

Appendix A - Statistical Test Results

Tables A1 – Normality Test Results

Table A1.1 - Company Specific Factors (Variables)

		Normality Tests – Statistics				
		Size	Industry	Listing Status	Sector	Internationalisation
N	Valid	140	140	140	140	140
	Missing	0	0	0	0	0
Mean		3.4178571	.21	.51	.83	.39
Std. Error of Mean		.11926577	.035	.042	.032	.041
Median		3.2500000	.00	1.00	1.00	.00
Mode		5.50000	0	1	1	0
Skewness		.166	1.408	-.058	-1.763	.475
Std. Error of Skewness		.205	.205	.205	.205	.205
Kurtosis		-1.177	-.019	-2.026	1.122	-1.801
Std. Error of Kurtosis		.407	.407	.407	.407	.407
Minimum		1.00	0	0	0	0
Maximum		5.50	1	1	1	1
Sum		478.50	30	72	116	54

Table A1.2 – Extent of Risk Based Auditing Adoption (RBA) at Macro & Micro Levels

Normality Test – Statistics

		Audit Objective of Individual Assignment (Micro)	Design of audit programme to test (Micro)	Auditing conduct is reported to Mgt in terms of (Micro)
	Audit Schedule Planning (Macro)			
N	Valid	140	140	140
	Missing	0	0	0
Mean		2.3429	1.7714	1.7714
Median		2.0000	2.0000	2.0000
Mode		2.00	2.00	2.00
Skewness		-.295	-.830	-1.307
Std. Error of Skewness		.205	.205	.205
Kurtosis		-.646	-.088	-.297
Std. Error of Kurtosis		.407	.407	.407
Sum		328.00	248.00	248.00

Table A1.3 - Risk Based Auditing Responsiveness

Normality Test – Statistics

		ERML1	ERML2	ERML3	ERML4	ERML5	ERML6	ERMI1	ERMI2	ERMI3	ERMI4	ERMI5	ERMI6
N	Valid	140	140	140	140	140	140	140	140	140	140	140	140
	Missing	0	0	0	0	0	0	0	0	0	0	0	0
Mean		3.92	3.76	4.38	4.09	4.23	4.79	3.73	4.21	4.99	3.27	4.14	3.93
Median		4.00	4.00	5.00	4.00	5.00	5.00	4.00	5.00	5.00	3.00	4.00	4.00
Mode		4	4	5	4	5	6	4	5	6	1	4	4
Skewness		-.271	-.166	-.531	-.192	-.431	-.682	-.168	-.469	-.801	.318	-.356	-.162
Std. Error of Skewness		.205	.205	.205	.205	.205	.205	.205	.205	.205	.205	.205	.205
Kurtosis		-.781	-.609	-.469	-.855	-.723	-.309	-.908	-.543	.311	-1.128	-.743	-.928
Std. Error of Kurtosis		.407	.407	.407	.407	.407	.407	.407	.407	.407	.407	.407	.407
Sum		549	526	613	573	592	671	522	589	699	458	580	550

