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Master Program in Accounting and
Auditing



The Moderating Role of Internal Audit Efficiency on the
Relationship between Tax Revenues and Sustainability: Evidence
from Palestine

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This Thesis Was Submitted in Partial Fulfillment of the Requirements
for the Master Degree in Accounting and Auditing

Palestine, January/2025

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Thesis Approval

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Declaration

I declare that, except where explicit reference is made to the contribution of others, this thesis is substantially my own work and has not been submitted for any other degree at the Arab American University or any other institution.

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Abstract

This study aims to examine the moderating role of internal audit efficiency on the relationship between tax revenues and sustainability in Palestine, using a descriptive-analytical approach. The study population consisted of (750) respondents, representing employees from four major tax departments: the Income Tax Department, the Value Added Tax Department, the Customs Department, and the Property Tax Department. A simple random sample of (255) employees was selected, representing approximately (34%) of the total population, to ensure accurate and comprehensive results. Data were collected through a questionnaire distributed both personally and electronically to ensure broad coverage and reach the largest possible number of participants. The data were analyzed using the SPSS statistical analysis software.

The results revealed that tax revenues have a strong and direct impact on the three dimensions of sustainability: economic, social, and environmental. The study supported the validity of the first main hypothesis and its related sub-hypotheses, indicating that tax revenues contribute to enhancing economic stability by increasing financial resources to support government projects and public services, thereby fostering economic development. The study also showed that tax revenues play a central role in achieving social justice by funding social programs aimed at reducing social gaps and supporting the most vulnerable groups. Additionally, tax revenues contribute to funding environmental initiatives, helping to protect natural resources and promote sustainable development.

However, the study found that internal audit efficiency did not show a statistically significant moderating effect on the relationship between tax revenues and sustainability. The second main hypothesis and the sub-hypotheses related to the role of internal audit efficiency as a moderator variable in the three sustainability dimensions (economic, social, and environmental) were rejected. This suggests that other factors, such as financial transparency, the effectiveness of tax policies, and efficient resource management, have a greater impact on this relationship.

Based on these results, the study made several important recommendations. First, it is essential to invest in training internal audit staff to improve their efficiency and enhance their transparency, through the design of specialized and comprehensive training programs. Second, developing effective and innovative strategies for tax revenue collection, including improving collection systems and combating tax evasion. Third, launching national awareness campaigns to promote the concept of environmental

sustainability and the importance of adhering to environmental policies. Finally, formulating tax policies that support social justice, focusing on the fair distribution of resources among individuals in society to achieve integration among the three sustainability dimensions.

Keywords: Tax Revenues, Internal Audit Efficiency, Sustainability.

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List of Definitions of Abbreviations

Abbreviation	Definition
FAO	Food and Agriculture Organization
IAE	International Association of Evaluators
IIA	Institute of Internal Auditors
NCA	National Communication Authority
PA	Public Administration
PAPP	Palestinian Authority's Public Policy
PMOF	Palestinian Ministry of Finance
SDG	Sustainable Development Goals
UN	United Nations
UNDP	United Nations Development Program
VAT	Value-Added Tax

Chapter One: Introduction

1.1. Introduction

The efficiency of internal auditing is a key factor in enhancing trust and clarity in the financial and administrative procedures of organizations, effective internal auditing is characterized by its capacity to deliver an objective and independent assessment of internal control systems, allowing for the identification of potential risks and offering recommendations for performance improvement (Turetken, et al., 2020).

The efficiency of internal auditing is influenced by various factors; most notably skills and experience of auditors, the existence of a comprehensive internal control system, along with the availability of senior management support (Shuwaili, et al., 2024). Effective internal auditing contributes to enhancing adherence to internal guidelines and protocols as well as legal and regulatory standards, which improves the accuracy of financial disclosures and protects the institution's assets. In general, effective internal auditing contributes to achieving the organization's goals effectively by enhancing control processes and reducing financial and administrative risks (Kamara, 2023).

Moreover, the effectiveness of internal auditing requires use regarding modern technologies and tools that facilitate the accurate and timely collection and analysis of data, advanced technology can enhance auditing effectiveness by providing deeper insights and more accurate risk predictions, which is crucial for informed decision-making, especially concerning important aspects like tax revenues that demand high levels of auditing efficiency (Nisak & Rochayatun, 2023).

Tax revenues are regarded as a key source of funding for the government activities and meeting societal needs, these revenues include both direct and indirect taxes. Direct taxes, such as income tax and corporate tax, are levied directly on individuals' earnings and corporate profits, and are considered more equitable as they are determined by the taxpayers' capacity to pay (World Bank, 2022). In contrast, indirect taxes, like value-added tax (VAT) and sales taxes are levied on goods and services, meaning that the tax load is not directly related to individuals' income (OECD, 2023). The effectiveness of the tax framework depends on its capacity to balance revenue generation with minimizing the tax burden, improving tax collection efficiency and enhancing tax

compliance through modern control techniques contribute to increased revenue and reduced tax evasion (Camara, 2023).

Tax revenues have a vital impact on supporting economic development and achieving financial sustainability, as these revenues are directed towards development projects and investments that enhance quality of life and increase job opportunities, overall, tax revenues are a critical component in strengthening the government's ability to implement its policies and achieve its long-term sustainable development goals (UN, 2022). Sustainability is regarded as an essential concept aimed at addressing Present requirements while protecting the capacity of future generations to fulfill their own needs (Mensah, 2019).

Sustainability involves three primary aspects: ecological, financial, and societal. Ecologically, sustainability emphasizes conserving natural assets, minimizing contamination, and advancing the adoption of renewable energy to guarantee the persistence of ecosystems and safeguard the Earth. Financially, sustainability seeks to foster progress in a manner that promotes productivity and creativity, guarantees fair allocation of resources, and upholds economic resilience while avoiding excessive exploitation and financial instability. Societally, sustainability aspires to achieve fairness, enhance living standards, promote fundamental rights and gender equity, as well as guarantee availability of learning opportunities and medical services for everyone. The importance of sustainability lies in integrating these three dimensions to form a comprehensive framework that ensures community development in a way that preserves environmental resources, achieves sustainable economic growth, and supports individual well-being. This framework is an essential part of achieving sustainable development goals and ensuring the extended term viability of environmental and social systems (Al-Ghazi & Al-Moussawi, 2020)

From the above, it is clear that sustainability has gained significant global attention as countries strive to balance economic growth; social welfare, and environmental preservation, governments play a pivotal role in promoting sustainability through policy measures, resource allocation, revenue generation, and tax revenues as a crucial source of government income (Purvis, et al., 2019). Tax revenues have contributed significantly to economic development (Holtmann, 2023). The successful use of these revenues in multilateral business innovation and inclusive diversification depends in part on financial management (Eddassi, 2020). The internal control function is essentially present, and the organizations and government agencies of the financial

systems and many of them, in addition to the alignment of operations with strategic planning (Kotb, et al., 2020).

In the context of Palestine, as in many regions, tax revenues play a vital role in funding government operations, providing public services, and supporting various development initiatives (Palestinian Ministry of Economy, 2022). At the same time, the pursuit of sustainability has gained importance across various sectors, including environmental, social, and economic dimensions, effective allocation and use of tax revenues can significantly enhance sustainability goals (Halim, & Rahman, 2022). However, the effective use of these revenues to achieve sustainable development depends on the efficiency of internal auditing processes, ensuring transparent financial management, and mitigating risks associated with financial policies (Asare, 2009).

1.2. Statement of problem

Given the dynamic economic and regulatory landscape in Palestine, effective tax revenue management is critical to the sustainability of public services and the promotion of advancement of the economy (Abdul-Jabbar, et al., 2020). The Palestinian government heavily relies on tax income and international assistance to sustain its progress as a nation, ensuring a satisfactory amount of tax revenue necessitates the presence of a well-functioning tax administration and effective tax collection methods (AlKhatib and Abdul-Jabbar, 2017). This study addresses key challenges and uncertainties by emphasizing the significance of efficient tax revenues and collection methods. As Palestine moves towards sustainable development, comprehension the moderating impact of internal audit efficiency is crucial. However, the impact of the efficiency of internal audits on the relationship between tax revenues and sustainability has not been adequately studied, especially in the Palestinian context. The effective use of tax revenues for sustainable projects depends on strong internal audits, transparent financial management, and compliance with financial regulations (Cheruiyot, 2018). The study highlights the limited empirical evidence in Palestine and the scarcity of research that specifically focuses on this context, despite the global recognition of the importance and sustainability of tax revenues. With governments around the world increasingly relying on tax revenues for public services and development initiatives, understanding the precise relationship between taxes and sustainability is of paramount importance. The effectiveness of fiscal policy depends on the ability of internal audit to

promote clarity, responsibility, and wise management of public resources. This thesis seeks to investigate how efficiency of internal audit affects the relationship between tax revenues and sustainability in Palestine, providing critical insights for both scholarly discussions and practical policy development.

1.3. Research Questions:

The study aims to answer the following questions:

➤ Primary Research Question:

1. How do tax revenues affect sustainability, including environmental sustainability, economic sustainability, and social sustainability, in Palestine?

- How do tax revenues impact economic sustainability in Palestine?
- What is the effect of tax revenues on environmental sustainability in Palestine?
- How do tax revenues contribute to social sustainability in Palestine?

2. Does internal audit efficiency moderate the relationship between tax revenues and overall sustainability in Palestine?

- How does internal audit efficiency influence the relationship between tax revenues and economic sustainability in Palestine?
- To what extent does internal audit efficiency strengthen the relationship between tax revenues and environmental sustainability in Palestine?
- Does internal audit efficiency enhance the impact of tax revenues on social sustainability in Palestine?

1.4. Research objectives

Primary Objectives:

1. To investigate the effect of tax revenues on sustainability, focusing on its environmental, economic, and social dimensions, in Palestine.

- To evaluate the impact of tax revenues on economic sustainability in Palestine.

- To assess the influence of tax revenues on environmental sustainability in Palestine.

- To examine the contribution of tax revenues to social sustainability in Palestine.

2. To analyze the moderating role of internal audit efficiency on the relationship between tax revenues and overall sustainability in Palestine.

- To explore how internal audit efficiency moderates the relationship between tax revenues and economic sustainability in Palestine.

- To determine the extent to which internal audit efficiency strengthens the relationship between tax revenues and environmental sustainability in Palestine.

- To examine whether internal audit efficiency enhances the impact of tax revenues on social sustainability in Palestine.

1.5. Research Significance

This study holds significant importance for academic literature and practical policymaking by investigating the largely unexplored area of how internal audit impacts the relationship between tax revenues and sustainability. It enriches existing knowledge on taxation, sustainability, and financial management, particularly in the distinctive geopolitical and economic landscape of Palestine. The implications extend to policymaking, offering insights relevant to Palestinian policymakers and tax administrators, potentially leading to more effective tax policies and administrative procedures that enhance fiscal sustainability. The findings highlight possible ways to improve tax compliance in Palestine, with a focus on enhancing the role of internal auditing practices in supporting sustainability in the context of tax revenues. Although the study focuses primarily on Palestine, its findings could be of great value to other regions facing similar challenges in managing tax revenues and promoting sustainability by offering a conceptual framework adaptable to various situations. At the academic level, this study contributes to enriching the collection of work on the complex connection between financial management, taxation and sustainability, paving the way for further research and discussion in these areas. In conclusion, the significance of this study stems from its capacity to offer important insights that serve both academics and practitioners, while providing guidance that supports the formulation of policies and strategies that enhance fiscal resilience in Palestine.

1.6. Research Hypotheses:

1. **H1:** Tax revenues have a significant impact on sustainability in Palestine.
 - **H1.1:** Tax revenues have a significant impact on economic sustainability in Palestine.
 - **H1.2:** Tax revenues have a significant impact on environmental sustainability in Palestine.
 - **H1.3:** Tax revenues have a significant impact on social sustainability in Palestine.
2. **H2:** Internal audit efficiency significantly moderates the relationship between tax revenues and sustainability in Palestine.
 - **H2.1:** Internal audit efficiency significantly moderates the relationship between tax revenues and economic sustainability in Palestine.
 - **H2.2:** Internal audit efficiency significantly moderates the relationship between tax revenues and environmental sustainability in Palestine.
 - **H2.3:** Internal audit efficiency significantly moderates the relationship between tax revenues and social sustainability in Palestine.

1.7. Operational Definitions

1. **Internal Audit Efficiency (IAE):** Denotes the efficiency and competence with which the Internal auditing function of an organization performs its duties, it involves the timely and accurate examination of financial processes, risk management, and internal controls, aiming to enhance the overall organizational performance and integrity (Abu Kai, 2023).
2. **Tax Revenues (TR):** Tax revenues refer to the aggregate funds gathered by a government through the imposition of taxes on citizens, corporations, and various organizations. These revenues serve as fundamental revenue for the government, utilized to support public expenditures, services, and diverse governmental operations. The origins of tax revenues encompass various tax types, encompassing both direct and indirect taxes. (Moore & Prichard, 2020).
3. **Direct Taxes (DT):** Direct taxes involve the direct imposition of taxes on individuals or businesses, and they cannot be transferred to another party. The responsibility for direct taxes rests squarely on the taxpayer. Instances of direct taxes encompass Income Tax and Property Tax. (Ogunwole et al., 2020).

4. **Indirect Taxes (IT):** Taxes applied to goods and services, indirect taxes differ from those directly charged to individuals or entities. The weight of indirect taxes can be transferred to others, notably consumers; illustrations of indirect taxes comprise Value-Added Tax (VAT), Purchase Tax, Customs tariffs, and Excise Duties (Qatawneh & Alqtish, 2021).
5. **Sustainability(S):** Sustainability refers to the capability of a socio-economic system to meet present needs while ensuring the capacity of future generations to meet their own needs, it encompasses environmental, social, and economic aspects, underscoring the significance of being responsible resource management and fair development approaches (Rashid, et al., 2021)
6. **Economic Sustainability (ES):** Economic sustainability focusing on the economic dimension, it involves the responsible allocation and utilization of resources to ensure the long-term economic well-being (Malaab, 2023).
7. **Environmental Sustainability (EnS):** Environmental sustainability emphasizing responsible resource management and practices that mitigate environmental impact (Sakhil, et al., 2023).
8. **Social Sustainability (SS):** Focusing on the societal aspect, it involves social welfare, inclusivity, and equity (Shlihi & Tawati , 2017).

Chapter Two: Literature Review

2.1 Internal audit

2.1.1 Introduction

Internal audit serves a crucial function in organizations by offering impartial and unbiased confidence and advisory services focused on enhancing activities. Its primary goal is to strengthen organizational effectiveness through the assessment and enhancement of risk management, control frameworks, and governance procedures (Stewart & Subramaniam, 2010). The Institute of Internal Auditors (IIA) characterizes internal audit as an objective and unbiased function aimed at enhancing operational efficiency by systematically assessing risk management, control systems, and governance practices to provide added value (Aksoy & Bozkus, 2012). The internal audit has two main objectives: assurance and consulting, internal auditors provide the executive team and the board of directors with confidence in the efficiency and effectiveness of these processes, while also providing consulting services to improve activities and facilitate the attainment of organizational objectives (Anderson, 2003). The scope of internal audit can be broad, covering areas such as finance, operations, compliance, and IT auditing, and is differentiated by the size and type of the organization and the challenges it encounters (Chambers & Rand, 2011). Using the principles of independence, objectivity, competence, ethical conduct, and a risk-oriented approach, internal auditors follow the professional guidelines set by the Institute of Internal Auditors to guide their auditing practices; this framework outlines the attributes of internal auditing functions, performance expectations, and implementation of quality control and enhancement programs (NCA, 2014). Internal audit is essential in fostering effective governance by delivering independent assurance to management team and the board of directors regarding the adequacy of internal controls and risk mitigation processes (Tadesse, 2015). The function of internal audit has gradually expanded from an initial emphasis on financial control to a broader approach that addresses all dimensions of risk and regulatory compliance (Hermanson, Smith & Stephens, 2012). The efficiency of internal audit encompasses the efficiency and the effectiveness of an organization's internal audit function, with an emphasis on streamlining operations, optimizing resource utilization, and adding value. This includes the application of

technology, a risk- oriented approach, and strategic planning to improve the audit process and ensure timely communication of findings (Noch, 2024).

2.1.2 Definition of Internal Auditing:

Many definitions of internal auditing have emerged, among the most prominent of which is the definition provided by IIA Global (2023), which defines internal auditing as an impartial and objective function designed to providing assurance services and various consulting activities, focusing on improving processes and contributing to the organization's value. Conversely, Akinteye et al. (2023), state that, in its simplest sense, auditing is a process carried out by individuals to verify the accuracy of the performance of others. To ensure the effectiveness of the audit, it must be conducted according to specific standards, where the auditor is independent from the person who executed the work and has a broad understanding of the nature of the work and how it should be carried out, allowing them to assess the accuracy of the execution. In the absence of these standards, auditing becomes unjustified. Merojala (2024) clarifies that, in its literal sense, auditing means "examination procedures carried out to verify the accuracy of activities or objectives." However, in a professional context, auditing is defined as "an organized method of objectively obtaining evidence and supporting documentation regarding what is recorded in the books and records about the economic events of the project, evaluating them to ensure their alignment with these events according to specific criteria, and subsequently sharing the findings with the relevant stakeholders." Regarding internal auditing, Aleryani & Choudhary (2023) define internal auditing as an accounting control tool aimed at monitoring financial operations within an organization's departments to ensure their accuracy and proper execution. Alqudah et al. (2023) define internal auditing as an administrative activity aimed at enhancing the efficiency of internal controls in organizations and companies by guaranteeing that activities and operations are conducted in an appropriate manner. Internal auditing helps to ensure the quality of organizational procedures, including preparing financial statements, drafting financial reports, monitoring purchase and tracking sales trends, generating invoices, and assessing job performance effectiveness at both the individual and organizational levels.

2.1.3 Importance of Internal Auditing:

The pivotal role of internal audit is to improve business and improve its quality within the company, evaluate performance in effective ways, and protect company assets from embezzlement and the risk of collapse. Internal auditing functions as the observant and attentive aid to the external auditor and is one of the key mechanisms for institutional control. Its significance has increased and evolved as a result of a combination of Elements, including (Rady , 2017):

1. The expansion of organizations and the diversity of their operations.
2. The need for management to delegate authority and responsibilities to subordinate departments.
3. The necessity for periodic and accurate data for policy formulation and decision-making.
4. The need to protect and safeguard the organization's assets from fraud, theft, and errors.
5. The requirement for accurate data by governmental bodies and others for economic planning, governmental control, and pricing.
6. The evolution of auditing procedures from detailed approaches to sampling-based testing methods.

