

**MODERN INTERNAL AUDIT PRACTICE AND FIRM SUCCESS: AN EMPIRICAL STUDY OF TEXTILE EXPORTING BUSINESSES IN THAILAND**

Mujarin Kaewyong, Mahasarakham Business School Mahasarakham University, Thailand  
Phapruke Ussahawanitchakit, Mahasarakham Business School Mahasarakham University, Thailand

[dx.doi.org/10.18374/CBR-1-1.3](https://doi.org/10.18374/CBR-1-1.3)

**ABSTRACT**

The objective of this study is to examine the relationships among four dimensions of modern internal audit practice, financial reporting quality, organizational risk reduction, organizational operational effectiveness, and firm success through a moderating role of internal audit learning. Modern internal audit practice consists of risk assessment integration, internal control evaluation continuity, operational monitoring implementation, and internal audit outsourcing. In this study, 98 textile export businesses in Thailand were chosen as the sample of the study. The results indicate that four dimensions of modern internal audit practice have a significant impact on financial report quality, organizational risk reduction, organizational operational effectiveness, and firm success; however, operational monitoring implementation has no effect on financial report quality, organizational risk reduction, organizational operational effectiveness, and firm success. In addition, financial reporting quality, organizational risk reduction, and organizational operational effectiveness have a significant positive association with firm success. Likewise, governance vision, IT competency, and competitive environmental change are the antecedents of modern internal audit practice. Moreover, the results show that internal audit learning is not a moderating variable. Additionally, the potential discussion with the results is implemented in the study. Theoretical and managerial contributions are presented. The future study should collect data from a larger sample or a different sample in order to verify the generalizability of the study and increase the level of reliability. Finally, this research suggests that firms should maintain and develop modern internal audit practice for firm success and survival.

Keywords: *Modern Internal Audit Practice, Financial Reporting Quality, Organizational Risk Reduction, Organizational Operational Effectiveness, Financial Reporting Quality, Organizational Risk Reduction, Organizational Operational Effectiveness, Governance Vision, IT Competency, Competitive Environmental Change, Internal Audit Learning*