Where,

Table B1.3.1 Items Representing ERM Responsiveness

<i>Item</i>	<i>Statement</i>
<i>ERML1</i>	<i>Being accustomed to carrying out auditing work using the risk based approach, IA should assist to maintain and develop the ERM framework for their organisation</i>
<i>ERML2</i>	<i>IA's focus on risk based auditing makes them ideal candidate to champion the establishment of ERM</i>
<i>ERML3</i>	<i>Under the risk based approach, IA reports the assessment of their findings in terms of risk. In line with this, IA should consolidate the reporting on risks for their organisation</i>
<i>ERML4</i>	<i>IA should coordinate the ERM activities since they adopt risk based approach to auditing in carrying out their audit work</i>
<i>ERML5</i>	<i>With their knowledge of the organisation's risk exposure gained from their adoption of risk based auditing approach, IA should assist the Management to develop risk management strategy for board approval</i>
<i>ERML6</i>	<i>By adopting risk based approach to auditing, IA should facilitates the identification and evaluation of risks for their organisation</i>
<i>ERMI1</i>	<i>IA should decide on risk responses as they are accustomed to risk based approach to auditing</i>
<i>ERMI2</i>	<i>Since IA adopt the risk based auditing approach, it makes sense for IA to impose risk management processes on their organisation</i>
<i>ERMI3</i>	<i>As with other assurance assignments where risk based auditing approach is used, IA should provide Management with assurance on risks.</i>
<i>ERMI4</i>	<i>As IA's approach to auditing is risk based in nature, it would make sense for IA to be accountable for the risk management of their organisation</i>
<i>ERMI5</i>	<i>IA should assist the Management to set the risk appetite for the organisation with their extensive knowledge of the organisation's risks gained from their work using the risk based auditing approach</i>
<i>ERMI6</i>	<i>In adopting risk based approach to their assurance work, IA also provides recommendations to Management. In line with this, IA should assist to implements risk responses on management's behalf</i>

Appendix B – Descriptive Analysis Tables

Table B1.1 Company Size – Annual Turnover

Annual Turnover

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< RM50m	20	14.3	14.3	14.3
	RM50m-RM99m	18	12.9	12.9	27.1
	RM100m-RM499m	31	22.1	22.1	49.3
	RM500m-RM999m	17	12.1	12.1	61.4
	RM1b and above	54	38.6	38.6	100.0
	Total	140	100.0	100.0	

Table B 1.2 Company Size – No of Employees

No of Employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 100 emp	9	6.4	6.4	6.4
	100 emp - 999 emp	56	40.0	40.0	46.4
	1,000 emp - 2,999 emp	24	17.1	17.1	63.6
	3,000 emp - 4,999 emp	9	6.4	6.4	70.0
	5,000 emp - 6,999 emp	11	7.9	7.9	77.9
	7,000 emp and above	31	22.1	22.1	100.0
	Total	140	100.0	100.0	

Appendix B2 – RBA Adoption at Micro & Macro by Company Specific Factors

Table B 2.1 Organisation Size

		Small		Medium		Large		Total	
		No	%	No	%	No	%	No	%
The planning of annual audit schedules (at macro level) is conducted using:	Cycle based / Others	3	5.4%	4	9.5%	2	4.8%	9	6.4%
	Mixed Approach	28	50.0%	24	57.1%	22	52.4%	74	52.9%
	Risk Based Approach	25	44.6%	14	33.4%	18	42.9%	57	40.7%
What is the audit objective of each individual auditing assignment (at micro level)?	Adequacy & Effectiveness of IC system / Others	14	25.0%	10	23.8%	10	23.8%	34	24.3%
	Mixed	41	73.2%	31	73.8%	32	76.2%	104	74.3%
	Effectiveness of Mgt Manages Risk	1	1.8%	1	2.4%	0	0.0%	2	1.4%
The auditing program is designed to test:	Control activities / Others	8	14.3%	9	21.4%	8	19.0%	25	17.9%
	Mixed	48	85.7%	33	78.6%	34	81.0%	115	82.1%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%	0	0.0%
The auditing conducted is reported to the Management in terms of:	Internal Control / Others	10	17.9%	9	21.4%	13	31.0%	32	22.9%
	Mixed	46	82.1%	33	78.6%	29	69.0%	108	77.1%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Table C 2.2 Listing Status