2.1.4 Objectives of Internal Auditing:

According to (Al-Abdali, 2012), internal auditing achieves several important objectives, including:

1. **Assisting Management:** Internal auditing supports all levels of management by providing reports that objectively examine and analyze business results. When weaknesses or gaps are identified, recommendations are made to address and correct these issues.
2. **Enhancing Organizational Value:** Internal auditing contributes for the organization's value by assessing and strengthening risk management, oversight, and governance practices. This also involves overseeing and enhancing the performance and efficacy of the internal control system, as well as evaluating performance in carrying out responsibilities.

3. **Ensuring Financial Accuracy:** Internal auditing maintaining the precision and reliability of financial processes by verifying the correctness of recorded financial data to confirm compliance with laws and regulations (Saraya, 2018).
4. **Accurate Decision Implementation:** Internal auditing verifies that financial impact decisions are implemented accurately according to applicable laws and regulations.
5. **Protecting Organizational Assets:** Internal auditing reviews administrative decisions and follows procedures to protect the organization's assets from misuse, damage, or loss (Aleryani & Choudhary ,2023)
6. **Adherence to Legal and Regulatory Requirements:** Internal auditing ensures that all laws, regulations, and instructions are adhered to by all employees within the organization.
7. **Evaluating System Efficiency:** Internal auditing assesses the performance and efficiency of the internal control framework and determines the reliability of available information.
8. **Achieving Objectives and Preventing Fraud:** Internal auditing helps achieve objectives, identify risk areas, and prevent and detect fraud and misconduct.
9. **Reviewing Processes:** Internal auditing reviews processes or initiatives to guarantee that results align with the intended goals and that processes or programs have been executed as planned. (Merojala , 2024)
10. **Independent Assessment:** Internal auditing provides an objective evaluation of evidence to evaluate the effectiveness of controls within organizational operations and offers recommendations to improve risk management and control systems.
11. **Providing Information to Management:** Internal auditing provides management with information about the internal control system and identifies deficiencies to aid in system improvement.
12. **Providing Information to Stakeholders:** Internal auditing supplies users of financial reports, such as investors, creditors, and government agencies, with necessary data to decide whether to extend financial facilitation to the company (Ogunwole, et al., 2020).

2.1.5 Types of Internal Auditing:

Specialists and researchers in the field of internal auditing identify various types that encompass financial and operational aspects. According to Al-Khaisi (2013), the main types of internal auditing include:

1. **Financial Audit:** This type aims to guarantee the precision and reliability of fiscal data. It involves verifying the correctness of expenditure processes according to applicable laws and regulations within the organization.
2. **Operational Audit:** This involves examining and auditing all operational processes within the organization to ensure they are carried out according to management-approved policies. It also aims to verify that different administrative levels perform their functions efficiently, effectively, and economically.
3. **Special Purpose Audit:** This approach emphasizes evaluating the effectiveness, efficiency, and performance of employees, as well as their adherence to laws and regulations. It is sometimes referred to as administrative auditing, which involves a comprehensive examination of various administrative procedures and methods.

2.1.6 Characteristics of Internal Auditing:

Internal auditing is considered a distinct function, independent of the activities and processes it assesses. This autonomy is essential for guaranteeing the objectivity, relevance, trustworthiness, and dependability of the internal auditor's conclusions and suggestions. Without this independence, the results and recommendations of internal auditing may lack objectivity. According to Endaya & Hanefah (2016), the key characteristics of the internal auditing function include:

1. **Examination of all Activities:** Internal auditing focuses on reviewing all activities within the organization.
2. **Consultative Role:** Internal auditing is more of a consultative function rather than an executive one.
3. **Non-Participation in Execution:** Internal auditors should not engage in any executive tasks or participate in performing work that they will later audit.
4. **Coverage of all Controls:** The scope of internal auditing extends to all administrative controls, including accounting and internal control systems, and involves evaluating these controls.

2.1.7 Internal audit dimensions

Evaluation of internal audit efficiency encompasses several key variables, including independence of the internal auditor, professional competence of the internal auditor, and the internal organization of the internal audit department (Abdulrahman, & Banasser, 2022). These variables provide a structured approach to evaluate the

efficiency and productivity of the internal audit role within an organization. Let's delve into each component:

1. **Independence of the Internal Auditor:** The autonomy of internal auditors is crucial for them to perform their duties without bias and free from prejudice. When internal auditors possess independence, they are capable of delivering impartial evaluations of the organization's activities, risks, and controls, this independence ensures that their findings and recommendations are credible and reliable (Ntsiful & Mwenechanya, 2011).
2. **Professional Competence of the Internal Auditor:** Professional competence denotes the expertise, abilities, and expertise possessed by internal auditors to fulfill their responsibilities effectively, they must possess thorough grasp of auditing principles, techniques, and guidelines, along with the specific the field or domain in which the organization functions continuous professional development is crucial to staying abreast of new developments, regulations, and established standards in internal auditing (Oyewumi, et al., 2023).
3. **Internal Organization of the Internal Audit Department:** The internal organization of the internal audit division encompasses various factors, including its structure, staffing, resources, and reporting relationships, a well-organized internal audit function should have clear lines of authority, adequate staffing levels with appropriately skilled professionals, sufficient resources (both financial and technological), and direct access to key stakeholders, such as the governing board or audit panel, effective coordination with other departments and functions within the organization is also essential for maximizing the impact of internal audit activities (Ahmad, et al., 2009).

2.2. Tax Revenues

2.2.1 Introduction

Taxes are the main source of government income and can be generated from a variety of sources, including individuals, public institutions, trade, natural resource yields, and/or foreign aid. Tax collection is often less efficient in countries with high poverty rates, large agricultural sectors, and substantial foreign aid. Although there are various tax categories, the methods of collecting tax revenues can also differ. Additionally, the agency responsible for tax collection might not always be included in the central

government; it could be external party organization empowered to collect the tax for its own purposes (Ajiteru, et al., 2018).

Tax revenues from purchases take two forms: "value-added tax (VAT)," a percentage added to the purchase price, and "fees," which are fixed amounts added to the price of specific items (such as cigarettes), to calculate the total tax collected from these sales, the effective tax rate must be multiplied by the quantity sold. Tax revenues are crucial for a country's ability to fund and improve its public services, infrastructure, and overall economic stability. By efficiently managing and utilizing these funds, governments can foster a more fair and prosperous society for all citizens (Moore & Pritchard, 2020).

2.2.2. Definition of tax revenues

Many definitions have emerged to explain the concept of tax revenues, among the most prominent of which is the definition by PMF (2024), which describes them as funds collected by the government from both direct and indirect taxes, such as income tax and corporate taxes. Additionally, Tawfik and Al-Misrawi (2024) explain that tax revenues include funds collected from business income taxes, consumption taxes, VAT, and import duties. Kotsogiannis et al. (2024) describe tax revenues as funds collected by the government to improve public services, infrastructure, and meet government needs in the short and medium term. According to Qatawneh and Al-Qatish (2021), tax revenues aim to enhance economic development, financial stability, and improve the development process. Finally, Gurama et al. (2018) define tax revenues as a collection of funds gathered by governments to achieve equitable income distribution and reduce poverty and social inequality.

2.2.3 The Importance of Tax Revenues:

Tax revenues significantly impact savings, production, consumption, income distribution, and the general price level, making them crucial to several key areas of the economy. The effects of taxes on production are evident in their influence on the labor force's ability and willingness to invest. This is related to the elasticity of demand for income; as demand elasticity increases, individuals are less inclined to exert extra effort to compensate for the income loss caused by taxes. Regarding investment desire, it depends on the available savings and the expected return on investment, both of which are negatively affected by taxes. Therefore, tax incentives, such as exemptions, have been introduced to mitigate the negative effects of taxes (Qatawneh & Al-Qatish, 2021).

Consumption is affected by the decrease in income resulting from taxes, with the impact varying according to income levels, where the effect is more pronounced on lower incomes. Additionally, the type of tax plays a role in determining this effect; progressive taxes exert a larger effect on higher incomes and consequently on savings, whereas regressive taxes affect more significantly consumption (Lupu, 2018). The impact of taxes on the overall price level is influenced by the type of tax, if taxes are direct, their impact on prices occurs through their effect on aggregate demand in the economy. In contrast, indirect taxes directly influence prices, and the intensity of this effect relies on the price elasticity of both supply and demand for goods (Babagana, 2023). Direct taxes effectively contribute to the redistribution of income and wealth in society, with this effect increasing under progressive taxation, where taxes on higher incomes are higher, leading to a more significant reduction in those incomes compared to lower ones. On the other hand, indirect taxes burden lower-income individuals more, as they are linked to consumption, particularly if imposed at higher rates on essential goods. Taxes on luxury goods, however, are seen as fairer in the income redistribution process (Martinez-Vazquez, et al., 2011).

2.2.4 Taxes in Palestine

Like other countries, taxes in Palestine play an important role by generating tax revenue to support government expenditure, social objectives, and social and economic public service on a broad scale (Mascagni, et al., 2014). Taxes in Palestine have witnessed significant development throughout history during economic and political transformations with the Ottoman era witnessing the imposition of diverse taxes on the populace and the British Mandate era laying the groundwork for subsequent tax systems, following the Oslo Accords in 1994, the Palestinian Authority (PA) gained limited autonomy over taxation within its territories, operating under a legal framework established by domestic legislation, including agreements like the Paris Protocol governing economic ties with Israel, the tax structure in Palestine encompasses a range of taxes, including direct levies such as income tax (for individuals and corporations), property tax, alongside indirect taxes like value-added tax (VAT), purchase tax, and customs duties (World Bank, 2022).

The Paris Protocol, which was signed in April 1994, as part of the Oslo Accords, was designed to govern the economic relationship between Israel and the Palestinian areas, including the West Bank and Gaza Strip, negotiated within the broader context of

seeking peace and cooperation, it covered various economic aspects, including trade, taxation, labor, and monetary policy, the protocol facilitated a customs union between Israel and the Palestinian territories, allowing for the free movement of goods while establishing guidelines for taxation, labor movement, and monetary arrangements. Despite providing a framework for economic cooperation, challenges such as movement restrictions, security concerns, and economic disparities have impeded its full implementation and effectiveness over the years (Ghanem, 2023). In Palestine, like in many other countries, there are both direct and indirect taxes. Here's an overview of these types of taxes:

1. **Direct Taxes:** Direct taxes are levied directly on individuals or businesses, or entities by the government. These taxes are paid straight by the taxpayer to the government, and the responsibility for the tax cannot be transferred to another party. Direct taxes are typically determined by the income or wealth of the taxpayer (Slemrod, & Bakija, 2017). Here are some common types of direct taxes:

- **Income Tax:** The applicable legislation in Palestine regarding income tax is the income tax law of 2011, which applies to all individuals and entities earning income within the territory, unless explicitly exempted by the law, the law follows a progressive tax system, in which Individuals with higher income are subject to higher tax rates, the present tax rates on individual income in Palestine are as follows rates (Khalaf, 2014):
 - For income up to 75000 NIS: 5%.
 - For income between 75001 and 150,000 NIS: 10%.
 - For income over 150,000 NIS: 15%.

Palestinian companies and businesses are generally taxed at a rate of 15% on income, considering factors like losses, equipment depreciation, and business expenses. However, telecommunication companies and monopolistic firms in the Palestinian market face a higher income tax rate of 20%. Below are some income tax deductions available for individuals (Abu Hwaij , 2019):

- ❖ A deduction of 36,000 Israeli shekels is available for taxpayers who are residents.
- ❖ Public sector employees can deduct the actual sum paid as a fixed transportation benefit.
- ❖ Private sector employees can deduct the actual amount paid for transportation or 10% of their total yearly salary.

- ❖ An academic exemption of 6,000 shekels annually is available, except for those who received scholarships.
- ❖ Individuals can benefit from a one-time exemption of 30,000 shekels for purchasing or constructing a house. Additionally, they can claim a deduction for the actual interest paid on a loan from a bank or financial institution, up to a maximum limit of 4,000 shekels per year. This exemption can be claimed for up to 10 years, provided the necessary documents are provided as evidence.

- **Property Tax:** The Property Tax Department of the Ministry of Finance oversees the annual collection of property taxes from individuals. This tax is determined as 17% of the annual net rental value for buildings and 10% of the annual net rental value for land, in accordance with Article 3 of Temporary Law No. 9 of 1967 and the Amended Buildings and Land Law No. 11 of 1954, the yearly net rental value is calculated by subtracting expenses such as repair and renovation costs from the expected annual rental income. Of the total revenue collected, 90% is allocated to local government units, while 10% is kept by the Ministry to cover collection expenses (Abdel Dayem, 2018).

2. **Indirect Taxes:** Unlike direct taxes, which are applied directly to individuals and businesses, while indirect taxes are charged on the consumption of goods and services, this type of taxation is essential for diversifying government revenue sources and ensuring a fairer allocation of the tax burden among the population (Capéau et al., 2014). Types of indirect taxes:

- **Value-Added Tax (VAT):** in Palestine serves a crucial function as a key revenue source for the government and significantly impacts the economy, introduced as part of broader tax reforms, VAT intended to update the tax system and bring it into alignment with international standards, governed by domestic legislation such as the Palestinian Tax Law and influenced by agreements like the Paris Protocol, VAT operates as an indirect levy on the consumption of goods and services, collected by businesses throughout the production and distribution chain, while standard VAT rates apply, exceptions and reduced rates may be granted for specific goods and services, compliance involves registration, record-keeping, filing returns, and remitting VAT to tax authorities, with registered entities typically reclaiming VAT paid on inputs (Batta, 2018). VAT is paid by the end consumer or buyer of the goods or service according to a

specified percentage of the invoice value, this tax was first imposed in the occupied Palestinian territories in 1976 under Military Order No. 31 issued by the occupation authorities. The implementation of this order continued after the Oslo agreements in 1993 and the Paris Economic Protocol in 1994. Its current value in Palestine is 16%, despite efforts by the Palestinian Ministry of Finance and its tax department to enforce compliance and optimize revenue collection, VAT implementation faces challenges including administrative limitations and the impact of the Israeli-Palestinian conflict, nonetheless, Palestinian VAT strives to adhere to global best practices, supported by international cooperation, to foster transparency, efficiency, and fairness, overall, addressing challenges and enhancing VAT administration are crucial for maximizing its role in bolstering fiscal sustainability and economic development in Palestine (Ghuneim, 2018).

- **Purchase Tax:** This tax, calculated as a percentage of the retail selling price, is applied to goods and borne by the final consumer upon purchase. Known as an indirect tax, it can be levied universally on all goods (inclusive sales tax) or selectively on specific items, like luxury goods (Samarah & Talalweh , 2024).
- **Customs duties:** Commonly known as "customs tariffs" or "import duties," are taxes imposed by governments on goods entering or leaving a country, collected at the customs border, primarily applied to imports, these duties aim to generate revenue, protect domestic industries by raising the cost of imported goods, and regulate the movement of specific products across borders, rates are typically calculated as a proportion of the declared value or a specific amount per unit (specific duty, goods are categorized into tariff classifications, each corresponding to a specific duty rate (Colesky, 2015). Customs duties contribute to government revenue, serve as a tool for trade policy, influencing international trade dynamics, and are influenced by factors such as customs valuation methods, exemptions, and preferences outlined in international agreements, the specific regulations and rates vary between countries, impacting the cost and accessibility of goods in global markets (Wulf, 2013).

2.3 Sustainability:

Sustainability is the principle that economic and social progress should not harm the environment, and that development occurs within the limits and capacities of environmental advocates. This is achieved by understanding and learning about

interactions within the environmental framework in a broad sense, including the interactions between humans, their activities, and the physical and chemical laws that govern them. Sustainability aims to fulfill the requirements of the current generation without compromising the capacity of future generations to fulfill their own needs. The philosophy of sustainability involves caring for the environment and its natural assets in economic, health, cultural, and other developments. As a result, development continues, and these plans involve not only the roles of countries and institutions in the projects they create but also emphasize the role of individuals in society, as individuals are the foundation of the community (Al Barqi, 2023).

2.3.1. Concept of Sustainability:

The concept of sustainability reflects an important moral value, with intergenerational equity becoming one of the primary goals of environmental management. It emphasizes the importance for each country to invest in its resources. Sustainability, as a concept, covers three main dimensions: social, economic, and environmental (Mensah, 2019). The theoretical literature on sustainability focuses primarily on the protection of environmental and human resources over time, or the preservation of social and environmental wealth. Fowke & Prasad (1996) identified over eighty definitions of sustainability, many of which differ or even conflict. One of the most widely recognized definitions comes from the Brundtland Report, published by a United Nations committee headed by Gro Harlem Brundtland in the mid-1980s to address environmental issues. It defines sustainability as development that addresses the needs of the present generation while ensuring that coming generations can also satisfy their own needs (Abdul Latif, 2020). Furthermore, Abdul Hamid (2019) defined sustainability as the continuous improvement of human well-being, considering the ecosystem's capacities. The FAO (Food and Agriculture Organization) Conference offered a broader definition, describing sustainability as the management and conservation of the resource base and the process of biological and institutional change to meet current human needs. This must be achieved across all economic sectors in a way that does not cause environmental degradation, supported by technological and receptive capabilities (Al-Baridi, 2015). Lastly, Sardar (2015) defined sustainability as development that respects the right of future generations to access natural resources. It prioritizes meeting people's basic needs—such as food, housing, work, education, and

health services—while improving their physical and social quality of life. This requires us not to take more from the Earth than we give back.

2.3.2. Principles of Sustainability:

The idea of sustainability is founded on a set of principles or guarantees aimed at achieving its goals. Among the most important are the following (Abu Al-Nasr, 2017): There are four key principles that accompany the Goals for Sustainable Development (SDGs) and these principles are transformative in the pursuit of future development. The first principle is that the SDGs are global in nature, applicable to every country, whether rich or poor, in the Global North or South, and whether developed or developing. These goals were formulated with the awareness that global challenges, such as addressing climate change and transforming development models, require global solutions. In fact, local policies that address the issues faced by one country will affect other regions of the world; therefore, high-level coordination is essential. The second principle is that the SDGs encompass all aspects of sustainability: economic growth, social advancement, and environmental conservation, for instance, these goals call for growing enough food to meet everyone's needs without degrading soil or harming water resources, promoting economic development without increasing inequality, and generating sufficient universal access to electricity without releasing excessive carbon dioxide into the air. The third principle is inclusivity, meaning that the SDGs are designed to ensure no one is excluded. Authorities have committed to ensuring that no objective is considered achieved except when it is achieved for all, including those most at risk and hard to achieve communities. Education must be accessible to indigenous communities, jobs should be accessible to both women and men, high-quality healthcare should be available to all rural areas, along with water and sanitation services must be available to individuals with disabilities. Addressing exclusion is crucial to combating inequality. Finally, the fourth principle is that the SDGs necessitate the involvement of everyone. The process of gaining approval for The SDGs were developed over several years and involved national discussions, consultations with civil society organizations, and the private sector, academia, and concluded through negotiations among all UN member states. As a result, there is a deep sense of ownership over these goals among all stakeholders. Today, implementing the SDGs demand continuous involvement at both national and regional levels. Every stakeholder has distinct roles to play in achieving the SDGs successfully. The SDGs,

alongside the Paris Agreement on Climate Change, provide a new framework for addressing the issue of sustainable development.

