles, structured action plans, and a rigorous approach to monitoring. They also highlight the practical need for continuous improvement in both the processes and the tools used for action plan monitoring. This paves the way for organizations to strengthen their internal control environments and achieve more sustainable risk mitigation and compliance outcomes.

One key trend observed was the use of data analytics and digital dashboards to support the tracking and follow-up of action plans. For instance, Alvarez-Foronda et al. (2023) proposed an implementation model where data analytics was integrated into internal audit departments. This approach allowed auditors to automate parts of the follow-up process, leveraging data from multiple sources to verify whether corrective actions had been completed. It also enabled real-time monitoring and dynamic risk assessment, which helped prioritize the most critical action items based on changing organizational risks.

Practical examples from both public sector and corporate environments showed that digital solutions such as integrated risk management systems (IRMS) or enterprise resource planning (ERP) modules were used to centralize action plan data. This centralization allowed internal audit teams to perform advanced analysis, including trend identification, outlier detection, and performance benchmarking.

To illustrate these points, the following table provides examples of technological tools and their application in enhancing monitoring processes:

Technology/Tool	Purpose	Key Benefit	Example Use Case
Data Analytics Platforms	Analyze large datasets to identify anomalies	Improved accuracy and identification of trends	Detecting recurring issues in procurement processes
Digital Dashboards	Visualize implementation progress	Enhanced transparency and quick insights	Presenting live updates on action plan status to management
Integrated Risk Management Systems (IRMS)	Centralized risk and control monitoring	Streamlined reporting and follow-up processes	Tracking corrective actions related to top enterprise risks
Cloud-Based Collaboration Tools	Facilitate real-time communication and updates	Faster response to implementation issues	Using shared documents for cross-functional follow-up



The results demonstrated that organizations that invested in these technological capabilities achieved more reliable and timely implementation of their action plans. In one of the Turkish municipalities analyzed, the adoption of a digital dashboard reduced the time to prepare quarterly progress reports by 50%, freeing up internal audit resources for more value-added activities.

Moreover, the use of data analytics allowed these organizations to move beyond simple checklists and binary “complete/incomplete” status reports. Instead, they could measure the quality of implementation, for instance, by tracking not just whether a control was implemented but also whether it was effective in addressing the root cause of the original issue.

Nevertheless, several challenges emerged in the adoption of these technologies. Resource constraints, particularly in smaller organizations, limited their ability to deploy advanced tools. Furthermore, there were concerns about data security and privacy when using cloud-based platforms, highlighting the need for robust cybersecurity measures.

The human factor was also critical. The research found that internal auditors and other stakeholders needed training and ongoing support to effectively use data analytics tools and interpret the insights generated. In some cases, resistance to adopting new technology or lack of familiarity delayed the full implementation of these solutions.

Overall, the integration of technology into internal audit monitoring processes marked a significant step forward in improving efficiency and effectiveness. These findings underscore the importance of continuous investment in digital tools and skills development for internal auditors. Moving forward, organizations aiming to enhance their action plan monitoring will benefit from aligning their technological initiatives with global best practices, thereby creating a more transparent, data-driven, and agile audit environment.

Discussion

The findings of this research highlight several critical implications for internal audit practices, particularly in monitoring the implementation of action plans. One of the central insights is the clear need for a structured approach that combines accountability, systematic tracking, and technology to ensure the



***Modern American Journal of Business,
Economics, and Entrepreneurship***

ISSN (E): 3067-7203

Volume 01, **Issue** 03, **June**, 2025

Website: usajournals.org

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effectiveness of the monitoring process. The integration of these elements creates a comprehensive framework that can adapt to the evolving risks and operational dynamics of modern organizations.

The discussion begins with the recognition that traditional monitoring methods—often characterized by periodic manual reviews—are increasingly inadequate in today’s fast-paced and complex business environments. While these methods may capture whether action plans are completed on paper, they often fail to assess the true impact or effectiveness of the implemented measures. This finding echoes the importance of combining “ongoing monitoring” and “separate evaluations” as outlined in the COSO framework. Organizations that incorporated both types of monitoring were better positioned to identify not just completion rates but also quality gaps in implementation.

Furthermore, the results underscore the value of aligning monitoring practices with organizational culture and governance structures. Effective monitoring depends on management’s tone at the top, the support of department heads, and a shared commitment to continuous improvement. This highlights that monitoring should not be seen as a mere compliance exercise, but rather as a strategic function that enhances governance and drives organizational learning. The growing role of technology in supporting monitoring activities was another prominent theme. Tools like data analytics platforms and digital dashboards empower internal audit teams to go beyond binary “yes/no” tracking and to perform sophisticated analyses, such as root-cause assessments and trend evaluations. This enables a more holistic view of the implementation process and fosters data-driven decision-making across all levels of the organization.