		Non Listed		Listed		Total	
		No	%	No	%	No	%
The planning of annual audit schedules (at macro level) is conducted using:	Cycle based / Others	5	7.4%	4	5.6%	9	6.4%
	Mixed Approach	35	51.5%	39	54.2%	74	52.9%
	Risk Based Approach	28	41.2%	29	40.3%	57	40.7%
What is the audit objective of each individual auditing assignment (at micro level)?	Adequacy & Effectiveness of IC system / Others	18	26.5%	16	22.2%	34	24.3%
	Mixed	49	72.1%	55	76.4%	104	74.3%
	Effectiveness of Mgt Manages Risk	1	1.5%	1	1.4%	2	1.4%
The auditing program is designed to test:	Control activities / Others	10	14.7%	16	22.2%	26	18.6%
	Mixed	58	85.3%	56	77.8%	114	81.4%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%
The auditing conducted is reported to the Management in terms of:	Internal Control / Others	17	25.0%	16	22.2%	33	23.6%
	Mixed	51	75.0%	56	77.8%	107	76.4%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%

Table B 2.3 Public / Private Sector

		Public		Private		Total	
		No	%	No	%	No	%
The planning of annual audit schedules (at macro level) is conducted using:	Cycle based / Others	2	8.3%	7	6.0%	9	6.4%
	Mixed Approach	13	54.2%	61	52.6%	74	52.9%
	Risk Based Approach	9	37.5%	48	41.4%	57	40.7%
What is the audit objective of each individual auditing assignment (at micro level)?	Adequacy & Effectiveness of IC system / Others	9	37.5%	25	21.6%	34	24.3%
	Mixed	15	62.5%	89	76.7%	104	74.3%
	Effectiveness of Mgt Manages Risk	0	0.0%	2	1.7%	2	1.4%
The auditing program is designed to test:	Control activities / Others	4	16.7%	22	19.0%	26	18.6%
	Mixed	20	83.3%	94	81.0%	114	81.4%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%
The auditing conducted is reported to the Management in terms of:	Internal Control / Others	7	29.2%	26	22.4%	33	23.6%
	Mixed	17	70.8%	90	77.6%	107	76.4%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%

Table B 2.4 Industry

		Non Finance		Finance		Total	
		No	%	No	%	No	%
The planning of annual audit schedules (at macro level) is conducted using:	Cycle based / Others	7	6.4%	2	6.7%	9	6.4%
	Mixed Approach	58	52.7%	16	53.3%	74	52.9%
	Risk Based Approach	45	40.9%	12	40.0%	57	40.7%
What is the audit objective of each individual auditing assignment (at micro level)?	Adequacy & Effectiveness of IC system / Others	25	22.7%	9	30.0%	34	24.3%
	Mixed	83	75.5%	21	70.0%	104	74.3%
	Effectiveness of Mgt Manages Risk	2	1.8%	0	0.0%	2	1.4%
The auditing program is designed to test:	Control activities / Others	19	17.3%	7	23.3%	26	18.6%
	Mixed	91	82.7%	23	76.7%	114	81.4%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%
The auditing conducted is reported to the Management in terms of:	Internal Control / Others	22	20.0%	11	36.7%	33	23.6%
	Mixed	88	80.0%	19	63.3%	107	76.4%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%

Table B 2.5 Internationalisation

		Non International		International		Total	
		No	%	No	%	No	%
The planning of annual audit schedules (at macro level) is conducted using:	Cycle based / Others	7	8.1%	2	3.7%	9	6.4%
	Mixed Approach	42	48.8%	32	59.3%	74	52.9%
	Risk Based Approach	37	43.0%	20	37.0%	57	40.7%
What is the audit objective of each individual auditing assignment (at micro level)?	Adequacy & Effectiveness of IC system / Others	27	31.4%	7	13.0%	34	24.3%
	Mixed	57	66.3%	47	87.0%	104	74.3%
	Effectiveness of Mgt Manages Risk	2	2.3%	0	0.0%	2	1.4%
The auditing program is designed to test:	Control activities / Others	17	19.8%	9	16.7%	26	18.6%
	Mixed	69	80.2%	45	83.3%	114	81.4%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%
The auditing conducted is reported to the Management in terms of:	Internal Control / Others	21	24.4%	12	22.2%	33	23.6%
	Mixed	65	75.6%	42	77.8%	107	76.4%
	Risk Management Activities	0	0.0%	0	0.0%	0	0.0%