2.3.3. Goals of Sustainability:

According to Shlihi & Tawati (2017), several key development goals are outlined, including:

1. Meeting Basic Needs: Addressing the fundamental needs of citizens such as food, clothing, and water, while enhancing social welfare and improving the interaction between population activities and the environment.
2. Investing in Human Resources: Prioritizing investments in education, skills development, and the creation of labor forces and expertise that contribute to long-term sustainability.
3. Achieving Sustainable Economic Growth: Ensuring fair income distribution and safeguarding wealth for future generations by promoting growth that is economically sound and equitable.
4. Attaining a Balanced Population Level: Focusing on stabilizing population growth to support the sustainable use of resources and maintain environmental equilibrium.
5. Enhancing and Preserving the Resource Base: Protecting and improving natural resources by employing environmentally friendly technologies, encouraging cooperation between economic, human, environmental, and technological sectors to achieve sustainability.
6. Optimizing the use of natural resources: Ensuring the responsible management of environmental resources and conserving them for future generations. Sustainability highlights the connection between human activities and the environment, recognizing natural systems as the cornerstone of human life. Promoting awareness of environmental concerns and encouraging public involvement in monitoring and assessing sustainability initiatives are essential.
7. Achieving Environmental Protection: Committing to the protection of the human ecosystem from all forms of pollution.

2.3.4. Indicators of Sustainability:

The following are key indicators of sustainability as outlined by Abdul Wahab (2019):

1. **Sustainability as a Continuous Process:** Sustainability is not a final state to be achieved at a specific point in time, but an ongoing process of improvement that spans economic, social, and environmental aspects. It requires continual renewal, evolving alongside society's changing needs, unlike a static condition.
2. **Inclusive Social Process:** Sustainability must involve contributions from all sectors, groups, and communities. Relying on a limited set of resources or a small group is insufficient for true sustainability.
3. **Conscious Process:** Sustainability is intentional, with clearly defined objectives, long-term strategies, intermediate goals, and structured plans and programs to guide progress.
4. **Guided by Awareness and Desire for Sustainability:** Sustainability is driven by a strong awareness of societal goals and a commitment to achieving them. It involves the effective use, production, and distribution of resources in a way that conserves energy and supports community growth.
5. **Structural Changes:** Sustainability requires structural changes in society, involving political, social, technological, and economic transformations. These changes distinguish comprehensive sustainability from simple economic growth.
6. **Self-Generating Production Capacity:** Achieving sustainability demands building a robust, adaptable productive base supported by local resources, integrated systems, strong institutions, trained human resources, and sound capital accumulation.
7. **Sustainable and Consistent Growth:** Sustained and regular growth over a long period is an essential indicator of successful sustainability.
8. **Increasing Per Capita Productivity:** Sustainability can be measured by increasing the average productivity per person, often represented by the economic indicator "average annual income per capita".
9. **Strengthening Social, Political, Economic, and Technical Capacities:** For sustainability to be achieved, societies need to enhance their social, political, economic, and technical capabilities in accordance with global development trends.
10. **Linking Sustainability to Social and Political Frameworks:** Sustainability should be embedded within social and political systems, with incentives that align effort and reward, broad participation, fair distribution of benefits, and guarantees of essential living standards for all members of society. These frameworks not only represent the goals of sustainability but also provide the strength and means for its successful implementation.

2.3.5. Dimensions of Sustainability

Sustainability covers multiple dimensions, including economic, social, and environmental aspects, as outlined by the 2002 World Sustainability Summit in Johannesburg. These dimensions can be described as follows (Shlihi & Tawati, 2017):

1. **Economic Dimension:** In industrialized countries, sustainability entails a significant and enduring reduction in energy and natural resource consumption, major lifestyle changes, and a focus on globalizing the industrial development model. For developing countries, it emphasizes investing in resources to improve the quality of life for the poorest populations. The economic dimension also aims to (Sardon, 2021):
 - Achieve high levels of human well-being by increasing access to essential goods and services, despite limited resources in both developed and developing nations.
 - Provide key production elements, including organization, scientific knowledge, and capital.
 - Boost growth across various production sectors, enabling feedback loops between inputs and outputs to raise per capita income.
 - Promote self-sustaining development based on macroeconomic balance principles, ensuring growth without placing an undue debt burden on future generations.
2. **Human and Social Dimension:** Sustainability strives to stabilize population growth and reduce urban migration. It focuses on improving health and educational services in rural areas to meet people's needs, enhance social welfare, and increase community awareness of the importance of solidarity and contribution. The objective is to achieve broad public participation in planning, unify communities by directing collective efforts towards creating a better future, and ensure equal opportunities in income and wealth distribution across generations (del Arco et al., 2021).
3. **Environmental and Technological Dimension:** Sustainability encourages the optimal and responsible use of agricultural land and water resources, leading to increased vegetation on the planet. It aims to protect ecosystems, manage natural resources effectively, reduce pollution, and preserve non-renewable resources. This dimension focuses on transferring natural capital to future generations by minimizing

environmental degradation, curbing harmful gas emissions, addressing global warming, and promoting clean technology in industries (Awewomom, et al., 2024).

2.3.6 Barriers to Sustainability:

Despite global efforts and serious attempts to promote sustainability across all countries and communities, these efforts remain largely insufficient for several key reasons (Malaab, 2023):

Population Growth: Current statistics show that over six billion people live on Earth, representing an increase of approximately 140 percent over the last fifty years. As the global population expected to achieve nine billion by the year 2050, sustaining efforts for sustainability becomes more challenging (Basit, et al., 2024).

Extreme Poverty: One-fifth of the global population lives on less than one dollar a day. Additionally, 1.1 billion people lack access to clean drinking water, with polluted water and insufficient supply accounting for 10 percent of disease-related deaths in developing countries (Aboueid, et al., 2023)

Instability Due to Lack of Peace and Security: Many parts of the world face instability from ongoing conflicts and a lack of security, hampering sustainability initiatives.

Aggravation of Poverty: In some regions, poverty is worsened by illiteracy, overpopulation, unemployment, mounting debt and interest, and unsustainable exploitation of natural resources. (Abdullah, et al., 2023).

Continuous Migration: Ongoing migration from rural to urban areas leads to the spread of slums, increased strain on ecosystems, urban infrastructure and services, air pollution, and waste accumulation (Aboueid , et al., 2023).

Harsh Climatic Conditions: Several regions experience extreme weather patterns, like low annual rainfall, elevated temperatures, and increased rates of evaporation, resulting in frequent droughts and growing desertification. (Aboueid , et al., 2023).

Natural Resource Limitation and Misuse: Some countries face significant limitations and misuse of natural resources, including water shortages and pollution, scarcity of arable land for agriculture, degradation of land quality, and depletion of non-renewable energy sources (Abdullah, et al., 2023).

Incompatibility of Imported Technologies and Practices: Certain technologies and practices imported from developed nations are often unsuitable for the economic, social, and environmental conditions of developing countries. This issue is compounded by a lack of national expertise to effectively manage these technologies. (Basit , et al, 2024).

2.3.7 Sustainability in Palestine

The Palestinian government aims to attain economic self-sufficiency by bolstering key elements of the Palestinian economy and fostering an environment conducive to investment, thereby nurturing burgeoning Palestinian industries and productive sectors and offering equitable employment opportunities. Core to the national policy agenda is the pursuit of social equity, wherein the government is dedicated to alleviating poverty, establishing comprehensive social safety nets for the underprivileged, ensuring universal access to justice, advancing gender equality, empowering women, and securing a prosperous future for Palestinian youth. Additionally, the government pledges to deliver inclusive and quality education for all, with particular emphasis on early childhood education, improving educational enrollment and retention rates, enhancing educational standards, and facilitating the integration of graduates into the workforce. Ensuring accessible and high-quality healthcare services for all citizens is another paramount goal, as is fortifying citizens' resilience in the labor market and empowering them within their communities by ensuring security, promoting the rule of law, addressing basic needs, supporting agricultural and rural development, fostering environmental sustainability, responsibly managing natural resources, and safeguarding Palestinian identity and cultural heritage (An Najah News, 2018).

The Ministry of Finance serves a fundamental function in formulating the financial policy of the Palestinian National Authority and supervising its implementation to ensure effective contribution to integrating economic, financial, and monetary policies and achieving coherence among their instruments to shape a system for economic stability and growth. This contributes to achieving sustainable development goals by improving living standards in all areas, strengthening the national economy, and fortifying it against the significant challenges it faces both domestically and externally. Additionally, it works on financing the budget of the Palestinian National Authority through locally generated revenues from taxes, managing revenues from external financing sources, and fulfilling its duties and responsibilities through a supportive action plan for the Palestinian reform and development plan, within a transparent approach aimed at achieving sustainable development (PMOF, 2024). Sustainability in Palestine still faces challenges related to political and economic constraints, limited resources, and ongoing conflict, the occupation and restrictions imposed on the Palestinian territories hinder the creation and execution of comprehensive sustainability plans (Sabboubeh, et al. 2019).

2.4. Previous Studies

By reviewing previous studies, we can obtain meaningful comprehension of the efficiency of different internal audit strategies and identify best methods that can be applied in different contexts such as how it affects tax revenue and sustainability. This section seeks to offer a thorough review of previous studies, focusing on prevailing trends and existing knowledge gaps, as well as highlighting the implications for current knowledge in this field. We divided previous studies into three sections as follows:

2.4.1 Effect of Taxes on Sustainability:

The studies by Tawfik and Elmaasrawy (2024), Kotsogiannis et al. (2024), Blaufus et al. (2024), Wahyudin et al. (2022), and Qatawneh and Alqtish (2021) all examine the crucial role of tax audits in promoting tax compliance and contributing to sustainability. Tawfik and Elmaasrawy (2024) focus on Egypt, highlighting how effective regulations and communication improve both official adherences to taxes and practical tax compliance, indirectly supporting sustainability through fair tax revenue collection. Similarly, Kotsogiannis et al. (2024) analyze the link between tax audits and corporate income declarations, suggesting that thorough audits enhance tax compliance, which could improve the accuracy of tax-related data and contribute to sustainability. Blaufus et al. (2024) emphasize the importance of effective audits in raising tax revenue, which, in turn, supports sustainable public finances and long-term government objectives. Wahyudin et al. (2022) explore the efficiency of tax audits in self-reporting systems, noting that while tax revenue growth may be minimal, the observed behavioral shifts in taxpayers promote a more responsible tax culture, fostering sustainability. Lastly, Qatawneh and Alqtish (2021) focus on Jordan, illustrating how improvements in auditing practices can optimize tax collection, enabling governments to invest in sustainable development. Together, these studies underscore the significant impact of tax audits in strengthening compliance and promoting sustainability.

2.4.2 Effect of Internal Auditing on Taxes:

The studies by Inegbedion and Okoye-Uzu (2024), Tarekegn et al. (2020), Abu Kai (2023), and Mansor (2018) all explore the pivotal role of internal audits in improving tax compliance and revenue generation, with implications for sustainable development. Inegbedion and Okoye-Uzu (2024) investigate the impact of tax audits on SMEs in Nigeria, showing that internal audits enhance tax adherence and increase revenue,

which can be directed toward sustainable development projects. Tarekegn et al. (2020) focus on the Ethiopian Ministry of Revenue, finding that strengthening internal control activities and information sharing improves tax audit performance, thereby boosting tax revenue collection and the nation's ability to pursue sustainable goals. Similarly, Abu Kai (2023) examines the efficiency of internal auditing within the National Revenue Authority, highlighting how it improves risk management, governance, and public sector performance, which indirectly supports sustainable tax revenue generation. Lastly, Mansor (2018) propose a comprehensive framework for enhancing internal audit models in tax authorities, which ensures more effective tax administration and improved resource allocation, thereby contributing to sustainable practices. Collectively, these studies emphasize how strengthening internal audits and controls in tax systems can enhance compliance, improve revenue collection, and foster sustainability.

2.4.3. Effect of Internal Auditing on Sustainability:

The studies by Sakhil et al. (2023), HaoYue and Loang (2023), Amin and Al-Shammari (2023), Al Hanini (2021), Kriher (2022), Rashid et al. (2021), and Mendes de Oliveira et al. (2022) all highlight the role of internal audits and controls in supporting sustainable development across various sectors. Sakhil et al. (2023) focus on healthcare institutions, showing that internal health audits improve organizational performance and align with broader sustainable development goals, such as universal health coverage. HaoYue and Loang (2023) examine how internal auditing in Chinese businesses aligns with the Sustainable Development Goals (SDGs), finding that it positively contributes to long-term value by ensuring processes are aligned with ecological and social sustainability objectives. On the other hand, Amin and Al-Shammari (2023) explore internal audit methodologies in Iraqi banks, revealing a lack of significant correlation between internal audits and sustainability reports, suggesting a need for refinement to better support sustainable development in the banking sector. Al Hanini (2021) investigates ecological internal audits and their impact on sustainability goals, concluding that environmental audits contribute significantly by improving risk assessments and ensuring financial transparency. Kriher (2022) studies the impact of efficiency audits in Ukrainian companies, finding that these audits help enhance sustainability by evaluating resource usage and market dynamics, which improve operational resilience. Rashid et al. (2021) highlight how technological advancements in internal controls contribute to better financial performance and long-term sustainability,

particularly within institutions. Finally, Mendes de Oliveira et al. (2022) link effective internal control systems to SDGs, particularly in fraud prevention, emphasizing their importance in fostering accountability and compliance, thus helping build institutions that support sustainability. Together, these studies demonstrate the crucial role of internal audits and controls in enhancing sustainability across various sectors, from healthcare and business to banking and environmental practices.

2.4.3. Commentary on the Studies

The analysis focused on evaluating various research studies evaluate the efficiency of internal auditing and its impact on tax revenues. These studies utilized different methodologies, like case studies, surveys, and data analysis, to investigate the relationship between internal audit procedures and tax compliance, as well as their broader impact on sustainable development goals (SDGs). Some studies investigated the quality of tax audit processes and how they influence tax compliance, while others analyzed the influence of internal audits regarding companies' reporting behavior. Several studies also investigated the role of internal auditing in improving organizational performance and achieving sustainable development, particularly within the public sector and health institutions. Several of these studies emphasized the significance of internal auditing in maintaining business continuity, improving financial performance, and combating fraud.

Other research examined the integration of internal audits with broader environmental and sustainability objectives, particularly in industries and regions facing unique challenges, such as wartime conditions or specific regulatory environments. A key theme across the studies was the varying effectiveness of internal auditing in promoting sustainable business practices, with some studies highlighting its positive influence on long-term corporate performance, while others found little to no significant impact. In addition, certain studies focused on internal control environments and their ability to mitigate fraud and support SDG implementation, providing valuable insights for policymakers, practitioners, and academics on the connection between effective internal auditing and broader development goals.

2.4.4 Research Gap

Through the evaluation of the mentioned studies linked to the efficiency of internal auditing and its impact on tax revenues and sustainable development, some significant research gaps can be observed. Despite the strong focus on various methodologies and the analysis of multiple elements influencing the quality of tax audit processes and how they affect tax compliance, the studies do not sufficiently address the interaction between internal audit efficiency and the achievement of tax receipts and sustainable development from a comprehensive and integrated perspective. For example, Tawfik and Elmaasrawy (2024) concentrated on the effect of organizational and communication factors in relation to the quality of tax auditing for content creators, while Kotsogiannis et al. (2024) investigated the impact of tax auditing on reporting behavior of organizations in Rwanda. However, these studies did not directly link internal audit efficiency, tax revenue, and sustainable development within a single, cohesive framework. Similarly, although Abu Kai (2023) addressed the challenges of internal auditing in the National Revenue Authority, and Wahyudin et al. (2022) focused on the effectiveness of tax auditing in Indonesia, neither study deeply explored how to enhance these processes to promote sustainable development. In terms of sustainable development, studies such as Al Hanini (2021) and Rashid et al. (2021) emphasized the importance of environmental internal auditing and internal control in achieving sustainable development. However, these studies lack a direct connection between the effect of these processes on tax revenues and the overall effectiveness of financial systems comprehensively. Therefore, there is a requirement for studies that integrate internal audit efficiency, tax revenue management, and sustainable development within an integrated framework. Such studies should focus on developing comprehensive models that illustrate how to enhance auditing processes to simultaneously achieve sustainable development goals and improve tax revenues.

2.4.5 Differences and similarities in studies:

In addition to the previous research gaps, some differences and similarities can be observed between the studies mentioned in the conversation. In terms of similarities, many studies agree on the importance of internal auditing in enhancing tax compliance and achieving sustainable development goals. For example, studies such as those conducted by Tawfik and Elmaasrawy (2024) and Kotsogiannis et al. (2024) highlight

the impact of internal auditing on improving tax compliance by strengthening regulations and organizing tax-related behavior, which aligns with the findings of other studies, such as Rashid et al. (2021), which showed that technological advancements in internal controls enhance long-term financial performance.

However, there are clear differences between these studies. While Tawfik and Elmaasrawy (2024) focus on the impact of tax auditing in a specific sector, such as content creators in Egypt, Kotsogiannis et al. (2024) examine tax reporting behavior within organizations in Rwanda, which differs from the tax contexts explored in other studies, such as those by Abu Kai (2023) and Wahyudin et al. (2022), which focus on internal auditing within national revenue authorities in Iraq and Indonesia. While these studies addressed the improvement of internal audit effectiveness, they did not sufficiently connect these processes with tax revenue management and sustainable development.

Moreover, while some studies, such as Al Hanini (2021) and Rashid et al. (2021), emphasize the role of environmental internal auditing and internal control in achieving sustainability, they do not comprehensively address the relationship between these processes and their impact on tax revenues. In contrast, studies like Inegbedion and Okoye-Uzu (2024) and Kriher (2022) focus on the effectiveness of internal auditing in improving tax compliance and resource utilization, but they lack the direct integration between tax revenues and sustainable development goals.

Therefore, there is a clear need for studies that explore the integrated relationship between internal audit efficiency, tax revenue, and sustainability within a single framework. Such studies should aim to develop comprehensive models that illustrate how improving auditing processes can simultaneously advance sustainable development goals and enhance tax revenues, providing a holistic approach to achieving both financial and environmental sustainability.

