

TABLE OF CONTENTS

	Page
TITLE	I
ABSTRACT	II – III
DECLARATION	IV
ACKNOWLEDGEMENT	V – VI
TABLES OF CONTENTS	VII – IX
LIST OF TABLES	X – XI
LIST OF FIGURES	XII
LIST OF ABBREVIATIONS	XIII
CHAPTER 1: INTRODUCTION	
1.0 Research Background	1
1.1 Problem Statement for Research	8
1.2 Research Questions	10
1.3 Justification of the Study	11
1.4 Objectives of Research	11
1.5 Orientation of Research	12
CHAPTER 2: LITERATURE REVIEW	
2.0 Introduction	14
2.1 Risk Based Approach to Internal Auditing	15
2.2 Internal Auditing Function	19
2.3 ERM and Role of Internal Auditing	21
2.4 Summary of Literature Review	28
CHAPTER 3: RESEARCH METHODOLOGY	
3.0 Introduction	30
3.1 Theoretical Framework of the Study	30
3.2 Research Hypotheses	36

TABLE OF CONTENTS

	Page
3.3 Research Design	44
3.4 Sampling Design	45
3.5 Instrument	46
3.6 Data Collection and Analysis	47
3.7 Validity & Reliability	48
3.8 Conclusion	49
 CHAPTER 4: RESULTS AND FINDINGS	
4.0 Introduction	50
4.1 Profile of Respondents	51
4.2 Normality Test	54
4.3 Reliability Analysis	55
4.4 Validity Test	56
4.5 Descriptive Statistics	61
4.6 Hypotheses Testing	71
4.7 Summary of Findings	83
 CHAPTER 5: DISCUSSION AND CONCLUSION	
5.0 Introduction	86
5.1 Recapitulation of the Study	86
5.2 Implications of Research Findings	86
5.3 Limitations of the Study	92
5.4 Suggestions for Future Research	93
5.5 Conclusion	95
 REFERENCE	 97 – 104
 APPENDICES	
A Normality Test Results	105 – 108
B Descriptive Analysis Tables	109 – 112

TABLE OF CONTENTS

	Page
C Hypothesis Test Results	113
D Survey Questionnaire	114 – 121

LIST OF TABLES

		Page
Table 2.1	Changing the Internal Auditor’s Paradigm	18
Table 4.1.1	Gender Profile	51
Table 4.1.2	Age Profile	52
Table 4.1.3	Highest Level of Education	52
Table 4.1.4	Respondents’ Position	53
Table 4.1.5	Respondents’ Work Experience	54
Table 4.3.1	Reliability Test Results	55
Table 4.4.1(a)	Extent of Adoption of RBA (KMO and Bartlett's Test)	57
Table 4.4.1(b)	Extent of Adoption of RBA (Total Variance Explained)	57
Table 4.4.2(a)	Extent of Responsiveness to ERM Activities (KMO and Bartlett's Test)	58
Table 4.4.2 (b)	Extent of Responsiveness to ERM Activities – Total Variance	58
Table 4.4.2(c)	Extent of Responsiveness to ERM Activities (Anti Image Matrix)	60
Table 4.5.1	Company Specific Factors (Descriptive)	61
Table 4.5.2.1	Extent of Adoption of RBA by IA (Descriptive)	62
Table 4.5.2.2	Extent of RBA Auditing at Micro & Macro (Summary)	63
Table 4.5.2.3	Risk Based Auditing – Reasons for Adoption	63
Table 4.5.3	Company Specific Factors - Risk Management Practices under Different Conditions (Infrastructure)	66 –67
Table 4.5.4	Responsiveness to ERM Activities (Descriptive - by Item)	69
Table 4.6.1(a)	Relationship between Organisation Size and RBA at Macro Level (Eigenvalues)	72
Table 4.6.1(b)	Relationship between Organisation Size and RBA at Macro Level (Wilks’ Lambda)	72
Table 4.6.2	Relationship between Company Specific Factors and RBA at Macro Level (Chi Square Test Summary)	73
Table 4.6.3	Company Specific Factors – Value Assignment for Regression Analysis	75

LIST OF TABLES

		Page
Table 4.6.3(a)	Relationship Between Company Specific Factors and RBA at Micro Level (Model Summary)	76
Table 4.6.3(b)	Relationship Between Company Specific Factors and RBA at Micro Level (ANOVA)	76
Table 4.6.3(c)	Relationship Between Company Specific Factors and RBA at Micro Level (Coefficients)	76
Table 4.6.4(a)	Relationship Between RBA at Macro Level and the Responsiveness to ERM Activities (Homogeneity Test)	77
Table 4.6.4(b)	Relationship Between RBA at Macro Level and the Responsiveness to ERM Activities (ANOVA)	78
Table 4.6.4(c)	Relationship Between RBA at Macro Level and the Responsiveness to ERM Activities (Descriptive)	78
Table 4.6.5(a)	Relationship Between RBA at Micro Level and the Responsiveness to ERM Activities (Model Summary)	79
Table 4.6.5(b)	Relationship Between RBA at Micro Level and the Responsiveness to ERM Activities (ANOVA)	80
Table 4.6.5(c)	Relationship Between RBA at Micro Level and the Responsiveness to ERM Activities (Coefficients)	80
Table 4.6.6(a)	Relationship Between Company Specific Factors and the Responsiveness to ERM Activities (Model Summary)	82
Table 4.6.6(b)	Relationship Between Company Specific Factors and the Responsiveness to ERM Activities (ANOVA)	82
Table 4.6.6(c)	Relationship Between Company Specific Factors and the Responsiveness to ERM Activities (Coefficients)	83

LIST OF FIGURES

	Page
Figure 2.1 ERM Drivers	22
Figure 2.2 Internal Auditing's Roles in ERM (ERM Fan)	26
Figure 3.1 Theoretical Framework	31
Figure 3.2 Company Specific Factors Impacting Adoption of Risk Based Auditing Approach (Part 1).	37
Figure 3.3 Relationship Between Adoption of Risk Based Auditing and Involvement in ERM Activities (Part 2).	40
Figure 3.4 Association between Company Specific Factors and Responsiveness of IA to ERM Activities (Part 3).	42

LIST OF ABBREVIATIONS

Abbreviation Used	Represents
ERM	Enterprise Risk Management
IA	Internal Auditors
IIA	Institute of Internal Auditors
RBA	Risk Based Auditing Approach
RBAMacro	Extent of Adoption of RBA for Planning at Macro Level
RBAMicro	Extent of Adoption of RBA for Individual Audit Engagements (Micro)
ERMRespon	The Responsiveness of Internal Auditors to ERM Activities