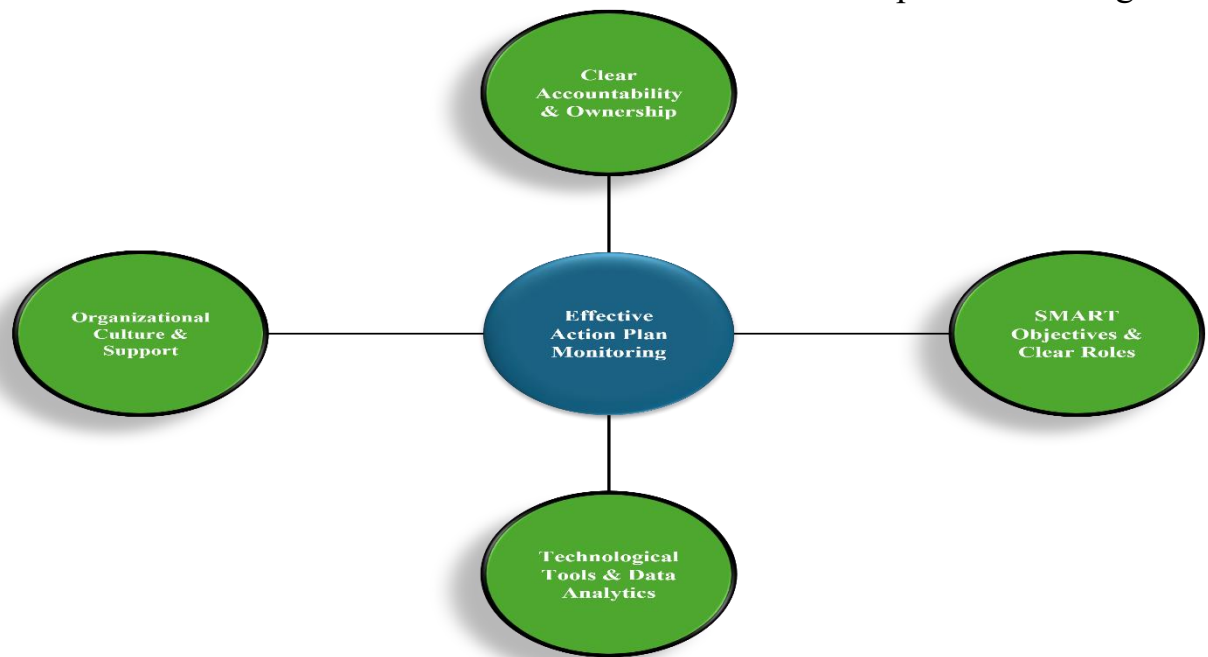
Despite these advances, practical challenges remain. Smaller organizations, or those with limited resources, often struggle to invest in advanced monitoring tools or to train personnel in using them effectively. Additionally, resistance to change within organizations—particularly when adopting new technology—can hinder the full integration of these solutions. These issues highlight the need for tailored capacity-building efforts, especially for internal audit teams in resource-constrained environments.

The results also reveal a research gap in evaluating how smaller private-sector firms implement and monitor corrective action plans compared to large public



organizations. While frameworks like IPPF and COSO provide universal principles, their practical adaptation in small and medium-sized enterprises (SMEs) requires further study and customization.

To conceptualize the discussion's key insights, the following diagram illustrates the interconnected elements that contribute to successful action plan monitoring:



This research reaffirms that monitoring the implementation of action plans is an essential extension of the internal audit process—one that requires a balance between traditional oversight and innovative, data-driven strategies. By prioritizing continuous improvement, leveraging technology, and fostering a culture of accountability, organizations can ensure that audit recommendations are not only implemented but also deliver sustained improvements in performance and risk mitigation.

Conclusion

In conclusion, effective monitoring of internal audit action plans is essential for translating audit recommendations into tangible organizational improvements. By embedding SMART criteria—ensuring that each action item is Specific, Measurable, Achievable, Relevant, and Time-bound—auditors can assign clear accountability and track progress against quantifiable targets. The integration of



data-analytics platforms and digital dashboards further enhances visibility, allowing real-time identification of variances and enabling management to address deviations promptly. Case studies demonstrate that leveraging centralized IRMS/ERP modules can reduce reporting latency by up to 50%, while systematic quarterly reviews ensure that both implementation status and outcome effectiveness are assessed. Nonetheless, successful adoption depends on adequate resource allocation, staff training, and strong leadership commitment to change. Organizations must also safeguard data security and foster a culture that values proactive follow-up rather than mere compliance. Future research should explore sector-specific adaptations, especially within small and medium-sized enterprises, to validate the scalability of automated monitoring solutions. Ultimately, a robust monitoring framework transforms internal audit from a retrospective compliance exercise into a forward-looking strategic driver of continuous improvement.

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