2.4.6 Developing research hypotheses

Developing research hypotheses is a crucial step in designing any academic study aimed at providing accurate solutions or conclusions based on data analysis. By reviewing the existing literature and available studies, research hypotheses can be developed that align

with the study's topic and help achieve reliable results. For example, in the context of studying the relationship between internal audit efficiency, tax revenues, and sustainability, the following hypotheses can be developed:

1. **H0.1:** There is a positive relationship between internal audit efficiency and increased tax revenues in government institutions.
2. **H0.2:** Improved internal audit efficiency leads to enhanced tax compliance among individuals and businesses.
3. **H0.3:** Internal audit efficiency indirectly contributes to achieving sustainable development goals by improving tax revenue management.
4. **H0.4:** Modern technologies in internal auditing contribute to improving the effectiveness of tax revenue collection, thereby enhancing governments' ability to achieve sustainable development goals.

Chapter Three: Methodology

3.1 Introduction

This chapter presents the research methodology employed in this thesis. It explains the research questions, design, and approach, as well as the target audience, study sample, selected participants, research tools, and methods of data collection, and data analysis methods. Additionally, it presents the questions formulated through an extensive review of the pertinent literature.

3.2. Research Method

In order to address the research questions and collect data for evaluation, this study employed a descriptive-analytical approach. This method combines both descriptive and analytical components to comprehensively understand the characteristics of the phenomenon in a detailed and integrated manner. It entails systematically describing the phenomenon, emphasizing its key features, and then analyzing the data to uncover patterns and influencing factors. To fulfill the objectives of the study, the researcher gathered data from various sources, comparing them to identify the most precise and trustworthy information, thereby ensuring a comprehensive and well-informed understanding of the phenomenon being investigated.

3.3. Data Source

The data for this research were gathered using two categories of sources:

1. **Secondary (Data):** This includes books, research papers, articles, conference proceedings, published journals, reports, previous studies relevant to the research topic, and websites. The findings from these sources are discussed in Chapter Two of the study.
2. **Primary (Data):** Gathered via a carefully designed questionnaire, which includes a comprehensive set of structured questions. This questionnaire aims to explore various dimensions of the research concepts and gather essential information to fulfill the study's objectives.

3.4 Study Population

The study population included all staff members employed at the tax departments in the West Bank, totaling 750 employees, distributed across various departments, including

income tax, property tax, value-added tax, and customs and excise tax. Table 3 illustrates the distribution of these departments along with the number of employees in each.

Table (3-1) Distribution of employees in tax departments in Palestine

Tax Department	Number of employees	%
Value Added Tax	268	%35.7
Income Tax	200	%26.7
Customs and Excise	132	%16.7
Property Tax	150	%20
Total	750	%100

Source: (Ministry of Finance,2024).

3.5. The Sample

The study sample was selected from employees of the tax departments due to their direct relationship with the research topic, which focuses on the impact of tax revenues on sustainability in Palestine. These employees have practical knowledge of tax collection and tax policy implementation, making them the most reliable source for obtaining accurate data. A simple random sample was used to ensure fair representation of all employees, with the questionnaire distributed in person to nearby governorates and electronically to remote areas, ensuring the comprehensiveness of the sample and the reliability of the results. This strategy ensured a reliable and accurate determination of the sample size, as the research community included approximately (750) individuals from (4) tax departments. According to data from the website (calculator.net), the sample size was (255) employees from these departments. A simple random sample method was used to select participants, and the researcher personally distributed the questionnaire in paper form to nearby governorates, while it was sent electronically to the more distant governorates.

3.6 Study Instrument

During the study, the researcher employed the questionnaire to gather quantitative data. To gather data from the sample, the researcher created the questionnaire as a study instrument. The questionnaire contains 41 statements divided into five sections, employing the five-point Likert scale for evaluation, as illustrated in the table below.

3.7 Correction Style:

Some of the findings generated using the Likert scale method was utilized, and the following distribution was applied in correcting the questionnaire items:

Very high	High	Moderate	Low	Very low
5	4	3	2	1

Table (3.2): Correction Key

Mean	Degree
4.21-5	Very High
3.41-4.20	High
2.61-3.40	Moderate
1.81-2.60	Low
1-1.80	Very low

The researcher utilizes this scale because it is the most suitable and provides the best response to the questionnaire data.

3.8 Survey Validity:

The validity of the questionnaire was evaluated by presenting it to **8** academic supervisors and field experts. These specialists confirmed the questionnaire's validity and its suitability for achieving the study's objectives, making some necessary modifications during the process. This validation process enhanced the reliability of the data collection instrument, thereby improving the accuracy of the study's findings, as outlined in Appendix No. 1.

3.9 Reliability of the Questionnaire:

The consistency of the questionnaire was evaluated by measuring internal coherence and determining Cronbach's Alpha factor for each part as well as for the whole questionnaire. The overall reliability factor was found to be 0.95, showing a high degree of trustworthiness for research purposes. The table below reveals that the reliability ratios for all segments are satisfactory and correspond with the goals of the study.

Table (3.3): Reliability Coefficients for Questionnaire Sections

Section's Number	Section's Title	Reliability coefficient	Number of paragraphs
1	Internal Audit Efficiency	0.886	10

2	Tax Revenue	0.851	10
3	Economic Sustainability	0.860	7
4	Social Sustainability	0.908	7
5	Environmental Sustainability	0.928	7
6	Sustainability	0.898	21
	Total Questionnaire	0.950	41

3.10 Responses to the Questionnaire:

After distributing the questionnaire, (252) out of (255) questionnaires were retrieved from the study sample, demonstrating a notable response rate that highlights the participants' engagement with the research. Despite the researcher's direct visits to several tax departments across the West Bank, along with distributing the questionnaire electronically through various channels like email and social media, the response rate reached (98.8%). This elevated response rate underscores the efficiency of the data gathering methods employed.

3.11. Conceptual model:

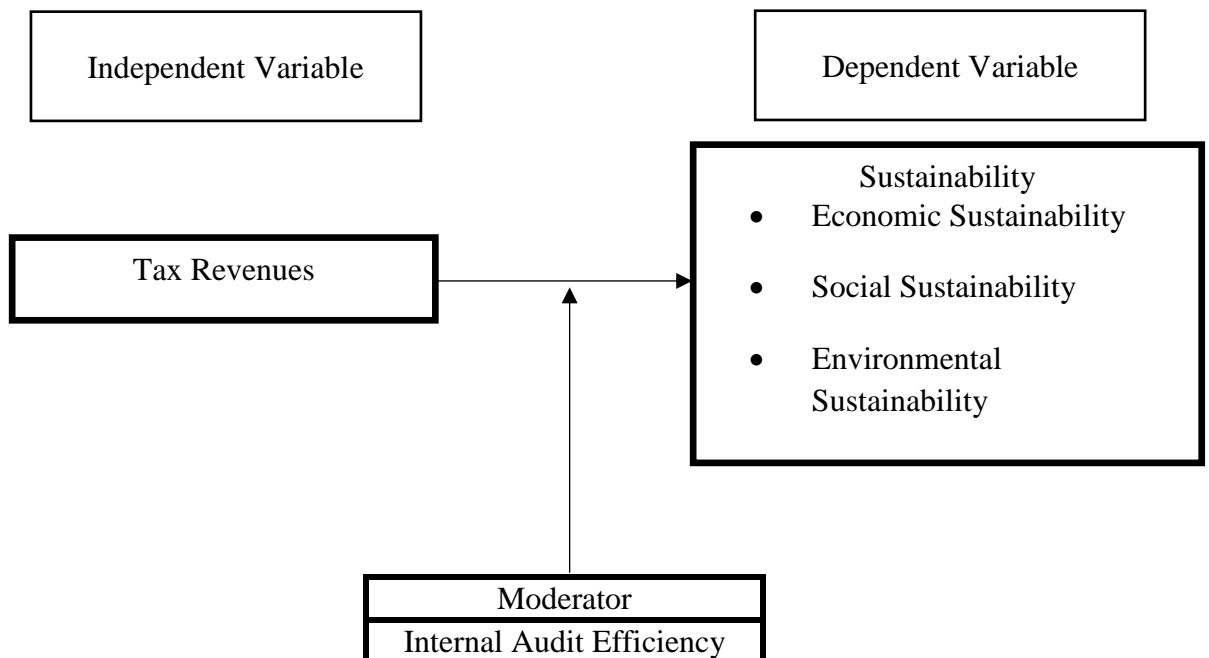


Figure (3.1) study variables

Explanation of the Conceptual Model:

- **Independent Variable: Tax revenues (TR)** are the funds gathered by the government from citizens and organizations, it includes indirect and direct taxes to improve services provided to the public sector and finance the government sector.
- **Dependent Variable: Sustainability (S):** It includes the development processes that countries aspire to sustain in the long term and includes three important dimensions: the environment (ES), the economy (EnS), and social service (SS).
- **Moderator Variable; Internal Audit Efficiency (IAE):** Internal audit efficiency (IAE): It denotes the capacity of government institutions to utilize auditing skills within the various lists and try to discover accounting problems and find solutions to them.

3.12. Statistical Analysis:

(Data analysis was performed using the Statistical Package for the Social Sciences (SPSS) version 26). Several statistical tests were used, including:

1. Averages, standard deviations, and percentages.
2. Cronbach's Alpha test.
3. Pearson's correlation test.
4. Independent samples t-test to measure the gender variable.
5. Analysis of variance (ANOVA) test to analyze variations based on gender, age, educational background, years of experience, and job position.
6. Simple and multiple linear regression models were used to assess the statistical impact among the study variables.
7. Modified regression analysis: a statistical method used to investigate the role of a "moderating" variable in relation to the correlation between an independent and dependent variable.

Chapter Four: Results

4.1 Introduction

This chapter outlines the examination of data and the hypothesis evaluation processes. It starts with summary statistics for all research variables, proceeds with an analysis of variable interrelationships, and concludes by evaluating the hypotheses through basic and advanced regression analyses, including moderated analysis of regression.

4.2 Description of the Personal Variables

The initial phase of the data analysis involves a detailed explanation of the demographic information of the study participants, where the distribution and proportions of this data are obtained, as shown in the table below.

Table (4.1): Description the Frequencies and Percentages of the Personal Data of the Sample Members

Variables	Items	Freq	%
Gender	Male	118	46.8%
	Female	134	53.2%
	Total	252	100%
Age	Less than 30 years	26	10.3%
	30 to less than 40 years	117	46.4%
	40 to less than 50 years	68	27.0%
	50 years and above	41	16.3%
	Total	252	100%
Qualification	Diploma or below	28	11.1%
	Bachelor's	214	84.9%
	Master's	10	4%
	Total	252	100%
Years of experience	Less than 5 years	34	13.5%
	From 5 years to less than 10 years	71	28.2%
	From 10 years to less than 15 years	102	40.5%
	15 years and over	45	17.9%
	Total	252	100%
The tax area you work in	Income Tax	53	21%
	Customs & Excise	68	26.9%
	Value Added Tax	96	38%
	Property Tax	35	13.8%
	Total	252	100%

The gender distribution among respondents consists of (118) males, representing (46.8%), and (134) females, accounting for (53.2%). This indicates a relatively balanced sample with a slight majority of female participants. The total number of respondents is (252), with gender well-represented, allowing for meaningful insights into any gender-related differences in responses.

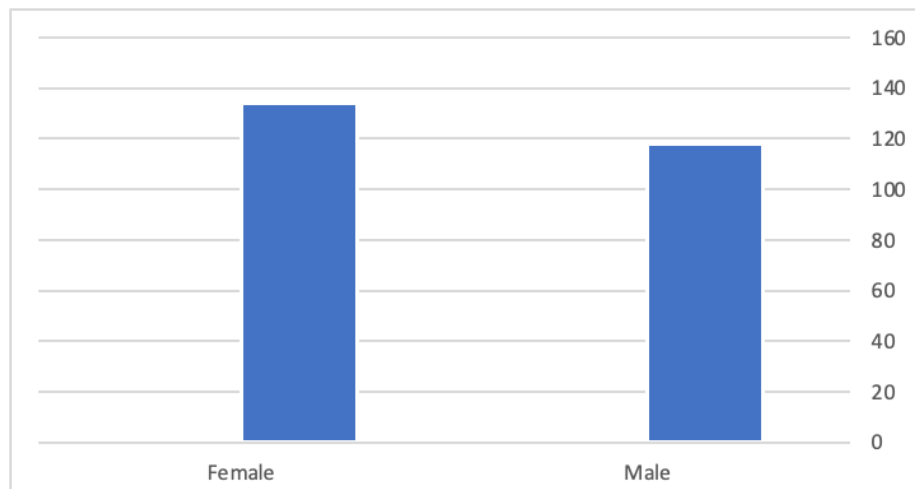


Figure (4.1): Gender Variable

The age distribution of respondents shows that (10.3%) are younger than (30) years, while the largest group, consisting of (46.4%), falls in the (30) to less than (40) years category. Additionally, (27.0%) are between (40) and (50) years, and (16.3%) are aged (50) years or older. This range provides diverse perspectives from various age groups, with a predominance of respondents aged between (30) and (40) years.

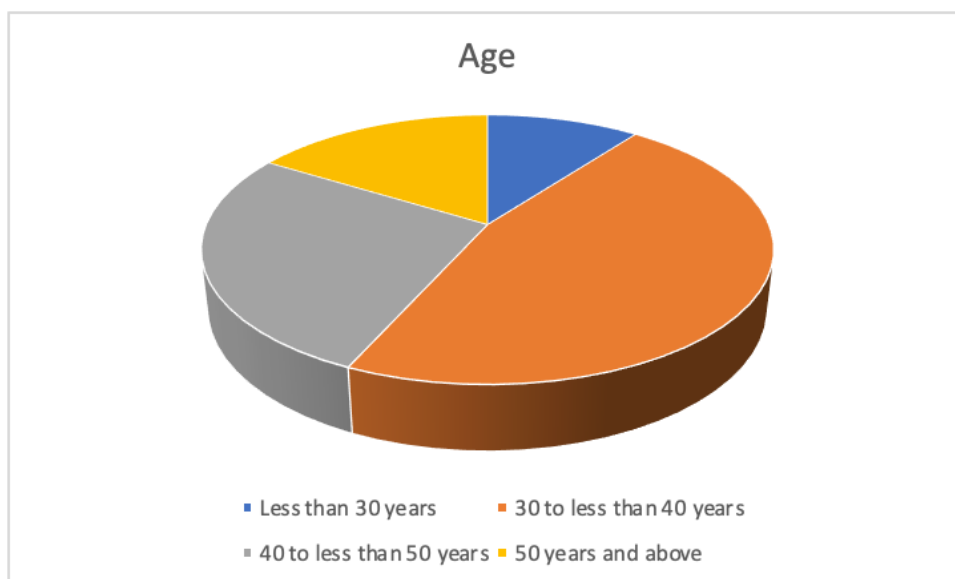


Figure (4.2): Age Variable

Regarding educational qualifications, the substantial proportion of participants (84.9%) possess a bachelor's qualification, while 11.1% hold a diploma or lower, and only (4%) hold a master's degree. This indicates a highly educated sample, with most respondents having at least an undergraduate-level education.

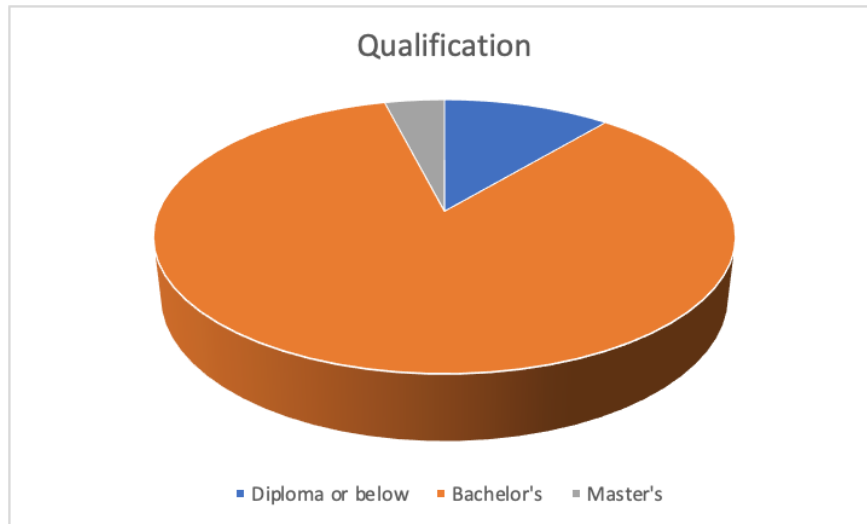


Figure (4.3): Qualification Variable

Regarding work experience, (13.5%) of participants possess less than five years of experience, while (28.2%) have between five and less than ten years. The largest group, comprising (40.5%), has (10) to less than (15) years of experience, and (17.9%) have (15) years or more. This variety in experience levels, with a significant proportion having considerable years in the field, enriches the reliability of responses concerning tax-related practices and experiences.

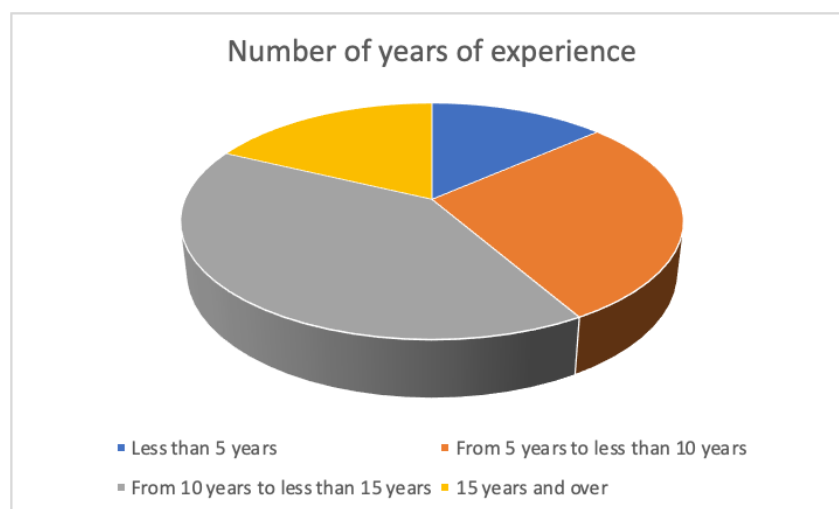


Figure (4.4): Number of Years of Experience Variable

respondents are distributed across different tax areas, with (21%) working in Income Tax, (26.9%) in Customs & Excise, and (38%) in Value Added Tax, making this the largest group. Additionally, (13.8%) work in Property Tax. The diversity in tax areas provides a comprehensive view of the tax system, with significant representation from Value Added Tax and Customs & Excise departments.