Appendix C – Hypothesis Test Results

Table C 1.0 Summary of Hypothesis Testing Results

Reference	Hypothesis	Result
Hypothesis H _{1a}	The adoption of risk based approach for planning the audit schedule at macro level is positively associated with the size of the organization.	Rejected
Hypothesis H _{1b}	The adoption of risk-based approach for each individual audit engagement is positively associated with the size of the organization.	Rejected
Hypothesis H _{2a}	There are more firms in the finance industry adopting risk based approach for planning the audit schedule at macro level than those in non-finance industries.	Rejected
Hypothesis H _{2b}	There are more firms in the finance industry adopting risk based approach for each individual audit engagement than those in non-finance industry.	Accepted
Hypothesis H _{3a}	There is a positive association between the adoption of risk-based approach for planning the audit schedule at macro level and companies in the private sector.	Rejected
Hypothesis H _{3b}	There is a positive association between the adoption of risk-based approach for each individual audit engagement and companies in the private sector.	Accepted
Hypothesis H _{4a}	The adoption of risk based approach for planning the audit schedule at macro level is positively associated with the internationalization of a company.	Rejected
Hypothesis H _{4b}	The adoption of risk based approach for each individual audit engagement is positively associated to the internationalization of a company	Rejected
Hypothesis H _{5a}	The adoption of risk-based approach for planning the audit schedule at macro level is positively associated to companies listed in the Stock Exchange.	Rejected
Hypothesis H _{5b}	The adoption of risk-based approach for each individual audit engagement is positively associate to companies listed in the Stock Exchange.	Rejected
Hypothesis H ₆	There is no association between the extent of adoption of risk based approach by internal auditing at audit schedule planning stage (Macro Level) and the responsiveness of internal auditors to ERM activities.	Rejected
Hypothesis H ₇	There is no association between the extent of adoption of risk based approach by internal auditing at individual audit engagement stage (Micro Level) and the responsiveness of internal auditors to ERM activities.	Accepted
Hypothesis H ₈	There is a negative association between the size of the organisation and the responsiveness of IA to ERM activities.	Rejected
Hypothesis H ₉	There is no association between the finance industry and the responsiveness of IA to ERM activities.	Rejected
Hypothesis H ₁₀	The responsiveness of IA to ERM activities has no association whether the organisation is in private or public sector.	Accepted
Hypothesis H ₁₁	There is no association between internationalisation of an organisation and the responsiveness of IA to ERM activities.	Rejected
Hypothesis H ₁₂	There is no association between listing in the stock exchange and the responsiveness of IA to ERM activities.	Rejected

Appendix D – Survey Questionnaire



GRADUATE SCHOOL OF BUSINESS
FACULTY OF BUSINESS & ACCOUNTANCY
UNIVERSITY OF MALAYA
KUALA LUMPUR

Dear Sir / Madam,

This survey is conducted as part of my MBA research thesis to examine the factors that influence the application of risk based auditing approach adopted by Internal Auditors at work and how this approach in turn influence their involvement in Risk Management activities. The attached survey questionnaire would allow information regarding the manner in which the risk based auditing approach is adopted and applied in internal auditing as well as the extent of involvement of internal auditors in risk management activities enterprise-wide to be gathered. The questionnaire also seek to investigate the correlation between the adoption of risk based auditing approach and extent of involvement in risk management activities by internal auditors.

Your responses to the survey are important to the success of my research project which is a pre-requisite for the completion of my MBA course. I hope that you could spare 15 minutes of your precious time to complete the attached questionnaire. There is no right or wrong answers to this questionnaire and your opinion is very much appreciated. All information will be used in an aggregated form and will only be used strictly for academic purposes of this research project and shall be kept strictly confidential.

Your kind cooperation and participation in this study surely contribute toward the academic research in the aforementioned areas of study. I would appreciate that if you could return the completed questionnaire by 31st March 2011 to email research.080111@gmail.com
Thanking you in advance for your kind participation.