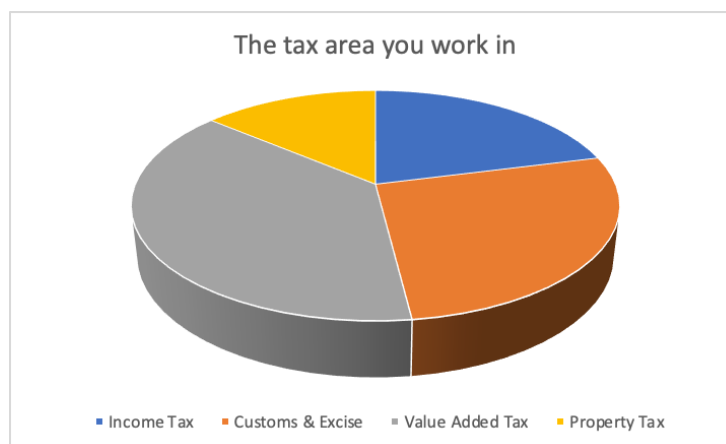


Figure (4.5): The Tax Area You Work In Variable

4.3 Descriptive Statistics

This part presents descriptive statistics for all study variables, including independent variable and its dimensions, dependent variable and all its dimensions, and moderator and all its dimensions. The subsequent provides a clarification of each of these dimensions along with their items.

4.3.1 First area: Internal audit efficiency

Table (4.2): Means and Standard Deviations of all Items for Internal Audit Efficiency Variable

Dimensions	Mean	Std. Deviation	%	Rank	Important
Internal audit helps create mutual trust between employees and auditors in your department.	3.97	0.785	79.4%	10	High
Internal audit helps ensure adherence to professional and ethical standards in your department.	4.19	0.763	83.8%	1	High
Internal audit helps ensure an effective internal control system in your department.	4.11	0.778	82.2%	6	High
Internal audit helps uncover financial errors.	4.17	0.767	83.4%	3	High
Internal audit helps uncover	4.17	0.793	83.4%	2	High

financial fraud.					
Internal audit contributes to promoting a culture of accountability.	4.13	0.818	82.6%	5	High
Internal audit helps provide a work environment that supports continuous improvement.	3.99	0.728	79.8%	9	High
Internal audit encourages employees to provide accurate reports.	4.06	0.821	81.2%	8	High
Internal audit helps ensure compliance with regulations and laws.	4.16	0.718	83.2%	4	High
Internal audit contributes to identifying and managing risks.	4.08	0.819	81.6%	7	High
Average	4.1019	.54723	82.0%		High

Source: Writing the research using SPSS

The table above presents the means and standard deviations for all dimensions of internal audit efficiency. The means ranged between (3.97-4.19) with significant importance, with the overall mean being (4.1019) and the standard deviation (0.54723), also showing a strong level of importance. The dimension "Internal audit helps ensure adherence to professional and ethical standards in your department" received the highest mean (4.19) with a standard deviation of (0.763), reflecting the crucial role of internal audit in promoting professional and ethical compliance. On the other hand, the dimension "Internal audit helps create mutual trust between employees and auditors in your department" received the lowest mean (3.97) with a standard deviation of (0.785), yet still demonstrates a high level of importance in building trust within the work environment. This suggests that internal audit efficiency is considered a vital element in improving the work environment and ensuring compliance in the relevant departments.

From the researcher's point of view, the results highlight the pivotal role of internal audit efficiency in enhancing the work environment and ensuring compliance with professional and ethical standards. The studied dimensions showed the great importance of internal audit in achieving transparency and accountability within departments, as it is seen as a key factor in improving overall performance and enhancing mutual trust. Ensuring compliance with professional and ethical standards is one of the most prominent aspects of internal audit efficiency, indicating that employees recognize its importance in enhancing governance within institutions. However, the dimension of building trust between employees and auditors, despite its importance, shows the need

for further efforts to enhance it as part of an integrated strategy aimed at achieving maximum efficiency and effectiveness in internal audit operations.

Several studies agree with previous findings that emphasize the importance of internal auditing in improving organizational performance and ensuring compliance with ethical and professional standards. For example, Sakhil et al. (2023) showed that the integration of internal auditing with internal control systems enhances organizational goals and growth, which is in line with the results of studies that highlight the importance of internal auditing in enhancing transparency and accountability. HaoYue and Loang (2023) also supported the impact of internal auditing in achieving the Sustainable Development Goals (SDGs), emphasizing its role in improving long-term performance. On the other hand, Kriher (2022) indicated that internal auditing enhances resource allocation and operational effectiveness, reflecting its role in improving the overall performance of organizations. In general, these studies emphasize that internal auditing is an essential tool for achieving transparency, compliance with ethical standards, and achieving sustainable development within organizations.

4.3.2 Second Area: Tax revenues

Table (4.3): Means and Standard Deviations for Tax revenues

Dimensions	Mean	Std. Deviation	%	Rank	Important
Tax revenues enhance the government's ability to achieve financial stability.	4.07	0.762	81.4%	2	High
Tax revenues contribute to increasing the government's total revenues.	4.11	0.703	82.2%	1	High
Tax departments have improved their tax revenue collection strategies to ensure increased growth.	3.88	0.865	77.6%	5	High
Tax departments have developed effective mechanisms to increase tax revenue collection.	3.84	0.871	76.8%	4	High
Tax revenues contribute to enhancing the government's financial stability.	4.06	0.723	81.2%	7	High
Tax revenues enhance the government's ability to finance economic and development projects.	3.84	0.827	76.8%	6	High
Tax departments improve tax revenue collection methods by applying modern methods and techniques.	3.88	0.922	77.6%	3	High
Tax revenues contribute to improving the quality of public services.	3.80	0.810	76.0%	8	High

Tax departments support the implementation of policies to increase the diversity of tax revenues through new sources.	3.76	0.901	75.2%	9	High
Tax departments enhance their ability to collect tax revenues by developing training programs for employees.	3.69	0.897	73.8%	10	High
Average	3.8921	0.54284	77.8%		High

The previous table shows the means and standard deviations for all items related to the efficiency of tax revenue management. The means ranged between (3.69-4.11), all indicating a high degree of importance, with an overall mean of (3.8921) and a standard deviation of (0.54284). The highest mean was for the dimension "Tax revenues contribute to increasing the government's total revenues," which scored (4.11) with a standard deviation of (0.703), reflecting the significant impact of tax revenues on government financial stability and revenue growth. Conversely, the dimension "Tax departments enhance their ability to collect tax revenues by developing training programs for employees" received the lowest mean (3.69) with a standard deviation of (0.897). Despite this being the lowest score, it still highlights the importance of training programs in boosting tax collection efficiency. Overall, these findings suggest that improving tax collection mechanisms, diversifying tax sources, and enhancing government revenue are all crucial factors in achieving financial stability and better public service quality. From the researcher's point of view, the results confirm the importance of tax revenues in enhancing financial stability and increasing government revenues. They also highlight the need to improve collection mechanisms and develop workers' skills through training programs to improve tax collection efficiency. These results indicate that enhancing effective tax revenue management is essential to achieving financial sustainability and better quality of public services.

The findings from the table align with studies highlighting the importance of efficient tax revenue. Qatawneh & Alqtish (2021) and Inegbedion & Okoye-Uzu (2024) emphasize the positive impact of improved tax audits and collection mechanisms on tax revenues. Similarly, Tarekegn et al. (2020) stress the role of effective regulatory activities in enhancing audit performance. The need for better training, as indicated by the lowest-scored dimension, is supported by Wahyudin et al. (2022), which emphasizes the importance of infrastructure and data optimization. Overall, these studies underline

the importance of improving both tax collection processes and employee training for financial sustainability.

4.3.3 Third area: Sustainability

Table (4.4): Means and Standard Deviations of all Items for Sustainable Development

Dimensions	Mean	Std. Deviation	%	Rank	Important
Economic Sustainability	3.7115	0.67704	74.2%	1	High
Social Sustainability	3.5997	0.78683	72%	2	High
Environmental Sustainability	3.4994	0.83558	70%	3	High
Sustainability	3.6036	0.69845	72.1%		High

The previous table displays the means and standard deviations for all dimensions of sustainability. The findings reveal that economic sustainability ranked the highest, with a mean of (3.7115), a standard deviation of (0.67704), and a percentage of (74.2%). This suggests that participants view economic sustainability as a crucial factor, recognizing its role in supporting public projects and services, as well as providing stable financial resources. Social sustainability followed in second place, with a mean of (3.5997), a standard deviation of (0.78683), and a percentage of (72%). This indicates strong support for social sustainability, as participants believe that tax policies and social programs contribute to social justice and a fair distribution of societal burdens. On the other hand, environmental sustainability received the lowest mean of (3.4994), with a standard deviation of (0.83558) and a percentage of (70%). This points to the importance of environmental sustainability, though there remains room for improvement in raising awareness and implementing effective environmental policies. Overall, sustainability achieved an overall mean of (3.6036), a standard deviation of (0.69845), and a percentage of (72.1%), indicating that participants view sustainable development as a holistic concept encompassing economic, social, and environmental dimensions. These results underscore the importance of integrating all three dimensions to achieve sustainability, with a greater emphasis on economic sustainability, followed by social sustainability, and then environmental sustainability. From the researcher's point of view, the results show that economic sustainability is the most important element, as participants see it as a key factor in supporting public projects and services and providing stable financial resources. Social sustainability comes in second place, indicating the importance of tax policies and social programs in achieving social justice

and distributing burdens fairly among members of society. Environmental sustainability received the lowest score among the dimensions, highlighting the need to raise awareness and implement effective environmental policies. In general, the results indicate that participants consider sustainable development to be a comprehensive concept that integrates economic, social, and environmental dimensions, with an emphasis on the importance of focusing on economic sustainability first, followed by social sustainability, and then environmental sustainability. The results from the table are consistent with previous studies emphasizing the importance of economic and social sustainability. Studies like Wahyudin et al. (2022) and Tarekegn et al. (2020) highlight the role of economic sustainability in supporting financial stability. Similarly, Qatawneh & Alqtish (2021) and Inegbedion & Okoye-Uzu (2024) emphasize the importance of social justice and equitable tax policies, which align with the second-highest ranking for social sustainability. The lower ranking for environmental sustainability is in line with findings from Rashid et al. (2021), which calls for increased awareness and effective policies in this area.

4.3.3.1 First Dimension: Economic Sustainability

Table (4.5): Means and Standard Deviations for Economic Sustainability

Dimensions	Mean	Std. Deviation	%	Rank	Important
Tax revenues improve the financial stability of the government, providing stable resources to support public projects and services.	3.88	0.829	77.6%	1	High
Tax revenues reduce unemployment and help create new job opportunities.	3.67	0.910	73.4%	5	High
Tax revenues contribute to long-term growth, which increases tax revenues.	3.87	0.778	77.4%	3	High
Tax revenues lead to growth in employee salaries.	3.42	1.134	68.4%	7	High
Tax revenues improve coverage of public expenditures	3.87	0.820	77.4%	2	High
Tax revenues have contributed to reducing the budget deficit.	3.77	0.895	75.4%	4	High
Tax revenues have contributed to improving the infrastructure of the country's governorates.	3.50	1.013	70.0%	6	High
Average	3.7115	0.67704	74.2%		High

The previous table presents the means and standard deviations for various dimensions related to economic sustainability in the context of tax revenue management. The means ranged from (3.42 to 3.88), reflecting a high degree of importance across all items, with

an overall mean of (3.7115) and a standard deviation of (0.67704). The highest mean score was recorded for the dimension "Tax revenues improve the financial stability of the government, providing stable resources to support public projects and services," which received a mean of (3.88) and a standard deviation of (0.829). This emphasizes the vital role that tax revenues play in ensuring government financial stability and in funding critical public services. In contrast, the dimension "Tax revenues lead to growth in employee salaries" received the lowest mean score of (3.42) with a standard deviation of (1.134). While this score is lower than the others, it still highlights the significance of tax revenues in driving overall economic growth and supporting wage

From the researcher's point of view, the results reflect the great importance of tax revenues in enhancing economic sustainability, as these revenues emerge as a key element in ensuring the government's financial stability and financing public projects and vital services. The dimension related to improving government financial stability emerges as the most influential dimension, indicating that participants see tax revenues as a vital tool to support public projects and ensure their sustainability. In contrast, although the dimension related to employee salary growth recorded the lowest score among the studied dimensions, it still reflects the importance of tax revenues in driving comprehensive economic growth and supporting the improvement of workers' financial conditions. This reinforces the understanding that tax revenues play an important role in economic development, but some areas may need more focus to enhance their impact further. The results underscore the importance of tax revenues in ensuring economic sustainability, with the highest mean for "Tax revenues improve financial stability, supporting public projects and services." This aligns with Tarekegn et al. (2020), which emphasized the role of tax revenues in stabilizing government finances. Although "Tax revenues lead to growth in employee salaries" scored the lowest, it still reflects tax revenues' impact on economic growth and workers' financial conditions, supporting findings from Wahyudin et al. (2022). This suggests that while tax revenues are crucial for economic sustainability, areas like salary growth may require more attention.

4.3.3.2 Second Dimension: Social Sustainability

Table (4.6): Means and Standard Deviations for Social Sustainability

Dimensions	Mean	Std. Deviation	%	Rank	Important
Tax policies contribute to a fair distribution of burdens among the segments of society.	3.71	0.983	74.2%	2	High

Social programs are supported by directing revenues to improve education and health care.	3.82	0.931	76.4%	1	High
Solidarity is enhanced by imposing taxes on the rich to finance programs to support the most needy groups.	3.46	0.921	69.2%	7	High
Tax departments improve the quality of life through transparency in the management and distribution of revenues.	3.59	1.029	71.8%	4	High
Programs are funded to support the integration of marginalized groups and improve their living conditions.	3.50	0.988	70.0%	5	High
Tax revenues help achieve social justice.	3.63	0.985	72.6%	3	High
Tax revenues have helped support funds to assist the poor.	3.48	1.009	69.6%	6	High
Average	3.5997	0.78683	72.0%		High

The previous table presents the means and standard deviations for various dimensions related to social sustainability within the context of tax revenue management. The means ranged from (3.46 to 3.82), indicating a high degree of importance across all items, with an overall mean of (3.5997) and a standard deviation of (0.78683). The highest mean score was attributed to the dimension "Social programs are supported by directing revenues to improve education and health care," which received a mean of (3.82) and a standard deviation of (0.931). This emphasizes the vital role that tax revenues play in funding essential services and improving societal welfare. On the other hand, the dimension "Solidarity is enhanced by imposing taxes on the rich to finance programs to support the most needy groups" received the lowest mean score of (3.46) with a standard deviation of (0.921). Although this score was lower compared to other dimensions, it still underscores the importance of progressive tax policies in fostering social equity and addressing the needs of disadvantaged populations.

From the researcher's point of view, the results indicate that tax revenues play an important role in promoting social sustainability, especially through financing social programs that improve education and health care. The dimension related to supporting social programs is the most important, highlighting the role of taxes in improving the well-being of society. The dimension of solidarity, despite recording the lowest score, still reflects the importance of progressive tax policies in promoting social justice and supporting needy groups. Several studies align with the findings on tax revenues and social sustainability. Tawfik & Elmaasrawy (2024) emphasize the importance of tax regulations in improving compliance, supporting funding for social programs. Qatawneh & Alqtish (2021) and Tarekegn et al. (2020) highlight how tax audits

enhance revenues, crucial for financing services like education and healthcare. Additionally, Sakhil et al. (2023) and Kriher (2022) show how internal audits improve efficiency, contributing to better service delivery and supporting social sustainability. These studies underline the vital role of tax revenues in fostering social well-being.

4.3.3.3 Third Dimension: Environmental Sustainability

Table (4.7): Means and Standard Deviations for Environmental Sustainability

Dimensions	Mean	Std. Deviation	%	Rank	Important
Tax policies impose taxes on harmful activities, which encourage better environmental practices.	3.55	0.995	71.0%	1	High
Natural resources are managed through taxes on overuse, which protects the environment and promotes resource conservation.	3.55	0.974	71.0%	2	High
There are efforts to reduce pollution by implementing tax policies that encourage companies to reduce pollutant emissions and adhere to environmental standards.	3.54	1.007	70.8%	3	High
Tax departments monitor economic activities and analyze their impact on the environment, which improves air and water quality.	3.36	0.998	67.2%	7	Moderate
Environmental goals are achieved through cooperation with international organizations and the application of global standards.	3.50	0.947	70.0%	5	High
Tax policies take into account environmental protection by increasing taxes on harmful activities.	3.52	0.996	70.4%	4	High
Environmental impacts are tracked and penalties and fines are imposed to reduce these damages.	3.48	1.084	69.6%	6	High
Average	3.4994	0.83558	70.0%		High

The previous table presents the means and standard deviations for various dimensions related to environmental sustainability in the context of tax policies. The means ranged from (3.36 to 3.55), reflecting a high degree of importance across all items, with an overall mean of (3.4994) and a standard deviation of (0.83558). The dimensions “Tax policies impose taxes on harmful activities, which encourages better environmental practices” and “Natural resources are managed through taxes on overuse, which protects the environment and promotes resource conservation” both received the highest mean score of (3.55), with standard deviations of (0.995) and (0.974) respectively. This

highlights the significant role tax policies play in encouraging environmentally friendly practices and the conservation of resources. Conversely, the dimension “Tax departments monitor economic activities and analyze their impact on the environment, which improves air and water quality” received the lowest mean score of (3.36) with a standard deviation of (0.998). Although this score was lower compared to other dimensions, it still emphasizes the importance of monitoring and analysis in enhancing environmental quality.

From the researcher’s point of view, the results indicate that tax policies play an important role in promoting environmental sustainability, especially through imposing taxes on harmful activities and encouraging better environmental practices. The dimension related to managing and protecting natural resources through taxes on their overuse is considered the most important, highlighting the role of tax policies in preserving the environment. The dimension of monitoring economic activities and analyzing their impact on the environment, although it recorded the lowest score, reflects the importance of improving control mechanisms to improve environmental quality. Several studies align with the results on tax policies and environmental sustainability. Blaufus et al. (2024) emphasize the importance of information exchange in tax audits, indirectly supporting environmental policies through enhanced tax compliance. Tarekegn et al. (2020) and Qatawneh & Alqtish (2021) demonstrate how tax audits impact revenue collection, which could contribute to funding environmental initiatives. Kriher (2022) and Sakhil et al. (2023) highlight the value of internal audits in improving efficiency, which could also strengthen the implementation of environmental tax policies. These studies underline the significant role tax policies play in promoting environmental sustainability.

4.6 Pearson correlation analysis:

To evaluate the validity of the study hypothesis—which suggests a statistically significant relationship involving the moderating role of internal audit efficiency between tax revenues and sustainability in Palestine—Pearson's correlation test was employed. The aim was to determine whether this moderating effect genuinely influences the connection between tax revenues and sustainability within the context of Palestine. The results confirmed that the model is appropriate at a 95% confidence level. Importantly, a statistically significant relationship was found, highlighting the vital role

of internal audit efficiency in examining the connection between tax revenues and sustainability in Palestine. This significance is clearly presented in the corresponding table (4.8).

Table (4.8) to measure the Pearson correlation coefficient between the moderating role of internal audit efficiency between tax revenues and sustainability in Palestine

	Internal Audit Efficiency	Tax revenues	Moderator (Internal Audit Efficiency *Tax revenues)	Economic Sustainability	Social Sustainability	Environmental Sustainability
Internal Audit Efficiency	1					
Tax revenues	.400**	1				
Moderator (Internal Audit Efficiency *Tax revenues)	-.499**	-.097-	1			
Economic Sustainability	.215**	.707**	-.080-	1		
Social Sustainability	.252**	.686**	-.102-	.767**	1	
Environmental Sustainability	0.115	.549**	-.098-	.673**	.788**	1

The table (4.8) presents the results of the Pearson correlation analysis, which aims to measure the relationship between internal audit efficiency, tax revenues, and sustainability in Palestine. The table addresses main dimensions related to the relationship between these variables as follows:

1. Internal Audit Efficiency and Tax Revenues: The study shows a positive and significant relationship between Internal Audit Efficiency and Tax Revenues (0.400). This indicates that improved internal audit efficiency is associated with higher tax revenues. This finding supports the notion that effective auditing practices enhance the accuracy and effectiveness of tax collection mechanisms, thus fostering greater financial stability for the government.
2. Internal Audit Efficiency and the Moderator Variable: The interaction term (Moderator) between Internal Audit Efficiency and Tax Revenues shows a significant negative correlation (-0.499). This suggests that while internal audit efficiency generally improves tax revenue collection, the combined effect of internal

audits and tax revenues may reduce the effectiveness of individual components in isolation.

3. **Tax Revenues and Economic Sustainability:** A strong positive correlation is observed between Tax Revenues and Economic Sustainability (0.707). This indicates that higher tax revenues significantly contribute to economic sustainability, likely through better-funded public infrastructure, services, and policies that support long-term economic growth.
4. **Tax Revenues and Social Sustainability:** Similarly, tax revenues also show a significant positive relationship with Social Sustainability (0.686), implying that tax revenues help fund social programs, healthcare, education, and other initiatives that promote social well-being and equity.
5. **Tax Revenues and Environmental Sustainability:** The correlation between Tax Revenues and Environmental Sustainability is moderate but still positive (0.549). This suggests that tax revenues play a critical role in supporting environmental initiatives such as green energy, sustainable practices, and environmental protection policies, although other factors may also influence environmental sustainability.
6. **Internal Audit Efficiency and Sustainability Factors:** The relationship between Internal Audit Efficiency and Economic Sustainability (0.215) and Social Sustainability (0.252) is positive, albeit moderate. This implies that improving internal audit functions can contribute to both economic and social sustainability, likely through better financial governance and accountability. However, the correlation with Environmental Sustainability is weaker and non-significant (0.115), suggesting that other factors may be more influential in shaping environmental outcomes.
7. **Moderator Variable and Sustainability:** The Moderator (the interaction between internal audit efficiency and tax revenues) has a negative correlation with Economic Sustainability (-0.080) and Social Sustainability (-0.102), but these relationships are not statistically significant ($p > 0.05$). However, it does show a negative influence on Environmental Sustainability (-0.098), which, while weak, indicates that the combination of these variables might not support environmental sustainability as effectively as individual factors.

From the researcher's point of view, the results of the Pearson correlation analysis indicate that internal audit efficiency positively affects tax revenues, which contributes

to enhancing the effectiveness of tax collection and enhancing the financial stability of the government. The interaction between audit efficiency and tax revenues also shows a negative relationship, suggesting that combining these two factors may reduce the impact of each one individually. As for the relationship with sustainability, it was found that tax revenues contribute significantly to economic and social sustainability by financing infrastructure and public services that support sustainable growth and social justice. While the relationship with environmental sustainability was positive but moderate, indicating that tax revenues play a role in supporting environmental policies despite the presence of other influential factors. The results also showed that internal audit efficiency contributes to improving economic and social sustainability by enhancing financial governance, but its impact on environmental sustainability was weak. Studies such as Tarkijan et al. (2020) and Qatawneh and Al-Qatish (2021) support the finding that indicates a positive relationship between internal audit efficiency and increased tax revenues. Studies such as Kreher (2022) and Blofos et al. (2024) also emphasize the importance of internal audit in enhancing efficiency and increasing revenues, which is consistent with the results of the current study. Also, Wahedeen et al. (2022) indicate that effective tax audit can improve tax revenues. Finally, Sakhel et al. (2023) indicate the role of internal audit in improving economic and social sustainability, while its impact on environmental sustainability was weak.

4.7. Hypotheses Test

4.7.1. Multiple regression analysis

The table below provides a comprehensive analysis of all the study's hypotheses. Multiple regression analysis was utilized to evaluate these hypotheses, with statistical significance serving as the criterion for determining whether each hypothesis is accepted or rejected.

1. **Main (H1):** Tax revenues have a significant impact on sustainability in Palestine. The regression equation came in the following form:

$$S (\text{EnS, ES, SS}) = \beta_0 + \beta_1(\text{TR}) + \epsilon$$

The components can be interpreted as follows:

- S (EnS, ES, SS): The dependent variable represents sustainability in its dimensions (economic, environmental, social)
- TR: Tax Revenue.
- β_0 : Intercept coefficient
- β_1 : The coefficient for the independent variable.
- ϵ : Error Term

Table (4.9): Multiplier Regression to Hypotheses Test

Constant	Model Summary		ANOVA		
	R	R ²	F	DF	Sig
Internal	.705 ^a	.497	.495	1	.000*
Coefficients					
Variable	Coefficient	Std. Error	T	Sig	
Relevant	.907	.058	3.144	.000*	

The results presented in the table highlight a strong positive relationship between tax revenues and sustainability in Palestine. The correlation coefficient ($R = (0.705)$) indicates a robust connection between the two variables, suggesting that an increase in tax revenues contributes to enhanced sustainability. Additionally, the R^2 value of (0.497) reveals that approximately (49.7%) of the variance in sustainability can be explained by tax revenues, underscoring the strength of the model and its explanatory power. The Analysis of Variance (ANOVA) further supports these findings, with an F value of (0.495) and a significance level (Sig) of (0.000), confirming the statistical significance of the results. As a result, the null hypothesis can be rejected, and the alternative hypothesis, which posits that tax revenues have a statistically significant impact on sustainability, is accepted.

The coefficient of the relevant variable is (0.907), indicating that each unit increase in tax revenues is associated with a (0.907) increase in sustainability. The standard error value of (0.058) reinforces the precision of the estimate, while the T value of (3.144) supports the significance of this impact, as it exceeds the required threshold. In conclusion, these results strongly validate the hypothesis that improving tax revenues is an effective strategy for enhancing sustainability in Palestine. This highlights the critical role of tax policies in strengthening financial resources that support public projects and services, ultimately contributing to the achievement of sustainable development goals. Several studies support the findings of the strong positive relationship between tax

revenues and sustainability in Palestine. Tarekegn et al. (2020) highlighted that effective regulatory activities and control environments improve audit performance and tax revenues. Qatawneh & Alqtish (2021) also found that tax and accounting audits significantly impact tax revenues, emphasizing the importance of improving tax collection policies. Additionally, Yuniati & Ladewi (2017) showed that effective internal controls enhance tax revenue collection, aligning with the study's conclusion that tax revenues contribute to sustainability. Kotsogiannis et al. (2024) and Wahyudin et al. (2022) further supported the role of audits in boosting tax compliance and revenue. These studies reinforce the importance of efficient auditing and tax systems in promoting financial sustainability.

4.7.2 Simple Linear Regression

- (**H_{1.1}**): Tax revenues have a significant impact on economic sustainability in Palestine. The regression equation came in the following form:

$$ES = \beta_0 + \beta_1(TR) + \epsilon$$

Can be interpreted as follows:

- ES : Economic Sustainability
- TR: Tax Revenue.
- β_0 : Intercept coefficient
- β_1 : The coefficient for the independent variable.
- ϵ : Error Term

Table (4.10): Simple Regression to First Sub-Hypothesis Test

Constant	Model Summery		ANOVA		
	R	R ²	F	DF	Sig
Internal	.549 ^a	.301	107.906	1	.000 ^b
Coefficients					
Variable	Coefficient	Std. Error	T	Sig	
Relevant	.845	.081	10.388	.000	

The results presented in Table (4.10) indicate a moderate positive impact of tax revenues on economic sustainability in Palestine. The correlation coefficient value (R = (0.549) demonstrates a moderate correlation between the two variables, suggesting that an increase in tax revenues is associated with improvements in economic sustainability. Furthermore, the R² value of (0.301) indicates that approximately (30.1%) of the

variance in economic sustainability can be explained by tax revenues, reflecting the model's ability to explain this relationship effectively. When examining the Analysis of Variance (ANOVA), we find that the F value is (107.906), with a significance level (Sig) of (0.000), confirming that the results are statistically significant. Therefore, we can reject the null hypothesis and accept the sub-hypothesis that states there is a statistically significant relationship between tax revenues and economic sustainability in Palestine. Regarding the coefficient of the relevant variable, its value is (0.845), meaning that every unit increase in tax revenues is associated with an increase of (0.845) in economic sustainability. Additionally, the standard error value ((0.081)) demonstrates the accuracy of the estimate. The T value of (10.388) further supports the significance of the impact of tax revenues on economic sustainability, as this value exceeds the minimum threshold required. In the researcher's comment, it can be stated that these results support the hypothesis that enhancing tax revenues is an effective strategy for promoting economic sustainability in Palestine. This emphasizes the importance of adopting efficient tax policies to strengthen financial resources, support economic initiatives, and create a sustainable economic environment. Several studies align with the results of this research, emphasizing the positive relationship between tax revenues and economic sustainability. For instance, Tarekegn et al. (2020) found that effective regulatory activities positively impact tax revenue audit performance, which in turn supports economic sustainability. Qatawneh & Alqtish (2021) also identified the significant effect of tax and accounting audits on improving tax revenues, which plays a crucial role in economic stability. Additionally, Yuniati & Ladewi (2017) demonstrated that robust internal controls improve income tax revenue collection, supporting economic sustainability by reinforcing financial systems. These studies highlight the vital role of effective tax systems in promoting economic development, aligning with the findings of this research.

- (**H_{1,2}**): Tax revenues have a significant impact on environmental sustainability in Palestine. The regression equation came in the following form:

$$\text{EnS} = \beta_0 + \beta_1(\text{TR}) + \epsilon$$

Can be interpreted as follows:

- EnS : Environmental Sustainability
- TR: Tax Revenue.

- β_0 : Intercept coefficient
- β_1 : The coefficient for the independent variable.
- ϵ : Error Term

Table (4.11): Simple Regression to Second Sub-Hypothesis Test

Constant	Model Summary		ANOVA		
	R	R ²	F	DF	Sig
Internal	.686 ^a	.470	221.868	1	.000 ^b
Coefficients					
Variable	Coefficient	Std. Error	T	Sig	
Relevant	.994	.067	14.895	.000 ^b	

The results presented in Table (4.11) indicate a strong positive impact of tax revenues on environmental sustainability in Palestine. The correlation coefficient value ($R = (0.686)$) demonstrates a substantial correlation between the two variables, suggesting that an increase in tax revenues significantly enhances environmental sustainability. Furthermore, the R^2 value of (0.470) indicates that approximately (47.0%) of the variance in environmental sustainability can be explained by tax revenues, reflecting the strength and explanatory power of the model. When examining the Analysis of Variance (ANOVA), we find that the F value is (221.868) , with a significance level (Sig) of (0.000) , confirming that the results are statistically significant. Therefore, we can reject the null hypothesis and accept the sub-hypothesis that states there is a statistically significant relationship between tax revenues and environmental sustainability in Palestine. Regarding the coefficient of the relevant variable, its value is (0.994) , meaning that every unit increase in tax revenues is associated with an increase of (0.994) in environmental sustainability. Additionally, the standard error value $((0.067))$ demonstrates the accuracy of the estimate. The T value of (14.895) further supports the significance of the impact of tax revenues on environmental sustainability, as this value exceeds the minimum threshold required. In the researcher's comment, it can be stated that these results strongly support the hypothesis that enhancing tax revenues is an effective strategy for improving environmental sustainability in Palestine. This underscores the importance of tax policies in providing financial resources that can be used for environmental initiatives, thereby contributing to the achievement of sustainable development goals in the environmental dimension.

The findings in this study are consistent with several academic studies that highlight the significant role of tax revenues in enhancing environmental sustainability. For example, Al Hanini (2021) found that environmental internal auditing positively impacts sustainable development, emphasizing the importance of financial resources in achieving environmental goals. Additionally, Kriher (2022) showed that efficiency audits lead to significant improvements in business operations and resilience, which can also be applied to environmental sustainability efforts. Moreover, Sakhil et al. (2023) demonstrated that integrating internal audits with internal control systems helps organizations achieve their sustainability objectives, including environmental goals. These studies support the conclusion that increasing tax revenues plays a critical role in funding and driving environmental sustainability initiatives.

➤ (**H_{1,3}**): Tax revenues have a significant impact on social sustainability in Palestine. The regression equation came in the following form:

$$SS = \beta_0 + \beta_1(TR) + \epsilon$$

Can be interpreted as follows:

- SS : Social Sustainability
- TR: Tax Revenue.
- β_0 : Intercept coefficient
- β_1 : The coefficient for the independent variable.
- ϵ : Error Term

Table (4.12): Simple Regression to Third Sub-Hypothesis Test

Constant	Model Summary		ANOVA		
	R	R ²	F	DF	Sig
Internal	.705 ^a	.497	247.065	1	.000 ^b
Coefficients					
Variable	Coefficient	Std. Error	T	Sig	
Relevant	.907	.058	15.718	.000 ^b	

Source: Prepared by the researcher based on the SPSS program.

The results presented in Table (4.12) indicate a strong positive impact of tax revenues on social sustainability in Palestine. The correlation coefficient value ($R = (0.705)$) demonstrates a meaningful correlation between the two variables, suggesting that an increase in tax revenues significantly enhances social sustainability. Furthermore, the R^2 value of (0.497) indicates that approximately (49.7%) of the variance in social

sustainability can be explained by tax revenues, reflecting the strength of the model and its ability to explain this relationship. When examining the Analysis of Variance (ANOVA), we find that the F value is (247.065), with a significance level (Sig) of (0.000), confirming that the results are statistically significant. Therefore, we can reject the null hypothesis and accept the sub-hypothesis that there is a statistically significant relationship between tax revenues and social sustainability in Palestine. Regarding the coefficient of the relevant variable, its value is (0.907), meaning that every unit increase in tax revenues is associated with an increase of (0.907) in social sustainability. Additionally, the standard error value (0.058) demonstrates the accuracy of the estimate. The T value of (15.718) further emphasizes the importance of the impact of tax revenues on social sustainability, as this value exceeds the minimum threshold required. In the researcher's comment, it can be stated that these results strongly support the hypothesis that improving tax revenues is an effective strategy for enhancing social sustainability in Palestine. This highlights the importance of tax policies in generating financial resources that can be assigned to social programs and services, thereby playing a role in achieving sustainable development goals in the social dimension.

The findings in this study are in line with several key studies that emphasize the significant role of tax revenues in promoting social sustainability. For instance, Tarekegn et al. (2020) highlighted the positive effects of effective regulatory activities on improving revenue generation, which could be crucial in funding social programs. Qatawneh & Alqtish (2021) also found that tax audits significantly impact tax revenues, which in turn can be allocated to enhance social services, aligning with the social sustainability outcomes observed in this study. Furthermore, Inegbedion & Okoye-Uzu (2024) demonstrated that improved tax audit processes lead to better compliance and higher revenues, which could support vital social initiatives. These studies support the conclusion that strengthening tax revenues is a pivotal strategy for improving social sustainability, particularly through the financing of social services like education, health care, and poverty alleviation.

4.7.3. Regression Analysis Moderator

The table below presents an analysis of all the study's hypotheses, and below provides a clarification of how to do this. Regression Analysis Moderator was employed to evaluate the study hypotheses, with statistical significance serving as the basis for

determining whether to accept or reject each hypothesis. The Regression Analysis Moderator equation came in the following form:

$$S (\text{EnS, ES, SS}) = \beta_0 + \beta_1 (\text{TR}) + \beta_2 (\text{IAE}) + \beta_3 (\text{TR} \times \text{IAE}) + \epsilon$$

Can be interpreted as follows:

- S (EnS, ES, SS): Sustainability in its dimensions (Economic, Environmental, Social)
- TR: Tax Revenue
- IAE: Internal Auditing Efficiency
- TR * IAE: Moderator variable which is (Tax Revenue * Internal Auditing Efficiency)
- β_0 (Intercept coefficient)
- $\beta_1, \beta_2, \beta_3$: They indicate the coefficients of the independent variables
- ϵ : Error term

2. **Main (H2):** Internal audit efficiency significantly moderates the relationship between tax revenues and sustainability in Palestine.

Table (4.13): Multiplier Regression Analysis Moderator to Hypotheses Test

Constant	Model Summary		ANOVA		
	R	R ²	F	DF	Sig
Internal	.103 ^a	.011	2.681	1	.103 ^b
Coefficients					
Variable	Coefficient	Std. Error	T	Sig	
Relevant	-.033-	.020	-	.103	
			1.637-		

Source: Prepared by the researcher based on the SPSS program.

The results presented in Table (4.13) indicate a weak negative relationship between the interaction of internal audit efficiency and tax revenues and sustainability in Palestine. The correlation coefficient value (R = 0.103) shows a weak correlation between the variables, suggesting that the interaction between internal audit efficiency and tax revenues does not significantly contribute to sustainability. Furthermore, the R² value of (0.011) indicates that only (1.1%) of the variance in sustainability can be explained by the interaction term, reflecting the limited strength of the model in explaining this relationship. When examining the Analysis of Variance (ANOVA), we find that the F value is (2.681), with a significance level (Sig) of (0.103), which is higher than the accepted significance level (0.05). Therefore, we cannot reject the null hypothesis, indicating that there is no statistically significant relationship between the moderating

role of internal audit efficiency on the relationship between tax revenues and sustainability in Palestine.

Regarding the coefficient of the interaction term, its value is (-0.033), meaning that an increase in the interaction of internal audit efficiency with tax revenues is associated with a slight decrease of (-0.033) in sustainability. The standard error value (0.020) provides insight into the accuracy of the estimate, while the T value of (-1.637) is below the threshold required for significance, further indicating the lack of a significant effect. From the researcher's perspective, these results suggest that internal audit efficiency, in its interaction with tax revenues, does not significantly enhance sustainability in the Palestinian context. This implies that other factors or variables may play a more crucial role in driving sustainable development. The findings highlight the need to explore additional elements such as financial transparency, the effectiveness of tax policies, or economic and social factors that could impact sustainability.