Yours faithfully,
Hor Puey Wai
MBA Student - CGA080111
Faculty of Business & Accountancy
University of Malaya
Email: johnhor68@yahoo.com

Supervised by:
Dr Nurmazilah bt Dato' Mahzan
Senior Lecturer in Internal Audit
Faculty of Business & Accountancy
University of Malaya

SURVEY ON RISK-BASED AUDITING AND IMPACT ON RISK MANAGEMENT
SECTION A: RESPONDENT'S PROFILE

Instruction: Please tick (✓) where appropriate or if other, please specify:

1. Gender

Male Female

2. Age

<input type="checkbox"/> 21 - 25 years	<input type="checkbox"/> 36 - 40 years	<input type="checkbox"/> 51 - 60 years
<input type="checkbox"/> 26 - 30 years	<input type="checkbox"/> 41 - 45 years	<input type="checkbox"/> Above 60 years
<input type="checkbox"/> 31 - 35 years	<input type="checkbox"/> 46 - 50 years	

3. Highest level of education

<input type="checkbox"/> Secondary School	<input type="checkbox"/> Professional Degree	<input type="checkbox"/> Diploma
<input type="checkbox"/> Bachelor's Degree	<input type="checkbox"/> Master's Degree	<input type="checkbox"/> Doctorate

3. Certification

<input type="checkbox"/> CIA	<input type="checkbox"/> CGAP/CCSA/CFSA	<input type="checkbox"/> CPA/CA
<input type="checkbox"/> CISA	<input type="checkbox"/> ACCA/CIMA/ICSA	<input type="checkbox"/> Other: _____

4. Position in Your Organisation

<input type="checkbox"/> Audit Assistant	<input type="checkbox"/> Assistant Audit Manager	<input type="checkbox"/> CAE
<input type="checkbox"/> Audit Executive	<input type="checkbox"/> Audit Manager	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Audit Senior/Supervisor	<input type="checkbox"/> Senior Manager	

5. Work experience

<input type="checkbox"/> Under 1 year	<input type="checkbox"/> 11 - 15 years
<input type="checkbox"/> 2 - 5 years	<input type="checkbox"/> 16 - 20 years
<input type="checkbox"/> 6 - 10 years	<input type="checkbox"/> > 20 years

SECTION B: YOUR ORGANISATION

Instruction: Please tick (✓) where appropriate or if other, please specify:

1) Is your Organisation listed in the Stock Exchange?

Yes No

2) Which sector is your Organization in?

Private Sector Public Sector Other, _____

3) What is your Organisation's annual revenue (in RM)?

- a) Less than 50 million
- b) 50 million to 99 million
- c) 100 million to 499 million
- d) 500 million to 999 million
- e) 1 billion and above

4) How many employees does your Organisation have?

- a) Less than 100 employees
- b) 100 employees to 999 employees
- c) 1,000 employees to 2,999 employees
- d) 3,000 employees to 4,999 employees
- e) 5,000 employees to 6,999 employees
- f) More than 7,000 employees

5) Which industry does your Organisation operate in?

- a) Financial / Insurance
- b) Agricultural/Forestry/Fisheries
- c) Mining
- d) Construction
- e) Government
- f) Technology
- g) Services
- h) Consumer Products
- i) Industrial Products
- j) Manufacturing
- k) Other (please specify) _____

6) Is your Organisation part of an international group?

Yes No

If yes, how many countries does your group have presence in?

7) Is the Internal Auditing function in your Organisation being outsourced?

Yes No

8) How many staff does your internal audit department have?

- a) Less than 5 staff
- b) 5 - 10 staff
- c) 11 - 25 staff
- d) 26 - 50 staff
- e) More than 50 Staff

SECTION C: ANNUAL INTERNAL AUDIT PLANNING PROCESS

Instruction: Please tick (✓) where appropriate or if other, please specify:

1) How many auditable units does your audit universe have?