This finding is consistent with the study of Wahyudin et al. (2022), which explored the efficiency of tax audit in self-reporting systems, and showed that the growth in tax revenues was limited despite changes in tax behavior. Also, the study of Blaufus et al. (2024) on the role of audit in improving tax revenues and supporting overall sustainability confirmed that the impact was limited in terms of enhancing economic and environmental sustainability. From these studies, it can be concluded that improving sustainability requires focusing on other factors such as financial transparency, effectiveness of tax policies, or economic and social factors rather than relying solely on the efficiency of internal audit in achieving sustainable development.

- (**H_{2,1}**): Internal audit efficiency significantly moderates the relationship between tax revenues and economic sustainability in Palestine. The Regression Analysis Moderator equation came in the following form:

$$EnS = \beta_0 + \beta_1(TR \times IAE) + \epsilon$$

Can be interpreted as follows:

- EnS: Environmental Sustainability.
- TR: Tax Revenue
- IAE: Internal Auditing Efficiency

- $TR \times IAE$: Moderator variable which is (Tax Revenue * Internal Auditing Efficiency)
- β_0 : (Intercept)
- β_1 : Coefficient of the interaction term
- ϵ : (Error term)

Table (4.14): Simple Regression Analysis Moderator to First Sub-Hypothesis Test

Constant	Model Summary		ANOVA		
	R	R ²	F	DF	Sig
Internal	.098 ^a	.010	2.404	1	.122
Coefficients					
Variable	Coefficient	Std. Error	T	Sig	
Relevant	-.038-	.024	-1.551-	.122	

Source: Prepared by the researcher based on the SPSS program.

The results presented in Table (4.14) indicate a weak negative relationship between the interaction of internal audit efficiency and tax revenues with environmental sustainability in Palestine. The correlation coefficient value ($R = 0.098$) shows a weak correlation between these variables, implying that the moderating role of internal audit efficiency in the relationship between tax revenues and environmental sustainability is minimal. Furthermore, the R^2 value of (0.010) suggests that only (1.0%) of the variance in environmental sustainability can be explained by this interaction, indicating a limited ability of the model to explain the relationship. Examining the Analysis of Variance (ANOVA), the F value is (2.404), with a significance level (Sig) of (0.122), which is higher than the standard significance level (0.05). As such, we cannot reject the null hypothesis, suggesting that there is no statistically significant relationship between the moderating role of internal audit efficiency and environmental sustainability through tax revenues in Palestine. Regarding the coefficient of the interaction term, its value is (-0.038), indicating that an increase in the interaction of internal audit efficiency and tax revenues is associated with a slight decrease of (-0.038) in environmental sustainability. The standard error value (0.024) provides insight into the accuracy of the estimate, while the T value of (-1.551) is below the threshold required for statistical significance. From the researcher's point of view, these findings indicate that internal audit efficiency does not have a significant moderating effect on the relationship between tax revenues and environmental sustainability in the Palestinian context. This suggests that other elements may have a stronger impact on environmental sustainability. It may be

necessary to examine additional factors, such as policy effectiveness, regulatory frameworks, or socioeconomic conditions, to gain a more comprehensive understanding of how environmental sustainability can be improved. Several studies agree with the finding that there is a weak relationship between the interaction between internal audit efficiency and tax revenues with environmental sustainability. For example, Amin and Al-Shammari (2023) found no significant association between internal audit and sustainability reporting in the Iraqi banking sector, suggesting that the role of internal audit in promoting sustainability may be limited. Al Hanini (2021) found that environmental audits contribute to sustainability by improving risk assessment and ensuring financial transparency, but the impact may be limited in some systems. Also, Tarekegn et al. (2020) in Ethiopia found that strengthening internal control activities and improving information sharing enhances tax audit performance, but this does not necessarily lead to significant improvements in economic sustainability in the long run. These studies support the finding that the impact between internal audit efficiency and tax revenues on environmental sustainability may be weak or limited in some contexts.

- **(H_{2.2}):** Internal audit efficiency significantly moderates the relationship between tax revenues and environmental sustainability in Palestine. The Regression Analysis Moderator equation came in the following form:

$$ES = \beta_0 + \beta_1(TR \times IAE) + \epsilon$$

Can be interpreted as follows:

- ES: Economic Sustainability.
- TR: Tax Revenue
- IAE: Internal Auditing Efficiency
- TR × IAE: Moderator variable which is (Tax Revenue * Internal Auditing Efficiency)
- β_0 : (Intercept)
- β_1 : Coefficient of the interaction term
- ϵ : (Error term)

Table (4.15): Simple Regression Analysis Moderator to Second Sub-Hypothesis Test

Constant	Model Summary		ANOVA		
	R	R ²	F	DF	Sig
Internal	.080 ^a	.006	1.609	1	.206
Coefficients					
Variable	Coefficient	Std. Error	T	Sig	
Relevant	-.025-	.020	-1.268-	.206	

The results presented in Table (4.15) reveal a weak negative relationship between internal audit efficiency as a moderator and the connection between tax revenues and economic sustainability in Palestine. The correlation coefficient (0.080) indicates a weak relationship, suggesting that the moderating role of internal audit efficiency on the relationship between tax revenues and economic sustainability is minimal. Furthermore, the R² value of (0.006) shows that only (0.6%) of the variance in economic sustainability can be explained by the interaction between these variables, highlighting the limited explanatory power of the model. The Analysis of Variance (ANOVA) shows an F value of (1.609) with a significance level (Sig) of (0.206), which exceeds the conventional threshold of (0.05). This implies that we cannot reject the null hypothesis, suggesting that internal audit efficiency does not have a statistically significant moderating effect on the relationship between tax revenues and economic sustainability in Palestine.

The coefficient for the interaction term is (-0.025), indicating a slight negative association. This suggests that each unit increase in the interaction between internal audit efficiency and tax revenues corresponds to a decrease of (-0.025) in economic sustainability. The standard error (0.020) reflects the precision of this estimate, while the T value of (-1.268) does not surpass the significance threshold. In the researcher's view, these findings imply that internal audit efficiency does not have a substantial moderating effect on the relationship between tax revenues and economic sustainability in this context. Consequently, improving economic sustainability in Palestine may require focusing on other factors, such as investment strategies, effective economic policies, or enhancing financial management practices, rather than solely relying on internal audit efficiency as a moderating factor. This finding is consistent with the finding that internal audit efficiency has a limited impact on the relationship between tax revenue and economic sustainability. For example, Inegbedion and Okoye-Uzu

(2024) found that internal auditing enhances corporate tax compliance, but its impact on economic sustainability was small. Mansor (2018) also found that improving internal auditing improves tax administration, but its impact on economic sustainability was weak. These studies suggest that improving economic sustainability may require focusing on other factors such as effective economic policies.

- **(H_{2.3}):** Internal audit efficiency significantly moderates the relationship between tax revenues and social sustainability in Palestine. The Regression Analysis Moderator equation came in the following form:

$$SS = \beta_0 + \beta_1(TR \times IAE) + \epsilon$$

Can be interpreted as follows:

- SS: Social Sustainability
- TR: Tax Revenue
- IAE: Internal Auditing Efficiency
- TR × IAE: Moderator variable which is (Tax Revenue * Internal Auditing Efficiency)
- β_0 : Intercept coefficient
- β_1 : The coefficient for the independent variable.
- ϵ : Error Term

Table (4.16): Simple Regression Analysis Moderator to Third Sub-Hypothesis Test

Constant	Model Summary		ANOVA		
	R	R ²	F	DF	Sig
Internal	.102 ^a	.010	2.620	1	.107
Coefficients					
Variable	Coefficient	Std. Error	T	Sig	
Relevant	-.037-	.023	-	1.619-	.107

The results presented in Table (4.16) reveal a weak negative relationship between internal audit efficiency as a moderator and the connection between tax revenues and social sustainability in Palestine. The correlation coefficient (R = 0.102) indicates a weak association, suggesting that internal audit efficiency has a minimal moderating effect on the relationship between tax revenues and social sustainability. Additionally, the R² value of (0.010) shows that only (1%) of the variance in social sustainability can

be attributed to this moderating effect, reflecting a low explanatory power of the model in this context. The Analysis of Variance (ANOVA) yields an F value of (2.620) with a significance level (Sig) of (0.107), which exceeds the significance threshold of (0.05). This suggests that we cannot reject the null hypothesis, meaning that internal audit efficiency lacks a statistically significant moderating effect on the relationship between tax revenues and social sustainability in Palestine.

The coefficient for the moderating variable is (-0.037), indicating a slight negative association. This suggests indicating that every unit increase in the interaction between internal audit efficiency and tax revenues, there is a corresponding decrease of (-0.037) in social sustainability. The standard error value of (0.023) reflects the accuracy of this estimate, while the T value of (-1.619) does not exceed the required threshold for statistical significance.

In the researcher's comment, these findings indicate that internal audit efficiency lacks a statistically significant moderating effect on the relationship between tax revenues and social sustainability in Palestine. This underscores the limited influence of internal audit efficiency in shaping this particular relationship. This may indicate that improving social sustainability in Palestine requires attention to other factors beyond internal audit efficiency, such as enhancing public services, social programs, or policy initiatives aimed at strengthening social equity and welfare, rather than relying on internal audit practices as a means of achieving social sustainability goals. This finding is consistent with the study of Tarekegn et al. (2020), which analyzed the impact of internal audit on tax revenue in Ethiopia, and found that strengthening internal control activities did not significantly improve social sustainability. Inegbedion and Okoye-Uzu (2024) in Nigeria also found that internal auditing enhanced corporate tax compliance, but the impact on social sustainability was insufficient. These studies suggest that improving social sustainability may require focusing on other factors such as improving public services, social programs, and policies that aim to promote social justice and well-being rather than relying on internal audit.

Chapter Five: Discussion

5.1 Introduction:

This chapter details the findings of data analysis related to the efficiency of internal auditing, tax revenue management, and sustainability indicators. It also includes a comprehensive review of the findings, providing the means and standard deviations for each of the studied domains, ensuring a clear understanding of the participants' objectives, perspectives, and their relevance within the study's context.

Based on these findings, recommendations will be put forward to improve the effectiveness of internal auditing, improve tax revenues, and raise awareness of sustainability concepts. These recommendations aim to guide efforts toward achieving comprehensive sustainability, focusing on economic, social, and environmental dimensions, thereby supporting the realization of sustainable development goals within the community.

5.2 Results:

Based on the analysis, the following results emerged:

1. The results related to the effectiveness of internal auditing were very important, reflecting the high importance of this dimension. The researcher believes that the efficiency of internal auditing is a decisive factor for the participants, indicating the need to improve the efficiency of auditing to ensure transparency and accountability, which contributes to improving financial performance and increasing institutional confidence.
2. The results related to the efficiency of tax revenue were also important, which reinforces the importance of effective management of tax revenues. The researcher confirms that improving the efficiency of revenue collection is extremely important because it plays a vital role in increasing the financial resources needed to support sustainable development.
3. The results showed that the dimension of economic sustainability was very important for the participants, reflecting awareness of its role in supporting government projects and services. The researcher interprets this result as an

indication that economic stability is the main driver of sustainable development, which contributes to the stability of financial resources for public services.

4. Social sustainability ranked second in importance, indicating a clear interest in promoting social justice and fair distribution of burdens among members of society. The researcher believes that this interest reflects the importance of social policy in promoting justice and equality, with a focus on enhancing social cohesion through fair distribution of burdens.
5. Although environmental sustainability is still considered important, it has shown greater scope for improvement in awareness and implementation of environmental policies. The researcher believes that while environmental sustainability is recognized, awareness and implementation of policies must be enhanced to ensure balance in sustainable development.
6. The findings revealed that the concept of sustainability is widely accepted as an integrated framework that combines economic, social and environmental dimensions. Despite the greater focus on the economic dimension, the study emphasizes the significance of enhancing the social and environmental dimensions to ensure a comprehensive and sustainable approach to development.
7. The study revealed a positive correlation between the effectiveness of internal audit and increased tax revenues, indicating that improving the efficiency of internal audit directly contributes to improving revenue collection processes. The results showed that the efficiency of internal audit increases the ability to verify compliance with tax laws, which leads to improved government revenues.
8. The results showed a strong positive relationship between tax revenues and economic stability, as tax revenues contribute to providing the financial resources needed to support economic policies and strategies that promote stability and sustainable development.
9. Tax revenues were determined to have a notable positive correlation with both social and environmental sustainability, as revenues are used to finance community initiatives and protect the environment, which increases community well-being and resource sustainability.
10. The results showed that the relationship between internal audit efficiency and tax revenues as a moderator variable and sustainability is not statistically significant. This indicates that internal audit efficiency does not play a significant role in enhancing the relationship between tax revenues and sustainability in this context.

This indicates that there are other factors, not measured in this study, that may affect this relationship, such as transparency in financial management, effectiveness of tax policies, and influential economic and social factors.

11. The first main hypothesis indicated that tax revenues have a strong impact on sustainability in Palestine, indicating that tax revenues explain a large part of the variance in sustainability, and the researcher explains that this reflects the importance of tax policy in supporting public services and achieving sustainable development.
12. The first sub-hypothesis revealed a positive impact of tax revenues on economic stability, confirming the importance of tax revenues in enhancing economic stability by supporting financial resources and economic initiatives for a sustainable environment.
13. The second sub-hypothesis showed a strong impact of tax revenues on environmental sustainability, indicating the importance of the role of tax revenues in supporting environmental initiatives and contributing to achieving sustainable development goals.
14. The third sub-hypothesis revealed a strong impact of tax revenues on social sustainability, confirming the importance of the role of tax revenues in supporting social programs and services that promote sustainable development.
15. The second main hypothesis suggests that the effectiveness of internal audit has no significant impact on the effect of tax revenues on sustainability in Palestine. The weak relationship indicates that other factors, such as financial transparency or effective tax policy, may be more influential.
16. The first sub-hypothesis on environmental sustainability showed that internal audit effectiveness does not moderate the relationship between tax revenue and environmental sustainability. The weak relationship suggests that additional factors such as regulatory frameworks should be considered.
17. The second sub-hypothesis on economic sustainability showed that internal audit effectiveness does not moderate the connection between tax revenue and economic sustainability. The weak relationship suggests that other variables should be considered to improve economic resilience.
18. The third sub-hypothesis on social sustainability showed that internal audit effectiveness does not significantly affect the connection between tax revenue and social sustainability. The weak relationship suggests that social sustainability may

require greater focus on social programs and policy initiatives that promote equality and well-being.

5.3 Recommendations

Based on the previous findings, several recommendations have been proposed, with the most significant being:

1. Tax authorities should invest in training and developing the skills of employees working in internal auditing to enhance the auditing process, which plays a role in raising the quality of accountability and transparency.
2. Effective strategies for collecting tax revenues are recommended to the relevant authorities, including improving tax information systems and simplifying accounting and payment procedures for taxpayers.
3. Research shows the need to conduct awareness initiatives to increase awareness of the significance of environmental sustainability and promote effective environmental policies.
4. Decision-makers should work to develop tax policies that promote social justice and ensure fair distribution of burdens among members of society.
5. Directing tax revenues to finance state projects that increase economic stability and contribute to providing stable financial resources.
6. A portion of tax revenues should be allocated to support social programs that promote social justice and help reduce economic disparities between different segments of society.
7. Transparency practices in tax revenue management should be improved and reviewed to ensure public confidence and increase compliance among taxpayers.
8. Conduct periodic studies to evaluate the efficiency of current tax policies and their effect on economic, social and environmental sustainability.
9. Enhance coordination between various government agencies to ensure the achievement of general sustainability goals and improve revenues.
10. Working to encourage innovation in developing new methods of tax collection and improving efficiency would help increase revenues and improve sustainability.

5.4 Implications of the Thesis and Challenges

5.4.1 Implications of the Thesis:

This study makes an important contribution by highlighting the relationship between internal audit efficiency and tax revenues and its role in promoting economic, social and environmental sustainability. The results of the study can contribute to guiding decision-makers to improve internal audit policies, increase the efficiency of tax revenue, and allocate resources in a way that promotes sustainable development goals. In addition, this study provides an academic framework for future studies that aim to explore the impact of additional variables, such as financial transparency or political effectiveness, on the relationship between tax revenue and sustainability.

5.4.1 Challenges and Limitations:

The study faced several challenges that had an impact on data collection and analysis, most notably:

1. **Political Challenges:** Political instability in Palestine presents a major obstacle to academic research, affecting continuous access to resources and hindering coordination and collaboration among research institutions and key stakeholders, this limits the effective exchange of data and expertise.
2. **Study Limited to the West Bank:** Due to the ongoing aggression and genocide against the Palestinian people in the Gaza Strip, it was impossible to include Gaza within the scope of this study, Security conditions and imposed restrictions prevented data collection from Gaza, meaning the findings solely reflect the reality of the West Bank.
3. **Restricted Access and Mobility:** Israeli authorities impose strict movement restrictions through military checkpoints, roadblocks, and frequent closures, limiting researchers' ability to access certain areas for fieldwork. These barriers also affect participants' ability to travel and take part in the study, adding further challenges to data collection.
4. **Security Risks and Violence:** Israeli military incursions, settler attacks, and armed conflicts pose direct threats to both researchers and participants. This creates an unsafe environment, making interviews and data collection difficult, Additionally,

concerns for personal safety may lead some individuals to refrain from participating, affecting the reliability of the findings.

5. **Limited Availability of Reliable Data:** Many official records in Palestine lack transparency, as they are often incomplete, outdated, or influenced by political biases. This presents significant challenges in obtaining accurate and reliable data for statistical analysis and scientific conclusions.
6. **Communication and Internet Restrictions:** Frequent power outages, weak telecommunications infrastructure, and electronic surveillance hinder researchers' ability to use digital tools for data collection and analysis. These factors also limit collaboration with international institutions and researchers, reducing opportunities for knowledge exchange and participation in virtual academic conferences.
7. **Challenges in Conducting Longitudinal Studies:** Political instability and security disruptions impact the continuity of long-term studies, as forced displacement and population instability make it difficult to track participants over time; this weakens the ability to measure changes in research variables accurately.
8. **Complexity of the Studied Concepts:** Examining multidimensional concepts such as sustainability—across its economic, environmental, and social dimensions—requires intensive efforts to identify appropriate indicators and analyze them accurately. The overlap between these factors further complicates the development of analytical models, necessitating advanced quantitative and qualitative research methods to ensure precise and reliable results.

5.5 Directions for future research

These studies focus on key topics with significant impact and practical applicability in improving tax policies and internal audit efficiency to support sustainability, as follows:

1. Study how transparent disclosure of the use of tax revenues enhances trust between citizens and government institutions, and its role in supporting sustainable development in its various dimensions.
2. Explore the impact of using artificial intelligence and digital systems in enhancing the efficiency of tax revenue collection and internal audit operations, with a focus on improving accuracy and transparency.
3. Analyze the relationship between internal audit efficiency and good governance practices, and the extent to which they contribute together to achieving economic and social sustainability goals.

4. Study the impact of cultural values and social behaviors on tax compliance, with recommendations to improve the commitment of individuals and institutions to tax laws in a way that supports sustainable development.

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Appendices

Appendix No. 1: Names of the arbitrators

Name	Institution	Mobile Number	Email
Dr. Mohammed Abusharbeh	Arab American University	0599935571	Mohammed.abusharbeh@aup.edu
Dr. Hosni Shanak	Palestine Technical University – Kadoorie	0599825121	hosni.shanak@gmail.com
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Dr. Mohammed Sharaka	An-Najah National University	0599674474	msharaqa@najah.edu
Samer Omour	General Directorate of Internal Audit– Ministry of Finance	0592070753	samer.r.omour@gmail.com

Appendix No. 2 : Questionnaire

برنامج ماجستير
المحاسبة والتدقيق



الجامعة العربية الأمريكية
كلية الدراسات العليا

استمارة استبيان

السادة موظفي الدوائر الضريبية المحترمون.

تحية طيبة وبعد،

يقوم الباحث بإعداد دراسة لاستكمال متطلبات الحصول على درجة الماجستير في المحاسبة والتدقيق من الجامعة

العربية الأمريكية، وهي بعنوان "الدور المعدل لكفاءة التدقيق الداخلي على العلاقة بين الإيرادات الضريبية

والاستدامة: دليل من فلسطين"، لذا، يُرجى من حضرتكم التكرم بالإجابة عن تساؤلات هذه الاستبانة بدقة وعناية

متهايتين، علماً أن البيانات لن تُستخدم إلا لأغراض البحث العلمي فقط، وستُعامل بسرية تامة.

شاكراً لكم حُسن تعاونكم

إرشادات عامة:

1. في حال وجود أي استفسار لا تتردد بالتواصل مع الباحث على رقم جوال 0597266046 أو من خلال البريد الإلكتروني التالي abufarha.khaleel@yahoo.com
2. يرجى من حضرتكم الإجابة عن جميع الأسئلة مع العلم بأن اجابتم ستعامل بسرية تامة مع كامل مسؤوليتي عن ذلك.
3. ترك جزء من الأسئلة فارغة يجعل الاستبانة غير قابلة للتليل، لذلك أُملي بكم كبير بمساعدتكم في إتمام رسالتي.

الباحث

خليل أبو فرحة

المشرف

الأستاذ الدكتور زهران دراغمة

العام: 2024

(في المكان المناسب. X القسم الأول: البيانات الديموغرافية والمتعلقة بالمستجوب والشركة، يرجى وضع علامة)

1 - النوع الاجتماعي

أ - ذكر

ب - انثى

2 - العمر

أ - اقل من 30 سنة

ب - من 30 الى اقل من 40 سنة

ج . من 40 الى اقل من 50 سنة

د - 50 سنة فأكثر

3 - المؤهل العلمي

أ - دبلوم فما دون

ب - بكالوريوس

ج . ماجستير

د - دكتوراه

4 - عدد سنوات الخبرة

أ - اقل من 5 سنوات

ب - من 5 سنوات الى اقل من 10 سنوات

ج . من 10 سنوات الى اقل من 15 سنة

د - 15 سنة فأكثر

5 - المجال الضريبي الذي تعمل به

أ - ضريبة الدخل

ب - الجمارك

ج . ضريبة القيمة المضافة

د- ضريبة الأملاك

القسم الثاني: متغيرات الدراسة وتشمل متغير كفاءة التدقيق الداخلي، ومتغير الإيرادات الضريبية ومتغير الاستدامة، وفيما يلي الأسئلة الخاصة بكل متغير.

المتغير الأول: كفاءة التدقيق الداخلي، ما هو مدى موافقتك على أن التدقيق الداخلي يساعد على تحقيق ما يلي في الدائرة التي تعمل بها.

#	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	يساعد التدقيق الداخلي على ايجاد ثقة متبادلة بين الموظفين والمدققين في دائرتكم.					
2	يساعد التدقيق الداخلي على الالتزام بالمعايير المهنية والأخلاقية في دائرتكم.					
3	يساعد التدقيق الداخلي على وجود نظام رقابة داخلية فعال في دائرتكم.					
4	يساعد التدقيق الداخلي على كشف الاخطاء المالية.					
5	يساعد التدقيق الداخلي على كشف الاحتمالات المالية.					
6	يساهم التدقيق الداخلي في تعزيز ثقافة المساءلة.					
7	يساعد التدقيق الداخلي على توفير بيئة عمل تدعم التحسين المستمر.					
8	يشجع التدقيق الداخلي الموظفين على تقديم تقارير دقيقة.					
9	يساعد التدقيق الداخلي على الالتزام باللوائح والقوانين.					
10	يساهم التدقيق الداخلي في تحديد المخاطر وادارتها.					

المتغير الثاني: الإيرادات الضريبية، ما هو مدى موافقتك على أن الإيرادات الضريبية تساعد على تحقيق ما يلي.

#	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	تعزز الإيرادات الضريبية قدرة الحكومة على تحقيق الاستقرار المالي.					
2	تسهم الإيرادات الضريبية في زيادة الإيرادات الإجمالية للحكومة.					
3	حسّنت الدوائر الضريبية استراتيجيات تحصيل الإيرادات الضريبية لضمان زيادة نموها.					
4	عملت الدوائر الضريبية على تطوير آليات فعّالة لزيادة تحصيل الإيرادات الضريبية.					
5	تساهم الإيرادات الضريبية في تعزيز الاستقرار المالي للحكومة.					
6	تعزز الإيرادات الضريبية قدرة الحكومة على تمويل المشاريع الاقتصادية والتنمية.					
7	تحسّن الدوائر الضريبية من طرق جباية الإيرادات الضريبية عبر تطبيق أساليب وتقنيات حديثة.					
8	تسهم الإيرادات الضريبية في تحسين جودة الخدمات العامة.					
9	تدعم الدوائر الضريبية تنفيذ سياسات لزيادة تنوع الإيرادات الضريبية من خلال مصادر جديدة.					
10	تعزز الدوائر الضريبية قدرتها على تحصيل الإيرادات الضريبية من خلال تطوير برامج تدريبية للموظفين.					

المتغير الثالث: الاستدامة، ما هو مدى موافقتك على العبارات التالية فيما يخص دور الإيرادات الضريبية في تمكين الاستدامة الاقتصادية، والاجتماعية، والبيئية.

البعد الأول: الاستدامة الاقتصادية، ما مدى مساهمة الإيرادات الضريبية في تحقيق ما يلي.

#	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	تحسن الإيرادات الضريبية الاستقرار المالي للحكومة، مما يوفر موارد ثابتة لدعم المشاريع والخدمات العامة.					
2	تقلل الإيرادات الضريبية البطالة وتساعد في خلق فرص عمل جديدة.					
3	تسهم الإيرادات الضريبية في تحقيق النمو على المدى الطويل، مما يزيد الإيرادات الضريبية.					
4	تؤدي الإيرادات الضريبية الى وجود نمو في رواتب الموظفين.					
5	تحسن الإيرادات الضريبية تغطية النفقات العامة					
6	ساهمت الإيرادات الضريبية في الحد من عجز الموازنة.					
7	ساهمت الإيرادات الضريبية في تحسين البنية التحتية لمحافظة الوطن.					

البعد الثاني: الاستدامة الاجتماعية، ما مدى مساهمة الإيرادات الضريبية في تحقيق ما يلي.

#	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	تسهم السياسات الضريبية في توزيع الأعباء بشكل عادل بين فئات المجتمع.					
2	يتم دعم البرامج الاجتماعية من خلال توجيه الإيرادات لتحسين التعليم والرعاية الصحية.					
3	تعزز التكافل عبر فرض ضرائب على الأغنياء لتمويل برامج دعم الفئات الأكثر احتياجاً.					
4	تعمل الدوائر الضريبية على تحسين جودة					

					الحياة من خلال الشفافية في إدارة وتوزيع الإيرادات.
					5 يتم تمويل برامج تدعم دمج الفئات المهمشة وتحسين ظروفهم المعيشية.
					6 تساعد الإيرادات الضريبية في تحقيق العدالة الاجتماعية.
					7 ساعدت الإيرادات الضريبية على دعم صناديق مساعدات الفئات الفقيرة.

البعد الثالث: الاستدامة البيئية، ما مدى مساهمة الإيرادات الضريبية في تحقيق ما يلي.

#	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	السياسات الضريبية تفرض ضرائب على الأنشطة الضارة، مما يشجع على ممارسات بيئية أفضل.					
2	يتم إدارة الموارد الطبيعية من خلال ضرائب على الاستخدام المفرط، مما يحمي البيئة ويعزز الحفاظ على الموارد.					
3	وجود جهود لتقليل التلوث من خلال تطبيق سياسات ضريبية تشجع الشركات على خفض انبعاثات الملوثات والالتزام بالمعايير البيئية.					
4	تقوم الدوائر الضريبية على مراقبة الأنشطة الاقتصادية وتحليل تأثيرها على البيئة، مما يحسن جودة الهواء والماء.					
5	يتم تحقيق الأهداف البيئية عبر التعاون مع المنظمات الدولية وتطبيق المعايير العالمية.					
6	السياسات الضريبية تراعي حماية البيئة من خلال زيادة الضرائب على النشاطات الضارة.					
7	يتم تتبع الآثار البيئية وفرض عقوبات وغرامات مالية للحد من هذه الأضرار.					

شاكرًا لكم حسن تعاونكم



Arab American University
Graduate Studies Faculty
Master's Program in Accounting and Auditing

Questionnaire Form

Dear Employees of the Tax Departments,
Greetings,

The researcher is preparing a study to fulfill the requirements for obtaining a Master's degree in Accounting and Auditing from the Arab American University, titled: *"The Moderated Role of Internal Audit Efficiency on the Relationship Between Tax Revenues and Sustainability: Evidence from Palestine."* Therefore, kindly answer the questions in this questionnaire accurately and with utmost care. Please note that the data will be used solely for scientific research purposes and will be treated with complete confidentiality. Thank you for your cooperation.

General Instructions:

1. If you have any inquiries, feel free to contact the researcher at mobile number 0597266046 or via email at abufarha.khaleel@yahoo.com.
2. Kindly respond to all questions, keeping in mind that your responses will be treated with complete confidentiality, and I take full responsibility for that.
3. Leaving some questions blank makes the questionnaire impossible to analyze, so I greatly appreciate your help in completing my thesis.

Supervisor

Professor Dr. Zahran Draghmeh

Researcher

Khalil Abufarha

Year: 2024

Section 1: Demographic Data Related to the Respondent and the Company

Please mark (X) in the appropriate box.

No.	Question	Options
1	Gender	A. Male B. Female
2	Age	A. Less than 30 years B. 30 to less than 40 years C. 40 to less than 50 years D. 50 years and above
3	Educational Qualification	A. Diploma or below B. Bachelor's C. Master's D. Ph.D.
4	Years of Experience	A. Less than 5 years B. 5 to less than 10 years C. 10 to less than 15 years D. 15 years and above
5	Tax Field of Work	A. Income Tax B. Customs C. Value Added Tax D. Property Tax

Section 2: Study Variables Including Internal Audit Efficiency, Tax Revenues, and Sustainability

Variable 1: Internal Audit Efficiency

To what extent do you agree that internal auditing helps achieve the following in your department?

No.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Internal auditing helps build mutual trust between employees and auditors in your department.					
2	Internal auditing helps ensure adherence to professional and ethical standards in your department.					
3	Internal auditing helps establish an effective internal control system in your department.					
4	Internal auditing helps detect financial errors.					
5	Internal auditing helps detect financial fraud.					
6	Internal auditing contributes to enhancing a culture of accountability.					
7	Internal auditing helps provide a work environment that supports continuous improvement.					
8	Internal auditing encourages employees to submit accurate reports.					
9	Internal auditing helps ensure compliance with regulations and laws.					
10	Internal auditing contributes to identifying and managing risks.					

Variable 2: Tax Revenues

To what extent do you agree that tax revenues help achieve the following?

No.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Tax revenues enhance the government's ability to achieve financial stability.					
2	Tax revenues contribute to increasing the government's overall revenue.					
3	Tax departments have improved tax collection strategies to ensure their growth.					
4	Tax departments have developed effective mechanisms for increasing tax collection.					
5	Tax revenues contribute to enhancing the government's financial stability.					
6	Tax revenues strengthen the government's ability to fund economic and developmental projects.					
7	Tax departments improve tax collection methods by applying modern techniques and approaches.					
8	Tax revenues contribute to improving the quality of public services.					
9	Tax departments support policies to diversify tax revenue sources through new avenues.					
10	Tax departments enhance their tax collection capacity by developing training programs for employees.					

Variable 3: Sustainability

To what extent do you agree with the following statements regarding the role of tax revenues in enabling economic, social, and environmental sustainability?

Economic Sustainability

How much do tax revenues contribute to achieving the following?

No.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Tax revenues improve the government's financial stability, providing steady resources to support projects and public services.					
2	Tax revenues reduce unemployment and help create new job opportunities.					
3	Tax revenues contribute to long-term growth, which increases tax revenues.					
4	Tax revenues lead to increased employee salaries.					
5	Tax revenues improve the coverage of public spending.					
6	Tax revenues have helped reduce the budget deficit.					
7	Tax revenues have contributed to improving infrastructure in the country's governorates.					

Social Sustainability

How much do tax revenues contribute to achieving the following?

No.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Tax policies help distribute burdens fairly across different social groups.					
2	Social programs are supported by directing revenues to improve education and healthcare.					
3	Taxation on the wealthy enhances solidarity and funds programs to support the most					

No.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
	vulnerable groups.					
4	Tax departments work to improve quality of life through transparency in revenue management and distribution.					
5	Programs supporting marginalized groups and improving their living conditions are funded.					
6	Tax revenues help achieve social justice.					
7	Tax revenues have supported assistance funds for poor communities.					

Environmental Sustainability

How much do tax revenues contribute to achieving the following?

No.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Tax policies impose taxes on harmful activities, encouraging better environmental practices.					
2	Natural resources are managed through taxes on excessive use, protecting the environment and promoting resource conservation.					
3	Efforts to reduce pollution are made through tax policies that encourage businesses to reduce emissions and comply with environmental standards.					
4	Tax departments monitor economic activities and analyze their environmental impact, improving air and water quality.					
5	Environmental goals are achieved through cooperation with international organizations and applying global standards.					
6	Tax policies consider environmental protection by increasing taxes on harmful activities.					

No.	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
7	Environmental impacts are tracked, and penalties are imposed to limit these damages.					

Thank you for your cooperation.

الدور المعدل لكفاءة التدقيق الداخلي على العلاقة بين الإيرادات الضريبية

والاستدامة: دليل من فلسطين

خليل سعيد محمد أبو فرحة

أ.د. زهران دراغمة

د. محمد أبوشربة

د. حسني شنك

ملخص

تهدف هذه الدراسة إلى اختبار الدور المعدل لكفاءة التدقيق الداخلي على العلاقة بين إيرادات الضرائب والاستدامة في فلسطين، من خلال استخدام المنهج الوصفي التحليلي. تألف مجتمع الدراسة من (750) مستجيباً يمثلون موظفي أربعة دوائر ضريبية رئيسية، وهي: دائرة ضريبة الدخل، وضريبة القيمة المضافة، والجمارك، وضريبة الأملاك. وتم اختيار عينة عشوائية بسيطة مكونة من (255) موظفًا بنسبة تمثيل بلغت حوالي (34%) من إجمالي المجتمع، لضمان الحصول على نتائج دقيقة وشاملة. تم جمع البيانات باستخدام استبيان موزع شخصياً وإلكترونياً لضمان شمولية التغطية والوصول إلى أكبر عدد ممكن من المشاركين، وجرى تحليل البيانات باستخدام برنامج التحليل الإحصائي SPSS .

أظهرت النتائج أن الإيرادات الضريبية لها تأثير قوي ومباشر على أبعاد الاستدامة الثلاثة: الاقتصادية والاجتماعية والبيئية. فقد دعمت الدراسة صحة الفرضية الرئيسية الأولى والفرضيات الفرعية المرتبطة بها، حيث أشارت النتائج إلى أن الإيرادات الضريبية تسهم في تعزيز الاستقرار الاقتصادي من خلال زيادة الموارد المالية لدعم المشاريع الحكومية والخدمات العامة، مما يعزز من التنمية الاقتصادية. كما أظهرت أن الإيرادات الضريبية تلعب دوراً محورياً في تحقيق العدالة الاجتماعية من خلال تمويل البرامج الاجتماعية التي تهدف إلى تقليل الفجوات الاجتماعية ودعم الفئات الأكثر احتياجاً. بالإضافة إلى ذلك، تسهم الإيرادات الضريبية في تمويل المبادرات البيئية، مما يساعد على حماية الموارد الطبيعية وتعزيز التنمية المستدامة.

ومع ذلك، كشفت الدراسة أن كفاءة التدقيق الداخلي لم تُظهر تأثيرًا معدلاً ذا دلالة إحصائية على العلاقة بين الإيرادات الضريبية والاستدامة. تم رفض الفرضية الرئيسية الثانية والفرضيات الفرعية المتعلقة بدور كفاءة التدقيق الداخلي كمتغير وسيط على أبعاد الاستدامة الثلاثة (الاقتصادية، الاجتماعية، والبيئية)، مما يشير إلى وجود عوامل أخرى أكثر تأثيرًا في هذه العلاقة، مثل الشفافية المالية، الفاعلية في السياسات الضريبية، والإدارة الفعالة للموارد.

بناءً على هذه النتائج، قدمت الدراسة عدة توصيات هامة. أولاً، ضرورة الاستثمار في تدريب موظفي التدقيق الداخلي لتحسين كفاءتهم وتعزيز شفافتهم، من خلال تصميم برامج تدريبية متخصصة وشاملة. ثانياً، تطوير استراتيجيات فعالة ومبتكرة لتحصيل الإيرادات الضريبية، بما يشمل تحسين أنظمة التحصيل ومكافحة التهرب الضريبي. ثالثاً، إطلاق حملات توعية وطنية لتعزيز مفهوم الاستدامة البيئية وأهمية الالتزام بالسياسات البيئية. وأخيراً، صياغة سياسات ضريبية تدعم العدالة الاجتماعية، مع التركيز على التوزيع العادل للموارد بين أفراد المجتمع لتحقيق التكامل بين أبعاد الاستدامة الثلاثة.

الكلمات المفتاحية: الإيرادات الضريبية، كفاءة التدقيق الداخلي، الاستدامة.