- a) Less than 20 units
 - b) 20 units - 50 units
 - c) 51 units - 100 units
 - d) 101units - 500 units
 - e) More than 500 units
- | |
|--|
| |
| |
| |
| |
| |

2) How frequent is the audit universe reviewed?

- a) Less than 1 year
 - b) 1year - 2 years
 - c) 2 years - 3 years
 - d) More than 3 years
- | |
|--|
| |
| |
| |
| |

3) The planning of annual audit schedules (at macro level) is conducted using:

- a) Risk-based approach (auditing areas are selected according to risk)
 - b) Cycle-based approach (the auditing universe is divided into parts, each year one part is audited)
 - c) Mixed approach (of both above)
 - d) Other approach (please specify) _____
- | |
|--|
| |
| |
| |
| |

4) How much of your planned annual auditing activity is devoted to: (in %)

- a) Financial audit of financial statements
 - b) Auditing of information system
 - c) Operational audit
 - d) Compliance audit
 - e) Special projects
 - f) Fraud investigation
 - g) Internal consulting
 - h) Risk assessment
 - j) Others (please specify) _____
- | | |
|-------------------|------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total in % | 100 |

SECTION D: PLANNING, EXECUTION AND REPORTING ON INDIVIDUAL AUDITING ASSIGNMENT

Instruction: Please tick (✓) where appropriate or if other, please specify:

1) What is the audit objective of each individual auditing assignment (at micro level)?

- a) Assess effectiveness of how Management manages risks in the work unit
 - b) Assess the adequacy and effectiveness of the internal control system
 - c) Mixed (of both above)
 - d) Other (please specify) _____
- | |
|--|
| |
| |
| |
| |

2) The audit programme is designed to test:

- a) Control activities
- b) Risk Management activities
- c) Mixed (of both above)
- d) Other (please specify) _____

3) The auditing conducted is reported to the Management in terms of:

- a) Internal control: Reinforcement/Beneficial cost/Efficiency/Effectiveness
- b) Risk Management activities: Avoid/diversify/transfer/reduce/accept risk
- c) Mixed (of both above)
- d) Other (please specify) _____

4) What is the main reason for adopting risk-based approach?

- a) It allows limited resources to be prioritise effectively
- b) It allows the achievement of business goals
- c) It allows IA to focus on minimising organisational risks
- d) It is the best practice
- e) Other (please specify) _____

SECTION E: RISK MANAGEMENT

Instruction: Please tick (√) where appropriate or if other, please specify:

1) Who primarily leads your Organisation’s Risk Management activities or programmes?

- a) Internal Audit
- b) Chief Risk Officer
- c) Chief Financial Officer
- d) Other (please specify) _____

2) Internal Audit’s involvement and roles in Risk Management related activities are influenced by demands from

- a) Audit Committee
- b) Senior Management
- c) Mixed (of both above)
- d) None
- e) Other (please specify) _____

3) Does your Organisation have a formal organisation wide risk management process? (i.e. ERM – Enterprise-wide Risk Management)

Yes No

4) Does your Organisation have a Risk Management Department separate from Internal Audit?

Yes No

5) At what is the status of implementation of your organisation's Enterprise Risk Management (ERM) infrastructure?

- a) Has not considered ERM
- b) Adopted ERM and the infrastructure is mature / complete
- c) Has recently adopted ERM, but implementation is not fully completed
- d) Is in the process of planning the implementation of ERM
- e) Is currently considering the relevance of ERM for its enterprise
- f) Has rejected the ERM concept
- g) Other (please specify) _____

SECTION F: INTERNAL AUDITING'S INVOLVEMENT IN RISK MANAGEMENT ACTIVITIES

Please note the *CURRENT & IDEAL* level of responsibility that your Organisation's Internal Audit Department has in Risk Management related activities based on the following scale:

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
<i>No Responsibility</i>	<i>Limited Responsibility</i>	<i>Moderate Responsibility</i>	<i>Substantial Responsibility</i>	<i>Total Responsibility</i>

No	Risk Management Role / Activity	Current Responsibility	
		Current	Ideal
1	IA makes decisions on risk responses		
2	IA gives assurance on risk management processes		
3	IA facilitates the identification and evaluation of risks		
4	IA imposes risk management processes at the organisation		
5	IA evaluates the effectiveness of the risk management processes		
6	IA provides the Management with assurance on risks		
7	IA coaches the Management in responding to risks		
8	IA sets the risk appetite for the organisation		
9	IA develops risk management strategy for board approval		
10	IA coordinates the ERM activities for the organisation		
11	IA is accountable for risk management in the organisation		
12	IA reviews the effectiveness of the management of key risks		
13	IA consolidates the reporting on risks for the organisation		

No	Risk Management Role / Activity	Current Responsibility	
		Current	Ideal
14	IA gives assurance whether the risks are evaluated correctly		
15	IA champions the establishment of ERM at the organisation		
16	IA implements risk responses on management's behalf		
17	IA evaluates the effectiveness of the reporting of key risks of the organisation to the Management		
18	IA maintains and develops the ERM framework for the organisation		

SECTION G: IMPACT OF RISK-BASED AUDITING ON RISK MANAGEMENT ACTIVITIES

Please indicate how strongly you **agree** or **disagree** with each statement. Please note in the box the level which represents your degree of agreement based on the 7-point scale below.

1	2	3	4	5	6	7
Strongly Disagree	<i>Moderately Disagree</i>	<i>Slightly Disagree</i>	Neutral	<i>Slightly Agree</i>	<i>Moderately Agree</i>	Strongly Agree

No	Statement	Level of Agreement
1	IA should decide on risk responses as they are accustomed to a risk-based approach to auditing.	
2	IA is the right candidate to give assurance on risk management processes as they adopt a risk-based approach in their auditing work.	
3	By adopting a risk-based approach to auditing, IA should facilitate the identification and evaluation of risks for their organisation.	
4	Since IA adopt the risk-based auditing approach, it makes sense for IA to impose risk management processes on their organisation.	
5	IA should evaluate the risk management processes because they are experts in the concept of risk and they adopt the risk-based approach to auditing.	
6	As with other assurance assignments where a risk-based auditing approach is used, IA should provide Management with assurance on risks.	
7	With the adoption of a risk-based approach to auditing, IA should coach Management in responding to risks identified by the organisation.	

No	Statement	Level of Agreement
8	IA should assist the Management to set the risk appetite for the organisation with their extensive knowledge of the organisation's risks gained from their work using the risk-based auditing approach.	
9	With their knowledge of the organisation's risk exposure gained from their adoption of a risk-based auditing approach, IA should assist the Management to develop risk management strategy for board approval.	
10	IA should coordinate the ERM activities since they adopt a risk-based approach to auditing in carrying out their audit work.	
11	As IA's approach to auditing is risk-based in nature, it would make sense for IA to be accountable for the risk management of their organisation.	
12	With the extensive use of risk-based auditing in their assurance work, IA should also review the effectiveness of the management of key risks.	
13	Under the risk-based approach, IA reports the assessment of their findings in terms of risk. In line with this, IA should consolidate the reporting on risks for their organisation.	
14	Being the expert in risk-based auditing, IA should also give assurance to the Management whether the risks are evaluated correctly.	
15	IA's focus on risk-based auditing makes them the ideal candidate to champion the establishment of ERM.	
16	In adopting a risk-based approach to their assurance work, IA also provides recommendations to Management. In line with this, IA should assist to implement risk responses on management's behalf.	
17	In the adoption of a risk-based approach to auditing, IA reports their findings in risk terms. In this respect, IA should also assist Management to evaluate the effectiveness of reporting of key risks.	
18	Being accustomed to carrying out auditing work using the risk-based approach, IA should assist to maintain and develop the ERM framework for their organisation.	

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY