

UNIVERSITY OF KWAZULU NATAL

**The University of Kwa-Zulu Natal (UKZN) Community perception of the
Internal Audit and Enterprise Risk Management Process.**

Researcher

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Declaration

I, **Sithembile Degracia Sibisi** declare that

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Abstract

Internal Audit and Enterprise Risk Management processes play a pivotal role in any organisation's system of internal control. These processes encourage accountability and strengthen business processes by ensuring that risks associated with strategic and operational objectives of the organisation are identified, assessed for likelihood of occurrence and impact they may have in its operations. Enterprise Risk Management process prioritize risks and ensure that management build a strong system of internal controls to address them, whereas Internal Audit process evaluates the adequacy of the design and effectiveness of controls to address identified risks. The University's mandate to deliver education to societies makes them fountains and custodians of body of knowledge, consequently are accountable to different stakeholders, in the main Students, DHET, and the Public to deliver the service as predefined in National Development Plan of 2012. It is therefore inevitable that a strong system of internal controls is embedded in the University systems and governance processes in order to ensure achievement of its mandate, hence Internal Audit and Enterprise Risk Management process are the major control measures that management need to adopt. This pronouncement aligns to best practice on Corporate Governance, which articulates that in cases where transgressions are found in the organisation, it would always be attributable or as a consequent of a weak system of internal control environment.

Though huge resistance to accept the Internal Audit and Enterprise Risk Management process is experienced from the University Community by the custodians of these control measures, which is what triggered the study, management of the institution and those in charge of governance remains accountable to ensure a strong control environment is set. The study aimed to investigate the University Community perception of the Internal Audit and Enterprise Risk Management process. This was achieved through interrogating the awareness of the University Community of the Internal Audit and Enterprise Risk Management; acceptance of Internal Audit and Enterprise Risk Management by the University Community; factors influencing the University Community perception of Internal Audit and Enterprise Risk Management. The results of the study informed appropriate recommendations which aimed to benefit the University Community, Internal Audit function as well as Enterprise Risk Management Custodians. It shared light by revealing factors influencing the perception of the Internal Audit and Enterprise Risk Management processes.

Respondents in the University Community included Managers, Directors, Executive Management; Internal Audit Services staff members as well as Enterprise Risk Management staff members. A mixed method was used for data gathering. The researcher needed to experience and interrogate different zones of respondent's territory, quantity versus the emotional hence quantitative and qualitative research methods.

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Chapter 1

Introduction and background

1.1 Introduction

Universities have a mandate to deliver education to societies. This makes them fountains and custodians of body of knowledge, consequently are accountable to different stakeholders in the main Students, DHET, and the Public to deliver the service as predefined in National Development Plan, launched in 2012. It is therefore inevitable that a strong system of internal controls is embedded in the University strategic and operational plan in order to ensure achievement of its mandate. This study seeks to assess the University Community's perception of the major control processes, i.e. Internal Audit function as well as Enterprise Risk Management Process.

Internal Control processes are the cornerstone for any type of business or service that ensures the achievement of planned business objectives. A control is any action taken by management to enhance the likelihood or probability that predetermined strategic and operational business objectives and goals will be achieved (Institute of Internal Auditors South Africa (IIASA)).

This chapter introduces the study by presenting the background, problem statement, research objectives, and research question for the study. Other sections covered in this chapter include the aim for the study, significance of study, a brief research methodology, study limitations and the structure of the study.

1.2 Background of the Study

The study is about the University of KwaZulu-Natal, hereafter known as the University. The University is located in KwaZulu-Natal-Durban South Africa. This institution under study has more or less 6200 employees of which +-4000 are permanently employed. The University is structured into four Colleges, known as the academic topography and one Professional Services, known as the support territory. The Deputy Vice Chancellors and Directors Professional Services head each College. The Professional Services wing is structured into seven (7) Portfolios, namely Human Resources, Finance, Institutional Planning and Governance, Student Services, Research,

Teaching and Learning and Corporate Relations all headed by the Executive Directors. All of these aforementioned Portfolios report functionally and administratively to the Vice Chancellor.

The University's core business is to facilitate teaching and learning to ensure knowledge creation. All of these responsibilities comes with accountability. Every business has its objectives to be achieved and met. In order to ensure the achievement of the set objectives, stringent measures need to be in place. It is the responsibility for those in charge to ensure proper governance. Literature reveals that in order for businesses to safeguard their assets, funds, and the like, proper system of internal control needs to be embedded in the operational processes to ensure risks of transgressions, misstatements and fraud are reduced to minimum levels.

The study is informed by the huge resistance experienced from the University Community in accepting Internal Audit and Enterprise Risk Management processes. This resistance has led to the custodians of these two (2) processes confused, disinterested, damaged, and dismayed. In terms of the best practice (King IV and IV) reports on Corporate Governance of 2016, these two (2) processes ought to be the pillars of enforcing a good Corporate Governance culture in the working environment. However, this recommendation is proven contrary to the UKZN Community as it is said that the response to Enterprise Risk Management and Internal Audit Services by those whom are affected is adverse. This study seeks to investigate the perception the University Community has of these two major internal control processes and reasons why these have sustained a negative quatrain.

Furthermore, the best practice on Corporate Governance (2016) articulates that in cases where transgressions are found in the organisation, it would always be attributable or as a consequent of a weak control environment. Theory also tells us that effective Enterprise Risk Management and Internal Audit Processes is a combined assurance model of internal control that if appropriately implemented leads to a reduction of risks of fraud and non-adherence to predetermined objectives, i.e. Laws and Regulations, Policies, Standard Operating procedures, etc.

The diagram below illustrates the value chain with University Community positioned in the centre of the two (2) internal control zones as a custodian accountable to deliver education as per defined objectives.

The players is the University Community at all levels in departments, mostly Managers, Directors, Executive Management; Internal Audit Services staff as well as Enterprise Risk Management staff members.

Figure - A University Community value chain



1.3 Problem Statement

There is low degree of acceptance of the major internal control processes, namely: Enterprise Risk Management and Internal Audit function by the University Community. This contention culminates from the negative responses in a way of negative rhymes and downward trend of the interest displayed by University Community in dealing with the Internal Audit function and Enterprise Risk Management. In terms of the best practice (King IV) report on Corporate Governance of 2016, these two (2) processes ought to be the pillars of enforcing a good Corporate Governance culture in the working environment. However, this objective is proven contrary to the UKZN Community as it is said that the response to Enterprise Risk Management and Internal Audit Services by those whom are affected is adverse. Through this said behavior, there has been evidence of objections on planned audit engagements. In some occasions, the turn up for invitations to conduct divisional risk assessments processes has been at a low percentage. In 2014, the Internal Audit department was almost hit by the section 197 sanction – meaning, the transfer of a business and the rights of employees affected by such a transaction to another employer. In terms of section 197, ‘a ‘business’ includes the whole or a part of any business, trade, undertaking or service; and ‘transfer’ means the transfer of a business by one employer (‘the old employer’) to another employer (‘the new employer’) as a going concern’. This meant that the entire in-house internal audit services would be outsourced. Though this was a planned arrangement, which was opposed by the Internal Audit department, there was no clear indication on reasons why such a decision was taken.

With regards to the Enterprise Risk Management, there’s been a serious denunciation for the process such that the University has had to operate without a formal risk register for quite some time since the resignation of the Enterprise Risk Manager. This behavior implies that implementing these internal control processes within the University operations is difficult for the custodians involved with these two (2) internal control processes. This refutation has constantly conversed a negative rhyme that also displays an enormous level of resistance to some University stakeholders who have to comply with these major processes. For both Enterprise Risk Management and Internal Audit function, there has been a high staff turnover in the past five years in the leadership portfolios. The study is to probe why all of these horrendous conditions, investigate the perception the University Community has of these two (2) major internal control processes, and reasons why these have sustained a negative quatrain.

1.4 Aims of the study

The study aims to investigate and assess the University Community perception of the Internal Audit and Risk Management Processes.

1.5 Objectives of the study

- 1.5.1 To assess the level of UKZN Community awareness of the current Internal Audit and Enterprise Risk Management process.
- 1.5.2 To ascertain the level of acceptance by the University Community of Internal Audit Services and Enterprise Risk Management as the major internal control measures.
- 1.5.3 To establish the factors influencing the University Community perception of Internal Auditing and Enterprise Risk Management.
- 1.5.4 To recommend measures that can create UKZN community awareness of necessity of the Internal Audit as well as Enterprise Risk Management as major internal control measures.

1.6 Research Question

What is the perception of the University Community of the Internal Audit and Enterprise Risk Management?

The following sub-questions will assist in retrieving the answer for the question above:

- 1.6.1 What is the level of UKZN Community awareness of the current Internal Audit and Enterprise Risk Management processes?
- 1.6.2 What is the level of acceptance by the University Community of Internal Audit Services, Enterprise Risk Management as the major internal control measures?
- 1.6.3 What are the factors influencing the University Community perception of Internal Auditing and Enterprise Risk Management?
- 1.6.4 What recommendation(s) can be provided towards the creation a UKZN community awareness of the necessity of the Internal Audit as well Enterprise Risk Management as major internal control processes?

1.7 Significance of Study

In terms of the best practice, King IV on Corporate Governance (2016) recommends that organisations adopt the use of Internal Audit and Enterprise Risk Management processes to leverage the optimum risk

management processes. The experience by the custodians of the two internal control processes at UKZN has been the resistance, causing a low degree of acceptance of Enterprise Risk Management and Internal Audit Services by the University Community. The following are benefits expected to be derived from the study:

- The study will assist the University in revealing the absent knowledge and information so that the prevailing condition is addressed accordingly.
- The absent knowledge is what triggered the study. The researcher is concerned about the current condition and is convinced that through engaging different levels of management affected by Internal Audit and Enterprise Risk Management services, answers will be provided.
- The study will also contribute to the existing body of knowledge on the challenges affecting the Internal Audit profession as well as Enterprise Risk Management processes.
- The continuum of information in the Internal Audit profession; ranging from definition of Internal Audit and Enterprise Risk Management predefined by IIA, King reports on Corporate Governance, and some other literatures produced by different scholars on the benefits of both processes in organisations. The pronouncements highlight deligatory requirements as to who should adopt the use of Internal Audit and Enterprise Risk Management and why; what guiding principles available as best practice; some advising and prescribing what form and shape should these control processes take. Not much knowledge has been shared on factors or challenges affecting the Internal Audit and Enterprise Risk Management, and how these can be overcome amidst the critical roles played by these two major control processes. In terms of King report on Corporate Governance (2016), Internal Audit is said to be an organisations critical friend and change agent that ensure optimum risk management processes, whilst ensuring objectivity is maintained (IIA Code of Ethics, Principle 2: Objectivity). This study ‘hopes’ to reveal more factors and contributes through its findings to the existing body of knowledge.

1.8 Brief Research Methodology

Leedy & Ormrod (2001) defines research methodology as, “the general approach the researcher takes in carrying out the research project”.

This study employs mixture of the two research methodologies (mixed method), namely: Qualitative and Quantitative methods. The difference between the two (2) methods is illustrated below:

1.8.1 Quantitative research method

This type of research methodology is concerned with investigating problems that can be observed and measured. The nature of these observations and measurement should be in such a way that they can be made objectively and repeated by other researchers.

1.8.2 Qualitative research method

The world of research found that there was an increasing difficulty in trying to explain human behavior in simply measurable terms. Other research methodologies could not answer for example: why people behave in that manner or how do they feel about this condition; consequently, a qualitative research method was founded. Degu et al (2006) defines qualitative research methodology as a research which attempts to increase our understanding of why things are the way they are in our social world and why people act the ways they do.

For the purposes of this study, **a combination of qualitative and quantitative research methodologies (mixed method)** will be adopted for the reason that the study focuses on the perception of the University Community especially everyone in operational positions who is affected by the two (2) control processes in question. It seeks to establish reasons why they deplore existence of these major control processes in the institution. Clearly, the quests here are the views, ideas, feelings, perceptions, preferences and reasons. As the aforesaid definitions differentiating research methodologies, this type of data mentioned above can be obtained through a formal approach, hence a qualitative research method. The researcher will gather information using one-on-one interviews.

A quantitative approach on the other hand will be used to quantify responses from all University Community affected staff members by the Internal Auditing and Enterprise Risk Management processes. It will also assist to gauge whether the custodians of the internal control processes in question conduct adequate awareness. Moreover, it will assist in providing an understanding to the researcher on whether the University Community derives any value from services provided by the Internal Audit and Enterprise Risk Management process.

1.8.3 Sampling and Sampling Techniques

Sampling is a process used in statistical analysis in which a predetermined number of observations are taken from a larger population. In order to achieve adequate representation on all parties affected, a random sample on all categories of University Community will be selected. A combination of executive management, directorship, operational management, and specialist level, will form part of the sample to ensure all levels of University Community officials are represented.

1.8.4 Data collection

Data collection is the process by which the researcher collects the information needed to answer the research problem. Rouse (2014) agrees with this thought as she defines data collection as, ‘the systematic approach to gathering and measuring information from a variety of sources to get a complete and accurate picture of an area of interest. It enables a person to answer relevant questions, evaluate outcomes and make predictions about future probabilities and trends’.

The main attention of this study will focus on gathering the understanding of the perceptions, feelings and reasons for resistance by management in adopting the major internal control processes, Internal Audit and Enterprise Risk Management. This translates that a formal, one-on-one interviews are the instruments to be used to gather valid, reliable first-hand information from the affected population. Furthermore, a survey questionnaire will be also drawn and used for statistical purposes (quantitative approach), where the researcher will be determined to establish the number in the population that is aware of both major internal control and Enterprise Risk Management and what value is derived from the services rendered by both processes. Data will be collected from different levels of management affected by both processes. For the purposes of statistical data, a survey questionnaire will be formulated and sent to the affected officials in the sample.

1.9 Limitations

- The limitations of the study is that respondents may withhold information not wanting to voice out their views about the true sense of the current condition.
- The Researcher works for the Internal Audit function; this may cause some of the respondents to be biased when responding to questions, especially during one-on-one interviews.

1.10 Structure of the study

The study is structured into the following five (5) chapters:

Chapter 1 – Introduction: This chapter presents the ‘Introduction’, which provides the background to the study, what triggered study, the organization under study and the location where the study is being conducted. It also provides the details of the people affected by the study. Furthermore, it provides highlights on the aims and objectives, research questions, significance of the study, a brief methodology, limitations as well as the structure of the study.

Chapter 2 – Literature review: This chapter presents the ‘Literature review’, which provides the brief literature that will focus on the aspects attached to the research objectives. It will also provide a detailed analysis of the key concepts under study, i.e. Internal Audit, Enterprise Risk Management, Internal Controls, Combined Assurance and the like. Furthermore, this chapter will highlight different perspectives that the existing literature has of the concepts understudy. Moreover, this chapter will unleash the study objectives in detail as subheadings that will provide a thorough breakdown of what is the researcher’s investigation. It will also dwell much on the theoretical framework needed to support the topic under study. The researcher’s views of the existing knowledge available to support the study, whether there is a gap identified or not. The contributions in the form of the findings and researcher’s perspective supported by the findings will be revealed in this chapter.

Chapter 3 – Research methodology: This chapter presents the ‘Research Methodology’, which provides the type of, research methods the researcher will adopt to address the research question. The research question has four sub-questions and are expected to be answered through the mixed method procedures designed for the study, i.e. questionnaire and one on one interviews. Furthermore, it also provides a detailed approach to be used by the researcher to collect data from the research respondents. Moreover, it articulates the purpose and objectives of the study. It also pin discussions on research philosophy, research population, sampling, pilot study, data analysis, validity and reliability as well as ethical consideration. This chapter also reveals the outcome for the interviews conducted in order to understand the views for the respondents regarding the service provided by the Internal Audit as well as the Enterprise Risk Management processes. Out of ten (10) respondents sampled, eight (8) participated in the interview questions. They were all asked eight (8) same questions and the responses were analysed to determine the theme conveyed by different views. The category for the respondents included executive directors, directors and Managers.

Chapter 4 – Findings and Interpretation: This chapter presents the research findings on both methods conducted, questionnaire and research interviews. The results of a questionnaire method shows the response rate, and results on all 20 questions in the questionnaire. It also presents the outcome of the research interviews conducted with different respondents at different levels of employments. The results from questionnaires were analysed using graphical pictorial presentations, whereas a thematic analysis was used for to analyse outcomes for research interviews.

Chapter 5 – Research recommendations: This chapter presents the conclusions and recommendations on how to create awareness and understanding of roles and responsibilities of these major internal control processes.

1.11 Conclusion

Resistance to internal controls leaves much to desire on accountability as a critical governance principle. With the procedures that the researcher is content to perform in conducting this study, it is expected that all questions s/he has about the problem will be answered. It is also believed that the unknown will be known; parties involved in study will benefit on the outcome of the study and expectantly the custodians of the two (2) major internal control processes in question. The University community will understand the necessity of adopting the Internal Audit function and Enterprise Risk Management in the operations of the institution. Appropriate, relevant and adequate recommendations will be provided to address the root causes.

The next episode is chapter 2, which focuses on literature review that its aim is to support and back the study.

Chapter 2

Literature review

2.1 Introduction

The previous chapter introduced the study by providing the background, objectives and aims of the study. This chapter reviews and exploits literature available to support and back the opinions and views as well as new discoveries to develop the evidence to hinder the study. Labaree (2009) defines literature review as surveys books, scholarly articles, and any other sources relevant to a particular issue, area of research, or theory, and by so doing, provides a description, summary, and critical evaluation of these works in relation to the research problem being investigated. This chapter introduces the study by presenting key concepts for the study, the purpose of the Internal Audit, the need for Enterprise Risk Management process, Research Objectives, Theoretical Framework, Gaps identified in the study and a Conclusion.

2.2 Defining key concepts

Internal Controls - is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

Internal Auditing - is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Enterprise Risk Management - Enterprise Risk Management (ERM) is the process of planning, organizing, leading, and controlling the activities of an organization in order to minimize the effects of risk on an organization's capital and earnings. Enterprise Risk Management expands the process to include not just risks associated with accidental losses, but also financial, strategic, operational, and other risks.

Risk - A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action.

Governance - Governance is the way the rules, norms and actions are structured, sustained, regulated and held accountable. The degree of formality depends on the internal rules of a given organization and, externally, with its business partners.

2.3 Research Objectives

Research Objectives are a critical component of a successful research engagement (Lyons, 2017). This study seeks to interrogate the awareness of the University Community of the Internal Audit and Enterprise Risk Management; Acceptance of Internal Audit and Enterprise Risk Management; Factors influencing the University Community perception of Internal Audit and Enterprise Risk Management and to Recommend measures that can create UKZN community awareness of necessity of the Internal Audit as well as Enterprise Risk Management as major internal control measures.

2.3.1 Awareness of the Internal Audit and Enterprise Risk Management Process

Creating awareness of the necessity of the Internal Audit and Enterprise Risk Management process is of paramount importance for these major internal control processes to be known and understood by the University Community in terms of their roles and responsibilities. It is therefore critical for the researcher to understand the level of awareness that the University Community has of these two processes. The general perception of the Internal Audit by the University Community is rather a mystery that calls for a scientific process to ascertain its standing. This contention culminates from the negative responses in a way of negative rhymes and downward trend of the interest displayed by University Community in dealing with the Internal Audit function.

The general principle based on scholarly articles about creating the awareness of the Internal Audit function is through the marketing of the Internal Audit function. The prevailing general knowledge regarding how the Internal Audit is perceived in organisations is misconceptions even at high level. This aforesaid thought is supported by the pronouncement made by Restiana Linggadjaya in her August 2015 article, *Marketing the Internal Audit Function*, she made a contention that one of the objective of marketing the Internal Audit is, “To change the Internal Audit Image”. She further alluded that, “The importance of Internal Audit has been increasing, however the perceptions may not reflect this. Internal Audit is no longer an underdog but a cornerstone of the success of every organization”.

Part of the effort of this study is to assess the understanding the University of the existence, roles and responsibilities of the Internal Audit function and Enterprise Risk Management in the institution. The prevailing condition would be revealed by the responses from the people involved in the study, such as the executive management, directors, managers, clerical staff members those that are in charge of governance. Also developing a risk culture is frequently viewed as just a requirement to be fulfilled rather than something that adds value to the institution. Without a clear agenda, many organisations find it impossible to cultivate risk-taking capabilities into its employee base.

In accordance with IIA Global toolkit (2015), ‘most people understand the role of general professionals such as doctors, lawyers, and teachers, consequently a campaign aimed to promote awareness of what doctors, teachers and lawyers do is not necessary’. The reality is that, this may not be the case for the Internal Audit profession. In fact, even those that are close to Internal Auditors, such as their friends and families do not understand explicitly what the role of an Internal Auditor is.

The aforesaid account is supported by the position that the Institute of Internal Auditors (IIA) is taking regarding the objective being examined that it supports the efforts to raise awareness of the Internal Audit profession and its value. In terms of IIA Global 2016, “the aim is not only to dispel misperceptions of the profession, but to enhance the business community’s knowledge of the essential role Internal Auditing plays in strong organisational governance, internal control, and effective risk management”.

Richard Chambers (2014) in his article supports the notion of creating awareness with Internal Audit's stakeholders when as he made a contention that, ‘Sometimes It Takes Marketing’. He felt that in order for the Internal Audit to go out for help it is critical that before they could change their stakeholders' perceptions about Internal Audit, they would have to become marketers that are more proficient. They needed to convince the entire team that marketing was a crucial responsibility. Eventually, they became comfortable with the concept of marketing their services. They also found that key messages about Internal Auditing could be delivered more effectively if they armed the audit staff with the proper tools, techniques and, most importantly, information. They made a strong recommendation to those that are undergoing similar conditions regarding creating awareness of the Internal Audit. They emphasized that they to begin by designing a comprehensive marketing strategy incorporating a number of tactics that could prove useful in achieving an Internal Audit marketing strategy. The recommended strategies included, holding one-on-one conversations with key stakeholders; developing a professional presentation; build marketing

messages into periodic reports on Internal Audit's performance; develop and distribute an Internal Audit brochure and create an intranet site for access by the organisation's executives and employees.

Ala Abu Naba (2015), also concluded in his article Marketing Internal Audit Services, that, ' Marketing helps in enhancing not only professional relationships but also most importantly the personal ties with stakeholders and hence replacing the image of the policeman with the image of the business partner who is there to add value'.

An addition to creating an awareness of the Internal Audit and Enterprise Risk Management are the views provided by ORIMA (2015) in his journal, as he alluded that, 'increasing the visibility of Internal Audit will improve stakeholders perception of audit's role; improve stakeholders awareness of Internal Audit's services. He further stated that increasing the visibility of Internal Audit will ensure stakeholders understand the value of Internal Auditing; reduce false expectations and frustrations; facilitate increased communication and build stakeholders trust and confidence'.

2.3.2 Acceptance of Internal Audit and Enterprise Risk Management function

In addition to the *awareness that* should be created of the Internal Audit function and Enterprise Risk Management as major internal control measures *is the acceptance of these by* the University Community in ensuring that the breakdown of internal controls in the institution is mitigated. Internal Audit is said to be the organisation's critical friend, this is in accordance with the best practice on Corporate Governance, 2016. Over and above its general role of providing an independent assurance on the effectiveness and adequacy of the design of internal controls, Internal Audit is also there to provide insight and foresight to the executive management on how to discharge its responsibilities. The study should be able to bring light on the status of the existing relationship between the University Community, Internal Audit and Enterprise Risk Management process. The conceived feeling by the custodians of the Internal Audit function and those in-charge of Enterprise Risk Management process is a barrier that prevents them from reaching out to the University Community. They feel that there is a denunciation by those in charge of operations and to some extent at strategic level.

A different account provided by other scholars provides insight and even expand the conversation further around the acceptance of Internal Audit function and Enterprise Risk Management process as it articulates that management tend to commit resources in these governance processes when they appreciate the value

derived in engaging Internal Auditing and that of Enterprise Risk Management process(IIA Standards, 2016). It has also been founded that when management put in a well-rounded effort to market Internal Auditing accurately to the stakeholders outside the profession, a heightened understanding of the profession is achieved, consequently, the level of acceptance improves (IIA, Standards 2016).

2.3.3 Factors influencing Community perception of Internal Audit and Enterprise Risk Management

The study also seeks to investigate factors influencing the denunciation of the Internal Audit and Enterprise Risk Management process. It is important to note that the study is conscious of the important attributes that the Internal Audit and Enterprise Risk Management need to possess in order to effectively discharge its responsibilities. These elements are namely: ***Competent staff; Competent Leadership; Management support and Organisational independence*** (IIA Standards, 2016).Some of these elements are coined from the IIA Code of Ethics that makes mention of the four principles that Internal Audit professionals need uphold, namely: Integrity, Objectivity, Confidentiality and Competency. This study ‘bears’ these elements in ‘mind’ as it *examines factors influencing* the University Community perception of the Internal Audit and Enterprise Risk Management process.

Gustavo de Freitas Alve et al (2017) has perceived factors influencing Enterprise Risk Management process in their article, *Perfection of Enterprise Risk Management in Brazilian Higher Education Institutions*, as “limited training offered to staff, undefined department structure, lack of interest shown by public service reduced budget and low engagement of top management with ERM”.

2.3.3.1 Competent staff and leadership

The Institute of Internal Auditors South Africa (IIA SA) defines an Internal Audit Professional an individual with an academic qualification, who has gone through the IIA SAs structured on-the-job training program (Professional Training Program), has gone through a test of competence (IAT, PIA and CIA) and who is a member of the IIASA. These four elements must be in place as they speak to the Internal Auditor’s competence and accountability to a code of ethics.

Section 4 of The IIA Code of Ethics - Competency pronounced that Internal Auditors shall engage only in those services for which they have the necessary knowledge, skills, and experience. “They shall perform Internal Audit services in accordance with the International Standards for the Professional Practice of

Internal Auditing and shall continually improve their proficiency and the effectiveness and quality of their services”.

Moreover, the IIA Standard 2030 places emphasis on resourcing of Internal Audit departments that it is critical important to ensure the effectiveness of the internal audit function. The Chief Audit Executive’s should sufficiently, appropriately, and effectively deploy resources to achieve the internal audit’s mandate.

Appropriate Internal Audit resources in the IIA standard 2030 refers to the mix of knowledge, skills, and other competencies necessary to perform its duties. Whereas sufficient refers to the *quantity* of resources needed. The effective deployment of resources is when they are used in a way that enhances the achievement of its mandate.

2.3.3.2 Organisational independence

Internal Audit Auditors have to maintain its independence in all its activities, so that they are able to make objective observations that will allow them to provide unbiased audit opinions (IIA Code of Ethics – Objectivity). A conflict of interest has to be declared on assignments to be performed. This said participation includes those activities or relationships that may be in conflict with the interests of the organization. It goes further to state that Internal Auditors shall not accept anything that may impair or be presumed to impair their professional judgment or independence. Internal Auditors shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

2.3.3.3 Management support

The prevailing evidence revealed by the existing literature on factors influencing the perception of Internal Audit is through the study that was conducted in South Arabia, which its results suggested that *management support for Internal Audit Services* drives perceived effectiveness of the Internal Audit function from both management's and the Internal Auditors’ perspective. The study further pronounced that, ‘Management support is linked to hiring trained and experienced staff, providing sufficient resources, enhancing the relationship with external auditors, and having an independent Internal Audit department’. These findings are closely linked to the pronouncements made by the IIA Code of Ethics principles of Competency and Objectivity. There is a reciprocal relationship between objectivity and independence. The study obtained data from 203 managers and 239 Internal Auditors from 79 Saudi Arabian public sector organisations (Gwilliam et al, 2016).

Another prevailing evidence that supports the objective under study, which is to assess the perception of the University Community of the Internal Audit function and Enterprise Risk Management process, is found from the study that was conducted in South Africa Motubatse et al (2015). The element of management support has concluded as one factor causing a biggest challenge faced by the Internal Audit and Risk Management. Further to this challenge, lack of business knowledge is a major sad back to the Enterprise Risk Management process.

A different finding concluded by Sifile et al (2014) in their article called - *Internal Audit perceptions and their impact on performance of the Internal Audit function* is that, 'for at least three decades, auditors have been severely criticised as a result of failing to meet society's expectations as a result of the audit expectation-performance gap. Loss of confidence in the Internal Audit function is the impact of Internal Audit expectation gap not met. When auditors fail to do what society or the work force expects them to do, this will cause a negative perception'.

Moreover, Sifile et al (2014), in their article called '*Internal Audit perceptions and their impact on performance of the Internal Audit function*' alluded that, 'There are a lot of negative perceptions and misconceptions about Internal Audit, some negative perceptions are also caused by people who are after personal gain from organisation resources. They feel audit will uncover their secrets. So they want to discredit audit as much as possible so that the audit report will not be credible, these negative perceptions have an impact on the performance of the Internal Audit function'. The researcher went on further to say, 'Most companies in Zimbabwe do not have an Internal Audit function. Those that have the Internal Audit department, look down upon it. They do not take from the benefits that accrue from having Internal Audit'.

Owen (2000) expanded the discussion further by mentioning that the Internal Audit need not necessarily be viewed from an essentially negative perspective. He said we should not only be asking what is being achieved in the name of audit but also addressing some very basic matters regarding the type of values that society wishes to prevail. The type of benefits achieved through the work of Internal Audit. Improvements brought about by implementation of audit recommendations. The researcher agrees with Owen (2000) opinion, on the basis that management seldom acknowledges most of the good work done by the auditor. All the credit goes to management for implementing ideas recommended by Internal Audit, and no credit goes to Internal Audit.

Literature also reveals on the other hand factors influencing the perception of the Enterprise Risk Management process as the failure to implement a successful Enterprise Risk Management process (Owen, 2000). Lack of commitment from the executive management is one factor resulting to failure. Naturally, a successful Enterprise Risk Management in any organisation has a significant senior management close involvement (King IV on Corporate Governance, 2016).

It has also been evident in some scholars' accounts that there must be a comprehensive and consistent Enterprise Risk Management is also necessary to ensure that a holistic captivation of critical risks areas are addressed. Owen (2000) further revealed that revealed that, some organisations that attempted to implement Enterprise Risk Management processes failed or experienced setbacks that prevented them from expected benefits. These organisations have had significant challenges to embed ERM in their business processes. Failure has also been attributed to the lack of theoretical Enterprise Risk Management process knowledge and a poorly customized Enterprise Risk Management approach, incorrect or incomplete set-up of oversight structures to support the Enterprise Risk Management initiative and poor tone at the top, including ethical culture and lack of formalized business strategies. Moreover, insufficient financial and human resources to support the implementation and preservation of the Enterprise Risk Management process as well as poorly defined Enterprise Risk Management language has contributed to the experienced failure.

Kanhai et al (2014) in their article, *factors influencing the adoption of Enterprise Risk Management*, made contention that, "there is a very strong correlation between considering culture and successful ERM implementation". They further stated that Risk Governance Structure of an organisation is influential in the adoption of ERM as it determines how risk management will be organised in the institution. Another element that was noted is the size and complexity of institution as playing a pivotal role as larger institutions make ERM more important.

2.3.4 Measures that can create Community awareness of necessity of the Internal Audit as well as Enterprise Risk Management as major internal control measures.

Recommendations are drawn from the results predicted by the outcome of the study (Evans, 2014). The researcher presents interpretations of the results given in, also draw conclusions from the analysis of these results, and then make recommendations based on the analysis. The researcher tells the reader what the results mean and what actions should be taken as a result of their findings. This section provides the

researcher an opportunity to discuss the meaning of the results beyond what they mean statistically; that is, interpret the findings and indicate what can be concluded from them. The researcher confirms through discussion, indicate whether the results confirm, totally or in part, the original expectations or predictions. For each hypothesis, indicate whether it was supported and why.

The researcher also discusses the relationship of the results to the original problem description and when making recommendations, the researcher shows how the results support theme (Evans, 2014)

2.4 Theoretical Framework

A theoretical framework provides the researcher a good scientific research base, which is used to support the rest of the dissertation. A researcher has the foundation to back the findings and new revelation of the study. It is the collection of findings and statements made by other scholars in relation to the topic under study. It provides a researcher an in-depth understanding regarding the theories, key concepts and models that relate to the topic (Vinza, 2015).

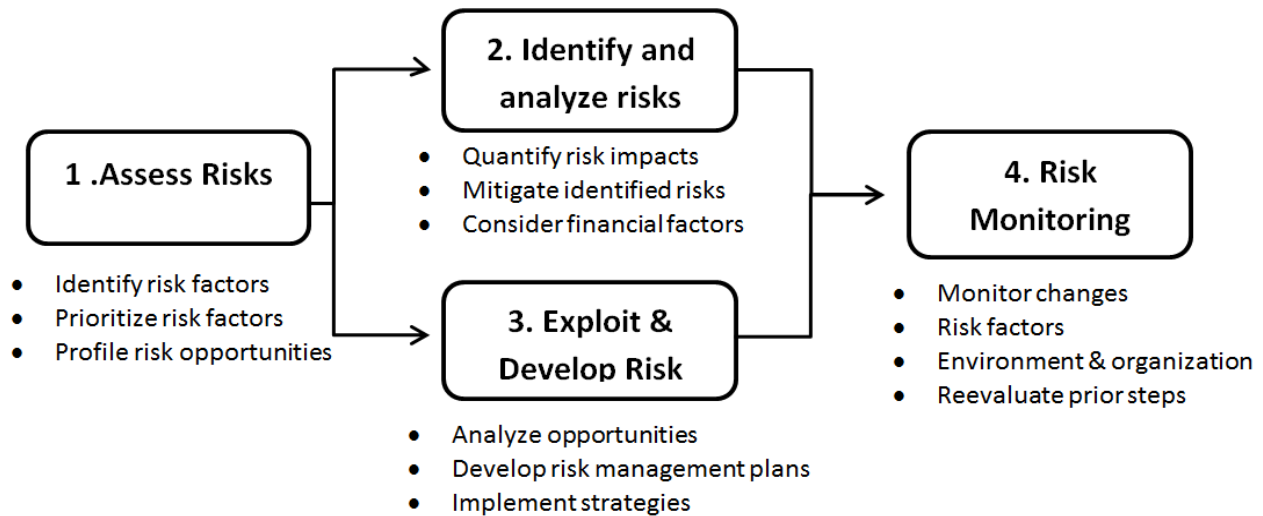
2.4.1 Governance

Governance is instituting by formation of rules and procedures within all levels of an organisation and design feasible strategy transmit them to relevant stakeholders (Dornberger, et al, 2014). Having an adequately controlled environment enforces a culture of good corporate governance that is based on the rules, processes, policies and legislation with which an organisation needs to comply. The way the organisation sets out its policies and its processes and procedures determines its achievement of its strategic and operational objectives. The two (2) major control processes, *Internal Audit and Enterprise Risk Management* enforce accountability and foster a disciplined system of internal control by ensuring that strategic risks are identified, mitigated through adequate processes and regular evaluation to assess effectiveness thereon.

The nature of Internal Audit mandates which is to provide an objective opinion on status of risk management, governance and controls is to some extent relays a message to management that they need to be proactive in setting a controlled environment (COSO, 2004), therefore enforcing a culture of responsibility and accountability (King IV on corporate governance, 2016). Enterprise Risk Management on the other hand provides a platform for management to identify risks that may hinder the success of the organisations objectives and ensures that appropriate strategies are design to mitigate identified risks.

Organisations follow the same way of managing risks as prescribed by COSO in the ERM framework as in the diagram below.

Below is how risk should be treated, COSO 2004 adapted



Risk assessment is necessary to surface all levels of risks affecting the organisation both at strategic and operational level. Risk identification should not be a once off process due to nature of businesses and technology that is ever-changing, therefore new risks and opportunities need to be accurately captured through a follow up risk assessment. Risk identification and analysis is a process assess the likelihood of occurrence of risks and impact they may have in an organisation’s processes (COSO, 2004). Further to risk identification and analysis, is the control activities which is how management respond to risks identified. Generally, risk management should create value and enhance stakeholder’s value. Furthermore, it should be an integral part of organisational processes, so it should be part of the decision-making process (Dornberger et al, 2014).

2.4.2 Internal Auditing

Internal Audit is a multidimensional discipline that spans over all sectors that has evolved to a key position within organisations. The organisation’s critical friend is how an Internal Auditor is described. This is due to the mandate, roles and responsibilities of being the independent advisor Internal Auditors carry. Internal Auditors propose the change, they are change catalysts, and they propose improvements in processes with the objective of ensuring that the organisation as a whole can achieve its strategic objectives.

Internal Auditors are there to provide advice to management. They act as the right hand of the Board of Directors through the Audit Committee by providing assurance on the organisation's ability to meet its objectives, its governance, risks and controls.

Principle 5.7 of King IV report on Corporate Governance also highlights the necessities of the Internal Audit function and place emphasis on the resourcing of the function. It states that Internal Audit function should be resourced with a knowledgeable and independent team. Moreover, resourcing of the Internal Audit function should consider business disruptions that are fast tracking change, causing the up skilling of the internal audit team, matching and supporting with appropriate tools and audit techniques an utmost necessity.

King IV report on Corporate Governance (2016) continues to say, "Internal Auditors should have the appropriate technical and business skills to ensure that they are connected to the realities of the business and organisational dynamics of the company". The Chief Audit Executive needs to possess strong leadership skills, a facilitator and command strong business analysis skills.

2.4.2.1 The purpose of the Internal Audit

The two major governance roles for Internal Auditing concerning control systems is monitoring risks and providing assurance on the adequacy and effectiveness of the controls thereof. The definition of the Internal Auditing as framed by the Institute of Internal Auditors (IIA), a body that oversees the Internal Audit profession is "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes". The Internal Audit function has a Charter, which articulates its purpose, authority and responsibility. In any organisation, Internal Audit function is regarded as a control measure, thus assisting an organisation to obtain clean audits through performance of assurance and consulting reviews on all operational and strategic processes.

Intosai (2002) agrees to the aforementioned views that as he pronounces that the role of Internal Auditing has evolved from focusing on compliance, to an important component of good governance. In many cases, the existence of Internal Auditing is mandatory. He further articulates that, Internal Auditing has become a factor of the new accountability and control era".

Moreover, the IIA Standards advocate for a strong system of internal control that is monitored by a well-resourced Internal Audit activity as a fundamental feature of good governance. With all this prevailing evidence and intelligence that illustrate and support for the necessity of the Internal Auditing in organisations, there should not be so much resistance from the University Community.

2.4.2.2 The need and role for the Internal Audit

Internal Audit is a discipline that cuts across all sectors and has evolved to a strategic function in any organisation. The Internal Audit function is often described as the organisation's critical friend – an independent advisor who can challenge current practice, champion best practice and be a catalyst for improvement and change with the objective of ensuring that the organisation as a whole can achieve its strategic objectives (King IV on Corporate Governance, 2016). As advisors to management, Internal Audit function act as the right hand of the Board of Directors through the Audit Committee by giving independent assurance on the organisation's ability to meet its objectives, through evaluation of the organisation's governance, risks and controls. The Internal Audit function often has input into strategic planning, market analysis, compliance, change management and the use of information technology.

Furthermore, a continual rapid changes as well as the complexity of business, organisational dynamics and the regulatory environment require organisations to establish and maintain an effective Internal Audit function. King IV on Corporate Governance (2016), the board should establish that there is a risk-based Internal Audit function. The board should fully document and disclose reasons in the integrated report, when in its discretion, decides not to establish an Internal Audit function. The disclosure should explain how adequate assurance of an effective governance, risk management and internal control environment is maintained.

King IV on Corporate Governance (2016) further articulates that Internal Audit should be risk-based and Internal Auditors should furnish an annual assessment to the audit committee on the adequacy of internal controls. The audit committee needs to report fully to the board regarding its conclusion arising from the Internal Audit assessment. This will give substance to the endorsement by directors of the adequacy of internal controls in an organisation. Furthermore, it spells out that the key responsibility of Internal Audit is to assist the board and its committees in discharging its governance responsibilities by:

- Performing an objective assessment of the adequacy and effectiveness of risk management and all other elements of the internal control framework;
- Providing a source of information, as appropriate, regarding instances of fraud, corruption, unethical behavior and irregularities.

The Internal Audit function needs to become more proactive in identifying and mitigating the current key risks of the organization. In terms of the IIA standard 2050, - Coordination of Assurance Providers, more effective coordination between assurance functions is a critical element in order to leverage an optimum risk management process. In the survey that was conducted by an audit firm KPMG, it was evident that nearly half of the organisations currently track risk through a compliance function, half as many through their legal function and only nine percent through an Enterprise Risk Management Function. Stakeholder responses also indicated that they care more about how Internal Audit was responding to risks, especially emerging risks, than about what function was accountable for risk tracking. This suggests that a stronger alignment of Internal Audit with other assurance functions within the organisation, for example Compliance, Legal or Risk Management, is needed when it comes down to developing the strategic audit.

2.4.2.3 Promoting the Internal Audit Profession

Defining the mandate, roles and responsibilities is the responsibility for all organisations that are providing a service or selling a product. In most organisations, marketing is part of strategic processes that support value creation in the value chain of the organisation. Most organisations rely on marketing their products or services to capture the response of their targeted audience. Equally-importance with Internal Audit is to create awareness of the mandate for the function to relevant stakeholders to ensure roles, responsibilities are clearly defined, and misconception are eliminated. Further to what has been stated above regarding creating awareness of the Internal Audit, the custodians can make a resolute effort to represent Internal Auditing accurately to people outside the profession; this will enhance others' understanding of the profession and influence opinions (IIA, 2017)

2.4.2.4 Some challenges facing the Internal Audit function

Like any other profession, Internal Audit is faced by the challenges that are haunting the entire audit profession as a whole. Some of these challenges represent opportunities; they strengthen the profession as they are being overcome. One of these challenges has been to source the appropriate talent for Internal Audit positions (McCaffex, 2016).

Internal Audit has many steeplechases to overcome of which the major one is meeting patronizing expectations. Internal Audit has defined its value proposition as delivering on these expectations. The type of challenges faced by Internal Audit include, developing a *Workforce Strategy*, *Becoming a Trusted Advisor*, *Delivering Added Value* and *Leveraging Technology* to promote efficiency in the delivery of the audits.

2.4.2.4.1 Developing a Workforce Strategy

The challenges identified around sourcing the suitable qualified individuals with the unique set of skills is the training needed to be successful in the modern Internal Audit department. In accordance with the King IV report on Corporate Governance (2016) makes mention of critical skills and attributes needed in the Internal Audit department that include analytical abilities, business knowledge, ability to communicate well, integrity, courage, conflict management skills, and many others.

Since it is felt that it is difficult to source these skills, King recommended that aligning HR recruitment strategy to the talent needs of IA help as it allows recruiting or developing the talent needed.

2.4.2.4.2 Becoming a Trusted Advisor

In terms of King IV, report on Corporate Governance one of the King outlined was building trust. He felt building trust can take long but can be a blink of an eye to damage. He said trust and credibility are important attributes in the Internal Audit profession. He further made an emphasis that these two (2) attributes are earned. Transparency, fairness, candid, and personable are elements of earning trust and credibility. He said becoming a trusted advisor includes, ‘being able to offer business units more insight and foresight than hindsight’.

2.4.2.4.3 Delivering Added Value

The nature of work provided by Internal Auditors which is to provide insight and foresight on management as well as evaluation of business processes for adequacy of controls and compliance to legislation create increased stakeholder expectations from Internal Audit perspective with an added task of Internal Audit function becoming more of a trusted advisor. Internal Auditors have to tackle business disruptions and become agile in their response. This means they have to be prepared for the change (Navigating business disruptions- PWC (2017)). King IV report on Corporate Governance (2016) places an emphasis on the

need for Internal Audit to be better equipped to provide assurance over regulatory compliance, third party relationships, cybersecurity, IT governance and emerging markets.

2.4.2.4.4 Leveraging Technology

The final challenge that King explored was the need to do a better job at leveraging technology in Internal Audit including using data analytics. He tied technology back into the first challenge of finding the right people with the right skills. Indeed, many Internal Audit departments admit they are struggling to find good IT auditors. Data analytics is becoming an increasingly important tool for Internal Audit to leverage. He enlisted the help of some data scientists and put the focus on the data, rather than the tools. Now we are taking that data and getting to see things we have not seen in it before. ‘King ended his talk with some good advice for all Internal Auditors on conquering these challenges. There are three things we need to do to be successful: you have to drive change, you have to have passion, and you have to stay relevant’.

2.4.2.5 The Evolution of Internal Auditing

The traditional auditing method has evolved, moving from only evaluation of control procedures to a quite involved and mature approach that evaluates and improves risk management. A risk based “Internal Auditing in line with King Report on Corporate is what the audit profession has adopted. Unlike the traditional approach to Internal Audit that has always focused on identifying transgressions and encouraging compliance with regulations. Internal Audit departments have recently turned their efforts towards an integrated approach to risk management (Fulop, 2017). This evolution was brought about changed in technology, business, and market and industry regulations. The revolutionized outlook of Internal Auditing involves moving from a document-centric approach to a data-centric approach, making use of technology. As technology and business, so too does with business processes. Internal Auditing is one of the processes that has automated its field leveraging the value of technology. The nowadays-centralized technology frameworks assist Internal Audit in identifying, assessing, and monitoring risks and controls. This phenomenal allows a transition from a document-centric approach to a data-centric approach. The added advantage is an increase in the efficiency and accuracy in reporting across the Internal Auditing process. Some of the strategies that Internal Audit functions have employed is the use of “continuous auditing” with a view to analyze, and report on issues in a near real-time environment.

2.4.3 Enterprise Risk Management

Jun Ying Liu et al (2014) shared his views around the issue of Enterprise Risk Management as follows, Enterprise Risk Management - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2004. In addition, King IV on Corporate Governance Principles and Guidance for the Enterprise Risk Management (ERM) have become widely used and studied ERM standards. These frameworks describe key principles and concepts of risk management and provide a common language, besides offering direction and guidance to implement risk management. In COSO (2004) framework, ERM is defined as a process, affected by an entity's board of directors, management, and other personnel, applied in formulating strategy across the enterprise, and designed to identify potential events that may affect the entity.

The Enterprise Risk Management process is essential to all organisations irrespective of sizes and complexity. In small organisations, it is easy to embed a culture of risk management than huge organisations because such organisations are young and flexible enough to adapt their culture. Adopting a conservative or aggressive risk management culture has been evident as the winning approach to risk. Literature and experience tells us that scarce resources may have a negative effect on the organisation's ability to implement appropriate and effective risk management processes (King IV on Corporate Governance, 2016). The management of the organisation is accountable to the board for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the organisation. Management should design and implement measures to inculcate a culture of risk management in the organisation that should be embedded within its operations, decision-making processes and the execution of strategy.

It is also critical to explore other literature available that highlights accounts on risk management processes. The Risk Management Framework-COSO involves establishing context, which includes an understanding of the current conditions in which the organization operates on an internal, external, and risk management context. It also involves identifying risks, which includes the documentation of the material threats to the organization's achievement of its objectives and the representation of areas that the organization may exploit for competitive advantage. Another critical element of COSO is risk analysis, which focuses on the prioritisation and assessment of likelihood and impact of material risks (www.AssignmentPoint.com)

2.4.3.1 The need for Enterprise Risk Management process

Nowadays businesses are operating in the VUCA (volatility, uncertainty, complexity and ambiguity) world, consequently a need for management to place focus on the management of risks relating to all aspects of their businesses. The management of risks in any organisation is defined as Enterprise Risk Management (ERM), which describes the set of activities that businesses assume to address the range of all the diverse risks that face it in a holistic/strategic/integrated manner (COSO, 2004). The nature of risks involved include inter alia: operational, financial, environmental, strategic, and compliance risks, cutting across through the organization.

In the VUCA world, several frontiers have substantially driven the need for Enterprise Risk Management. These includes increase in the following :1) Greater transparency, 2) Financial disclosures with more strict reporting and control requirement 3) Security and technology issues; 4) Business continuity and disaster recovery plans; 5) Focus from rating agencies; 6) Regulatory compliance (laws and regulations); 7) Globalization in a continuously competitive environment.

Gleim, (2016) defines Enterprise Risk Management as, ‘a process to identify, assess, manage, and control potential events or situations to manage risks to be within its risk appetite, to provide reasonable assurance regarding the achievement of organisation’s objectives’.

A risk is defined by the Institute of “Internal Auditors South Africa (IIA SA) as the possibility that the event or action may negatively affect the organisation or activity under review or may hinder the organisation from achieving its objectives. This definition implies that if risks are not managed, the likelihood that the organisation will meet its objectives is wry. King IV on Corporate Governance (2016) articulates that the Enterprise Risk Management process is a management process – meaning that leadership needs to set a good control environment that will enforce an ethical culture and compliance to Laws and Regulations by ensuring that there are adequate mitigating strategies in place to curb events that may cause threats in operations.

It is common understanding that proper risk management and internal controls help organisations understand risks they are exposed to, put controls in place to counter threats, and effectively pursue their objectives. Risk management is therefore an important aspect of an organisation’s governance, management, and operations.

King IV on Corporate Governance (2016) further articulates that risk management should be intrusive and should not be viewed only as a reporting process to satisfy governance expectations. The rigors of risk management should seek to provide interventions that optimise the balance between risk and reward within the organisation. Section 4.2 of King IV report on Corporate Governance (2016) outlines how risk should be managed and by whom as follows:

Management is accountable to the board for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the organisation. The CEO should be at the forefront of the adoption or upgrading of the risk management plan, but involving the management at all levels within the operations will enhance risk management. Risk management remains the primary responsibility of line management, which should be regarded as the first line of defense. This should be reflected in individual letters of appointment, key performance areas and reward systems. To the extent that risk experts are appointed to assist line management, such individuals are not primarily responsible for risk management, and should be regarded as a second line of defense. Line management cannot abdicate their responsibility for risk management to such risk experts. Other assurance providers such as Internal Audit constitute the third line of defense, and provide assurance on the effectiveness of the system of risk management and related mitigating actions including internal controls. Management is required to appoint an organisational a Chief Risk Officer to assist in the execution of the risk management process; however, accountability to the board remains with management. Roles and responsibilities will be determined by considering the organisation's current risk related decision-making structures and framework of authorities.

2.4.3.2 Enterprise Risk Management's Value measurement

In a diverse economy driven by positive return on investment, there is often a struggle to validate sufficient ERM value to justify implementation costs. While traditional investment decisions are evaluated using common risk and reward metrics such as return on equity (ROE), return on assets (ROA) and risk adjusted return on capital, ERM value drivers are less prescriptive (Negus, 2010).

Another challenge identified with ERM is that enterprise risk assessments are performed using a variety of approaches and tools, including surveys, interviews and historical analysis. Each approach offers its own value and drawbacks that must be closely reviewed to determine organization suitability. Furthermore, the question regarding who should be the custodian of ERM is often unclear and commonly

disputed at the board, audit committee and management levels. Generally, risk is primarily owned by line management with oversight from independent risk, compliance and management oversight functions.

2.4.3.3 Misconceptions about Enterprise Risk Management

Eventhough Enterprise Risk Management (ERM) has become generally recognized as an expectation of good management and Corporate Governance since its introduction in the late 1990s. It has been evident through surveys and research that many organisations still struggle with ERM implementation. One of the challenges organisations face when implementing ERM is misconceptions that limit the success rate and ability to implement ERM that it is for compliance only and a control process (Johnson, 2012)

2.4.3.4 Benefits for Enterprise Risk Management

In accordance with best practice on King report on Corporate Governance of (2016), Enterprise Risk Management benefits an organisation with the alignment of risk appetite and organisation strategy, this ensures risks are within defined manageable limits. It also enhance risk response decisions, which is to ensure that selected decisions optimises resources. Furthermore, it minimises operational losses, which ensures that potential risks are identified, assessed, prioritised and responses are established thus reducing the occurrence of surprises due to the changing business environment. It also assist management of the organisation with identifying and managing cross-enterprise risks, this ensures that the risks the entity faced are identified, their relationships and their impacts are known. Providing integrated responses to multiple risk, which ensures that all related risks are addressed cost effectively. Seizing opportunities which risks are identified as well as potential opportunities. Improving deployment of capital - this ensures that management has robust information on risks to effectively assess the overall capital needs and enhance capital allocation. It is therefore right to say that the implementation of Enterprise Risk Management strategically implies that, if effective, it helps ensure, with reasonable assurance, that with the understanding of the complete array of risks that an entity faces, it can best achieve its strategic, operations, reporting and compliance objectives.

Enterprise Risk Management enables an institution to prioritise and allocate resources *against* those risks that underpin the continued sustainability of the organisation. In other words, an organisation's ability to maintain something of value (such as the delivery of services or products to customers) relies on its ability to understand and plan for those risks that may impede the achievement of its business objectives / goals or risks that could.

For some scholars it has become an indisputable quest that as businesses have grown and the world has become more interconnected, risk management approaches need to evolve. This thought has been supported by Hampshire (2012) as he stated that, ‘Enterprise Risk Management is a continuous process that seeks to identify, analyse, mitigate and monitor potential events that create uncertainty to the achievement of an organisation’s objectives’. His statement reinforces that an effective, integrated Enterprise Risk Management program can help an organisation identify and take action on risks that may be affecting the achievement of its core strategic objectives.

Naturally, ERM creates value in the organisations business as it looks at the goals and assess risks associated with set goals. Scholars Mazviona et al (2014) support this thought as they share their thought on the benefits of Enterprise Risk Management process. They made a contention that, ‘any financial institution that can demonstrate that it has, in fact mastered ERM internally will make itself more credible in the market place and, as a result, more likely to attract and retain increasingly sophisticated customers’.

2.4.3.5 Common challenges affecting Enterprise Risk Management process

The general experience is that implementing an Enterprise Risk Management process has been a mammoth task for most organisations due to some drawbacks haunting the process. One of the major pronounced challenges is the bottom-up’ approach used to control the process. The bottom up approach is said to be used to capture and document gigantic volume of risks that are ill defined and lack implicit. It has been discovered that culture adopted of capturing and recording risks rather than the actual management of key risks is one of the factors evidenced by risk managers arguing that, ‘they don’t want to ‘lose’ risks from their risk registers’ and lose focus on identifying and managing the material risks facing the organisation. Allocation of responsibility to risk manager is another factor that is identified as the most challenging to the Enterprise Risk Management. This condition culminates assigning Enterprise Risk Management in a junior portfolio, which result in a lack of buy in from the executive management. Further to the challenges identified is the inability for the Enterprise Risk Management process to engage effectively with the board to provide them with concise and customised risk reporting. Equally important to note is the silo condition that risk management processes are operating under within organisation, which is said to be crippling the process. This condition solidifies inconsistent and misaligned risk management processes across businesses; consequently, Enterprise Risk Management becomes just a concept rather than a reality

It has also been evident through Negus (2010) in his article ‘10 top challenges affecting implementation of Enterprise Risk Management’, that very few organizations find the implementation of Enterprise Risk Management easy. This is for the reason that it requires a rare combination of organisational accord, strong executive management and an appreciation for various program sensitivities. Nevertheless, ERM remains a critical process for the reason that it compels most organisations to step back, reflect and identify risks that may hinder the success of their goals, which is one of the first steps to protecting capital and driving shareholder value. While each organisation faces specific concerns, the more challenging ERM issues are generally consistent across organisations and are largely unrelated to industry, geography, regulation or competitive landscapes.

Mazviona et al (2014) also felt that there are still challenges in implementing ERM in organisations for the reason that each organisation must develop its own system, based on needs, culture and resources and this makes the implementation of a well- functioning ERM framework a major challenge in the management task. It is important for organisations to understand that the approach to Enterprise Risk Management should be integrated to the organisation strategy and be adopted by all employees of the organisations at all levels. This ideology is supported by the Mazviona et al (2014) as they further stated that, ‘managers must understand that ERM is not an academic exercise but a critical tool for executing the firm’s strategy and therefore, must be “sold” to and “bought into” by all levels of the organisation’.

It was also founded that communicating risks by Risk Practioners in the absence of a common risk language and a common risk culture was also identified as the key operational challenge alongside risk awareness amongst middle level staff, risk communication between different disciplines, accuracy, consistency and inadequacy of data.

2.4.3.6 Key foundations to promote a successful ERM process in the organisation

The following profiles highlight the importance of laying a solid foundation that should prepare an organisation for a successful Enterprise Risk Management process.

2.4.3.6.1 People and buy-in

The board, CEO and the executive team must fully support the process and actively promote it throughout the organisation (Hamill, 2016). Generally, Enterprise Risk Management should be driven from the top. Management should ensure buy-in from the business and across all divisions and business units. It is

critical to have the executive support. It is said that it is critical to have a working ERM because the boards have a high level of interest, even the executive management see enterprise management as integral to achieving business objectives.

Another critical aspect that is said to promote the buy-in for the Enterprise Risk Management process is the appointment of a risk leader who will lead, drive and direct the process. Most organisations have chief risk officers; this is in line with the provisions of the King IV report on Corporate Governance. This individual should be a senior executive and be seen as part of the leadership team. This directs the message that risk and risk management is important and a fundamental part of administering a successful business. If any of these two elements is weakened, or not in place, the entire Enterprise Risk Management process will be undermined (King IV on Corporate Governance, 2016).

2.4.3.6.2 Focus on what is important

History reveals that too much risk management floods the details, therefore hinders critiques with low-level risk analysis. With risk management, it is important to establish the events that could have a significant impact in the success of your business. This process is called risk identification and should be linked to the organisation's goals and events that will prevent these outcomes from being achieved. These palpable points are something many organisations omit in the initial stages of risk identification. It is of no use to conduct risk assessments that do not emphasise the importance of the linkage between business objectives and risk as these result in risk analysis tends to include many risks that are not material and don't have a significant impact on the organisation's objectives (COSO, 2004). In terms of the best practice on Corporate Governance (2016), strategic risks should not exceed 25. The same thinking also applies at the division and business unit level.

2.4.3.6.3 Align risk and business planning

Risk management should be a core component of your organisation's strategic planning process. By definition, risk management and business planning should be highly integrated. In many organisations, risk management is treated as a stand-alone corporate activity that is seen as a 'requirement' but does not actually integrate with the business. This is generally seen as a critical success factor. It has made Enterprise Risk Management one of the core elements of its annual business planning process. Indeed, its risk management process has been extended to all large projects throughout the company. Surprisingly,

one of the main culprits for lack of integration can be Internal Audit when the Internal Audit risk assessment into the wider business risk assessment. Consequently, the Internal Audit department can often become the owner of the risk assessment and risk management framework. Internal Audit does have an important role to play in an effective ERM framework. A careful consideration should be made on the involvement of different stakeholders within the organisation to ensure that management takes full ownership of its own risk management process.

2.4.3.6.4 Integrate ERM across the business

Enterprise Risk Management need not be administered by different process without any integration of ideas and that would amount to duplication of efforts within the organisation. It is that a combined approach to risk provides an optimum way to leverage risk management processes in the organisation. The combined approach if appropriately adopted ensures cost reduction as will ensure risk reporting is refined before it reaches senior management and the board. ERM encourages collaborative thinking about risks. Risks do not exist in silos (Hamill 2016). This reinforces the conversation that the best way to achieve this integration is by linking the risk process into the strategic planning process.

2.4.3.6.5 Risk reporting

Executive management and boards are requiring risk reporting of higher quality that emphasises on material risks and strategies adopted to manage these risks. Risk reporting should focus on provide appropriate, relevant and useful information on the organisation risk management processes. In the integrated reporting earlier highlighted, Internal Audit can play a pivotal role in risk reporting due to the nature of its scope, which include an independent evaluating the adequacy and effectiveness of risk management processes in the organisation.

2.4.4 Leadership

Shriberg et al (2011) defines leadership as a 'process of influencing others with your decisions'. Therefore it is critical important to influence others in the organisation with decisions that are ethical. Hitt et al (2015) agrees with the aforesaid view as he defines ethical leadership as 'practicing a high standard of ethics and true appreciation & leveraging of diversity'

2.4.4.1 Leadership and followership as phenomena

Leadership has been widely interpreted by scholars such that there are so many theories and divergent views that define or describe the phenomena, but what seem to be interesting of all, is the thought presented by the scholar Edwin P. Hollander in his article, *The Essential interdependencies of Leadership and followership* –that ‘leadership is a process not a person’. Barnes (2016) also supported the ideology pinned above that Leadership does not rest with a single person but is a pluralist and fluid. Furthermore, Gassaway (2006:1) presents a different view as he defines leadership “as the ability to influence a group towards the achievement of goal”. The definition provided by Gassaway support the theory of follower and leadership as it depicts that in order for one to earn a leadership status, he or she needs to be able to influence others. The people being influenced by the leader are available in the space of that leader, and these people are referred to as followers. Followers are a crucial element of leadership. Without followers, there is nothing to lead, therefore in order to balance the leadership equation, both variables - a leader and a follower must exist. Bringing the phenomena in the context of this study, both executive management, senior management, and junior management regardless of the levels of their roles are equally important to making up the research population for this study. It is critically important to study their thoughts, perspectives and perceptions they have of the Internal Audit as well as Enterprise Risk Management process. The relationship between the study and the concept of leadership is the role of leadership in the institution, which is to set the tone at the top – ensuring that sound internal controls are put in place to ensure potential risks are mitigated - and that includes ensuring Internal Audit and Enterprise Risk Management process forms part of the University daily operations.

2.4.4.2 The value of leadership in Internal Audit

Olavsrud (2016) conducted a study that focused on Internal Audit functions leadership. The study concluded that more than 50 percent of participating respondents believed Internal Audit is contributing significant value to the business.

The study also founded that 62 percent of stakeholders have a high expectation on the value from Internal Audit. Whereas, 55 percent expect Internal Audit to be a more agile, adapt to business disruptions change. The value of the leadership in the sphere of Internal Audit profession was also interrogated, which founded that there is a tremendous relationship between a strong leadership and effectiveness of Internal Audit.

Moreover, the element of management support was highlighted as another key to the success of Internal Audit function.

2.4.4.3 Create and follow through on a vision.

The study revealed that very effective Internal Audit leaders possess a strong vision that aligns with both the organisation's strategic direction and stakeholders' expectations. These leaders are visionary and design strategies to actualise their visions. They invest in technology and ensure to keep abreast of developments in the audit profession.

2.4.4.4 Source and retain the right talent.

The study founded that Chief Audit Executives (CAE) place emphasis on talent and design strategies to curb talent shortages. Moreover, CAEs keep track of business disruption caused by the evolution of technology or by changes caused by the nature of environment they operate under and become adaptive and agile to align with the stakeholder expectations.

2.4.4.5 Empower the Internal Audit function.

The organisational position of Internal Audit function plays a pivotal role in ensuring its depiction and support by stakeholders. Setting a high profile of the department relays a message that it is to be taken seriously because it has a serious mandate in the organisation. In accordance with King IV report on Corporate Governance (2016), the Internal Audit function should form part of strategic activities in the organisation.

2.4.4.6 Demonstrate executive presence.

The study revealed that 90 percent of very effective Internal Audit leaders are best in demonstrating executive presence. They bring bold perspectives and think broadly about the organisation. It was also revealed that the Internal Audit leaders must inform, educate and influence stakeholders as well as earn their trust. The trickiest task of the Internal Audit leaders is to communicate with a variety of internal and external stakeholders who each have different expectations of the function.

2.4.4.7 Collaborate with the businesses in meaningful ways.

Literature also reveals that the most operational and successful Internal Audit functions have leaders who take collaboration and building of alliances with other businesses in the industry in a meaningful ways

(Warner (2014). Building partnerships across the lines of defense is what internal audit should capitalize on in order to ensure they play greater roles in coordinating risk management processes to leverage optimism risk management processes.

2.4.5 The Combined Assurance

The collaboration of the major internal control processes, or lines of defense form a combined assurance. Combined assurance simply ensures that a coordinated (combined) approach is applied in receiving assurance on whether key risks are being managed appropriately within an organisation (Van der Merwe 2016). He further articulates that the combined assurance is applied as follows: *Refer to table A1 below*

Table A1 – Below table shows the lines of defense the University ought to have (own table – in line with COSO, 2004)

| First Line of Defense | Second Line of Defense | Third Line of Defense |
|--|---|--|
| Risk Owners/Managers | Risk Management and Compliance | Risk Assurance (Auditors) |
| <ul style="list-style-type: none"> • Document processes and controls • Design quality monitoring systems • Conduct self-assessments • Build in quality control to reduce deficiencies. | <ul style="list-style-type: none"> • Identifying changes in the University’s risk appetite. • Identifying known and emerging risks. • Assisting management in developing processes and controls to manage risks. • Providing risk management frameworks. • Performing risks assessments. • Providing guidance and training on risk management processes. • Evaluating process documentation • Ensuring compliance with laws, regulations. • Monitoring the adequacy and effectiveness of internal control, accuracy and completeness of reporting, compliance with laws and regulations, and timely remediation of deficiencies. • Alerting management to emerging issues, changing regulatory, and risk scenarios. | <ul style="list-style-type: none"> • Greater independence • Reports to governance structures (Council and Audit & Risk Committee) • Assess risks including fraud related. • Plan audit scope • Assess adequacy of control design • Perform walkthroughs • Perform quality assurance tests |



- The first line of defense is management, i.e. the person or persons appointed by the organisation to manage risks. They own and manage the risks.
- The second line of defense is internal assurance providers that are not directly responsible for managing risks, i.e. they oversee the risks. Examples are the Risk Management, Compliance, and Legal functions, as well as internal safety assessors.
- The third line of defense is external assurance providers that provide independent, objective assurance on the management of key risks. Examples are the external auditors and external Health and Safety Inspectors. Another example is an Internal Audit function. Owing to its positioning within an organisation, it would be classified as part of the third line of defense.

2.4.6 The COSO Framework

The widely accepted and recognised framework internal control known for its definitive standard against which organisations measure the effectiveness of their systems of internal control. COSO (2004) defines internal control as “a process, effected by an entity’s board of directors, management and other personnel, designed to provide reasonable assurance of the achievement of objectives”. Five components of internal control system support the achievement of an organisation’s mission, strategies and related business objectives as follows:

2.4.6.1 Control Environment

Control environment refers to the Integrity and Ethical Values, Commitment to Competence, Board of Directors and Audit Committee, Management’s Philosophy and Operating Style, Organizational Structure, Assignment of Authority and Responsibility as well as Human Resource Policies and Procedures.

2.4.6.2 Risk Assessment

Risk Assessment refers to the Organisation-wide Objectives, Process-level Objectives, Risk Identification and Analysis as well as Managing Change

2.4.6.3 Control Activities

Control activities refers to Policies and Procedures, Security (Application and Network), Application Change Management, Business Continuity/Backups as well as Outsourcing

2.4.6.4 Information and Communication

Information and Communication refers to Quality of Information, Effectiveness of Communication, *Monitoring*, Ongoing Monitoring, Separate Evaluations, Reporting Deficiencies.

2.5 Gaps identified

The researcher found that there is little said or interpreted on the challenges haunting Enterprise Risk Management Practitioners especially the implementation aspect of the process. Furthermore, there is also limited information that reveals how different organisations feel about the process and what interpretation do they have of the process.

2.6 Conclusion

This chapter presented literature review by exploring sources to back up the study. It assessed the views of the scholars in relation to the research objectives. It also linked the study to other phenomena like leadership and followership. It also highlighted gaps not covered by the literature. The next chapter presents Research Methodology to be employed in conducting the study.

Chapter 3

Research Methodology

3.1 Introduction

The previous chapter presented literature related to the study. This study presents methodology for the study. In order to achieve the objective of this study, certain procedures have to be conducted to ensure that the research question is addressed. The procedures performed are referred to as research methodology. These procedures are like a road map or compass in finding the route leading to the answers.

3.2 Research philosophy

Literature reveals that there are two research philosophies. They are broadly phenomenological, and positivism. In order for the researcher to accomplish the mission of arriving at the answer for the probed question, a researcher has to devise or adopt a structured way of arriving at the answer or solution to the problem. This could either be a research strategy employed and to some extent, the research instruments utilised. Like in mathematics where there are different variables that makes up the equation but leading to the answer, likewise in research, a researcher's intention is to solve for the one of the variables, either x or y to arrive at correct answer. This is supported by Mkansi (2012) as she the defined research philosophy as the, "belief about the way in which data about a phenomenon should be gathered, analysed and used". It is a predetermined procedure and a systemic approach that provides a navigating route through the entire research experience. It is similar to an audit program if the researcher was to conduct and audit assignment.

3.2.1 Positivism

According to the literature positivism is where the researcher is concerned with gaining knowledge in a world that is objective using scientific methods of enquiry. Methods associated with this paradigm include experiments and surveys where quantitative data is the norm. This simple means that data tested is defined and fixed, all other variables are known except one variable being solved by the researcher. Here the research simple apply a defined equation to arrive at the answer for the research question. As a philosophy, positivism adheres to the observation that only "realistic" data gained through observation , including measurement, is dependable. In positivism studies, the role of the researcher is limited to data

collection and interpretation through objective approach and the research findings are usually observable and quantifiable.

Positivism depends on measurable observations that could be used for statistical analysis. It has been noted that as a philosophy, positivism is in accordance with the pragmatist view that knowledge stems from human experience.

Moreover, in positivism, the researcher cannot make a perceived view based on his or her experience. The researcher is independent from the study, hence no provisions for different perspectives. Crowther (2008) made a pronouncement that as a rule, “positivist studies usually adopt deductive approach, whereas inductive research approach is usually associated with a philosophy”. Moreover, positivism relates to the viewpoint that researcher needs to concentrate on facts, whereas phenomenology concentrates on the meaning and has provision for human interest.

It has been concluded by scholars that if you one assumes a positivist approach to conduct the study, then it is believed that the researcher independent of the research (Crowther, 2008).

3.2.2 Phenomenological

Crowther (2008) defines Phenomenology as “the method of investigating or inquiring into the meanings of our experiences as we live them”. The method is phenomenological reflecting on pre-reflective or lived experience. Any experience whatsoever can be studied phenomenologically. The approach is called “phenomenological” reflection because it uses the method of the epoch and the reduction. Lived experience is pre-reflective in that it is experience as we are in it, live through it. The purpose of phenomenological is to reflect on or uncover the primal meanings of this absent present moment of the now. For example, reading a story, having a talk with someone, sending an email or a message, listening to a piece of music, and so forth. In the questioning, we gain the meaningful understandings. There are no ultimate determinations for the meanings of human existence. What is so wonderful about phenomenological insights is that they can be surprising, deep, unexpected, and yet somehow recognizable but an insight is never final, life is always more complicated and ambiguous that we can express and therein lies the wonder, promise and fascination of phenomenological inquiry.

3.3 Research Methods

Research Methodology is defined as the general approach the researcher takes in carrying out the research project (Leedy & Ormod, 2001).

There are two types of research methodologies to be adopted in this study, namely: Qualitative and Quantitative methods. The difference between the two (2) methods is illustrated below:

3.3.1 Quantitative research method

This type of research methodology is concerned with dealing with numbers and anything that is measurable in a systematic way of investigation of phenomena and their relationships. It is used to answer questions on relationships within measurable variables with an intention to explain, predict and control a phenomena (Leedy, 1993).

3.3.2 Qualitative research method

The world of research found that there was an increasing difficulty in trying to explain human behavior in simply measurable terms. Other research methodologies could not answer for example: why people behave in that manner or how do they feel about this condition; consequently a qualitative research method was founded. Degu et al (2006) defines qualitative research methodology as a research which attempts to increase our understanding of why things are the way they are in our social world and why people act the ways they do.

3.3.3 Mixed Method

For the purposes of this study, a combination of qualitative and quantitative research methodologies will be adopted for the reason that the study is focused on the perception of the University Community especially everyone in management positions that is affected by the control processes in question. It seeks to establish reasons why they deplore existence of these major control processes in the institution. Clearly, the quests here are the views, ideas, feelings, perceptions, preferences and reasons. As the aforesaid definitions differentiating research methodologies, this type of data mentioned above can be obtained through a formal approach, hence a qualitative research method. The researcher will gather information using one-on-one interviews to gather necessary information.

A quantitative approach, on the other hand will be used to quantify responses from all management affected by the control processes in question that are against the existence of the “Internal Auditing,

Enterprise Risk Management as a control measures and quantify responses from those that prefer to have these control measures in the operations of the institution.

3.4 Population

Pitse (2010) defines population as “the collection of all individuals, families, groups, or organizations, communities and events that will participate in the study”. In terms of this study, population is classified as the University community and can be categorised into different levels of officials or stakeholders and their roles in the University processes. The University has approximately 4000 permanently employed staff members. The category of stakeholders affected by the study include executive management, directors, middle managers and down to clerical staff members, consequently the nature of these categories can be classified as leadership population and follower population. In terms of literature leadership and followership present active roles given the reality that organisational functions require them at every level (Hollander, 1992)

3.5 Sampling and Sampling Methods

Sampling is a process used in numerical analysis in which a preset number of observations are taken from a larger population. Shuttleworth (2008) defines sampling as, ‘the idea of trying to take a representative section of the population, perform the experiment and extrapolate it back to the population as a whole’. Theoretically, sampling has a variety of methods to choose from depending on the researcher’s objective, namely: Random sampling, Stratification, and Judgmental sampling. Each sampling method is aimed to achieve a different objective.

3.5.1 Non-Probability Sampling

This type of population sampling, representatives of in the population do not have equal opportunity of being nominated (Oisín Tansey, 2007). Consequently, it is unsafe to assume that the sample fully embodies the target population. The research has also a discretion to deliberately pick the individuals that will partake in the study. Literature reveals that non-probability population sampling method is useful for pilot studies, case studies, qualitative research, and for assumption development. This sampling method is usually employed in studies that are not interested in the parameters of the entire population. For the purpose of this study, a non-probability sampling will also be used as a sampling method as data being used for testing is focused on specific individuals in the entire population as they proved to possess certain amount of knowledge and intelligence about the topic under study. Internal Audit and Enterprise

Risk Management usually affect office bound officials that are from executive management up to clerical staff but not staff that works on grounds, security guards and cleaners; hence, the focus is on specific category.

The types of **Non-probability** sampling available according to the literature) are *Convenience Sampling, Sequential sampling, Quota sampling, Judgmental sampling as well as Snowball sampling* (Oisín Tansey, 2007).

3.5.1.1 Convenience Sampling

Convenience sampling selects subjects based on convenience accessibility and closeness to the researcher (Etikan, 2016). Other researchers because of its other unique research advantages available preferably use convenience sampling. For example, it is advantageous to use convenience sampling in pilot study because it allows the researcher to obtain basic data and trends regarding his study without any complications.

3.5.1.2 Sequential sampling

In sampling techniques, the researcher picks a single or a group of subjects in a given time interval, analyse data. This can be done repeatedly by picking another group of subjects if needed. The researcher can accept the null hypothesis, accept his alternative proposition, or select another pool of themes and conduct the test once again. This entails that the researcher can obtain unlimited number of subjects before finally making a decision whether to accept his null or alternative hypothesis (Etikan, 2016).

3.5.1.3 Quota sampling

The type of non-probability sampling in which the researcher selects people according to some fixed quota. The researcher uses judgement to select from the population of the study. The researcher first stratifies the population into groups on the basis of pre-specified characteristics (age, sex, status, profession place, race, etc.)(Annum, 2016).

3.5.1.4 Judgmental sampling

A method in which a Sample of the Document Population is drawn, based at least in part on subjective factors, so as to include the “most interesting” Documents by some criterion; the Sample resulting from such method. Unlike a Random Sample, the statistical properties of a Judgmental Sample may not be extrapolated to the entire Population (Grossman et al, 2013).

3.5.1.5 Snowball sampling

With Snowball techniques, researchers identify potential subjects in studies where subjects are hard to locate (Leedy, 2003)

3.5.2 Probability Sampling

In a population, every individuals have equal chance of being selected with probability sampling. A guaranteed randomised selection process, without bias is achieved with this technique. Probability sampling is advantageous by ensuring the accuracy of the statistical methods after the experiment. It therefore can be used to estimate the population parameters. Literature reveals the types of probability sampling as “1) *Random sampling*, 2) *Stratified sampling*, 3) *Systematic sampling*, 4) *Cluster sampling*, as well as 5) *Disproportional sampling*” (Grossman et al, 2013).

3.5.2.1 Random sampling

According to literature (Oisín Tansey, 2007), “this method of sampling is the most popular type of random or probability sampling. In this technique, each member of the population has an equal chance of being selected as subject. The entire process of sampling is done in a single step with each subject selected independently of the other members of the population. For the purpose of this study, researcher adopted random sampling to ensure a close or equal representation of the population.

3.5.2.2 Stratified sampling

In this type of probability sampling, the researcher splits the entire population into different subgroups or sections, and then randomly selects the final subjects proportionally from the different sections. When a researcher adopts this type of probability sampling, precaution must be taken subgroups or sections must be non-overlapping. It has been reported by some scholars that having overlapping subgroups will grant

some individuals higher chances of being selected as subject. This completely negates the concept of stratified sampling as a type of probability sampling (Tansey, 2007).

3.5.2.3 Systematic sampling

This is a random sampling technique which is frequently chosen by researchers for its simplicity and its periodic quality. In accordance with Tansey (2007) with the systematic random sampling, “the researcher first randomly picks the first item or subject from the population”

3.5.2.4 Cluster sampling

With this type of probability sampling, the researcher takes several steps in gathering his sample population instead of selecting all the subjects from the entire population right off. “First, the researcher selects groups or clusters, and then from each cluster, the researcher selects the individual subjects by either simple random or systematic random sampling” (Oisín Tansey, 2007). “The researcher can even opt to include the entire cluster and not just a subset from it. The most common cluster used in research is a geographical cluster”.

3.5.2.5 Disproportional sampling

This type of probability sampling technique is used to address the difficulty that researchers encounter with stratified samples of unequal sizes. This sampling method divides the population into subgroups or strata but employs a sampling fraction that is not similar for all strata; some strata are oversampled relative to others. The main difference between the two sampling techniques is the proportion given to each stratum with respect to other strata. In proportional sampling, each stratum has the same sampling fraction while in disproportional sampling technique; the sampling fraction of each stratum varies. Disproportional sampling allows the researcher to give a larger representation to one or more subgroups to avoid underrepresentation of the said strata. This applies to populations with a very high strata population ratio.

3.6 Sample size

A sample size is a subsection of the population, which points to the number of items to be selected from the whole to constitute a sample. Researcher should keep in mind that a supreme scenario is to test all the individuals in the population in order to validate, obtain reliability and accuracy of the results (Kothari, 2004). The University has approximately 4000 permanently employed staff members which forms the entire population. Sampling is necessary if testing all the individuals in the population is impossible. In

order to achieve an equal representation on all parties affected for qualitative analysis, a random sample on all categories of management will be selected. There will be 2 respondents at executive management, 3 at directorship, 3 at operational management, 2 at specialists' level a total of 10 University officials.

In order to achieve adequate representation that would validate qualitative data result, a quantitative analysis will be conducted on a sample of [400] respondents. A questionnaire will be handed out to respondents in order to better understand the specifics of the problem area. The researcher will design a questionnaire in order to ascertain and quantify responses relating to the problem affecting the Internal Audit function as well as Enterprise Risk Management process. The questionnaires will be handed out to [400] respondents.

3.7 Pilot Study

The pre-engagement activities to assess the feasibility of the study is defined as the pilot study. With pilot technique, researchers conduct preliminary analysis before committing to a full-blown research (Hazzi, 2014). This definition is supported by the African proverb by (Ashanti Ghana) which states that, “you never test the depth of the river with both feet”.

Morin (2013) support the ideology about pilot study propounded in the aforesaid stanza as he claims that, “Pilot studies can contribute priceless information to assist with the conduct of important inquiry”. He further stated that, “Such kinds of study may have various purposes such as testing study procedures, validity of tools, estimation of the recruitment rate, and estimation of parameters such as the variance of the outcome variable to calculate sample size, etc”.

Thabane (2015) further illustrates that, “it is always important to state the criteria for success or feasibility of the pilot study as the outcome can be either to stop - meaning the main study is not feasible”. “The results may also point out that continue, but a need to modify the procedures, to continue with the study without adaptations or to continue without adjustments, but require a close monitoring process”.

3.7.1 Aims of the pilot study

To test the feasibility of the research on a small scale of a sample. It is to provide guidance on whether the study should be carried out or not.

3.7.2 Participants for the pilot study

To ensure an independent opinion on whether the main study should be undertaken or not, participants used in the pilot study should not be used to form part of the main study. A non-probability sampling will be used to select the population for the pilot study for the reason that the study is focused on a specific category of the audience, being the officials that are affected by the operations of Internal Audit and Enterprise Risk Management process. Participants selected for the pilot study would not form part of the main study. Shuttleworth (2008) supports the view as he illustrates that, ‘Non-probability sample is not a product of a randomized selection processes. Subjects in a non-probability sample are usually selected on the basis of their accessibility or by the purposive personal judgment of the researcher’. Furthermore, researchers use convenience sampling because it also has other research advantages. In pilot studies, convenience sampling is usually used because it allows the researcher to obtain basic data and trends regarding his study without the complications of using a randomized sample (Shuttleworth, 2008).

The sample size representative for the pilot study is 10 officials for quantitative analysis. The selection is representative of all the levels defined in the study, namely: for quantitative data, a questionnaire will be forwarded to relevant officials in the category of the targeted population.

The pilot study revealed a grammar error, which was corrected but did not change the meaning or intended objective of the sentence.

Apart from the information noted above, the pilot study did not yield results that warranted any significant changes consequently the researcher continued to conduct a study.

3.8 Data collection

Data collection is the process by which the researcher collects the information needed to answer the research problem. Rouse (2014) agrees with this ideology as she defines data collection as, “the systematic approach to gathering and measuring information from a variety of sources to get a complete and accurate picture of an area of interest. It enables a person to answer relevant questions, evaluate outcomes and make predictions about future probabilities and trends”.

The main attention of this study will focus on to gather the understanding of the perceptions, feelings and reasons for resistance by management in adopting the major internal control processes, Internal Audit and Enterprise Risk Management. This translates that formal, one-on-one interviews is the instrument to be

used to gather valid, reliable first-hand information from the affected population. Furthermore, a survey questionnaire will be also drawn and used for statistical purposes (quantitative approach), where the researcher will be determined to establish how these two processes are being perceived by the University Community. Data collection will be collected randomly depending on the availability of the respondents regardless of whether the respondent is in senior management level. For the purposes of statistical data, a survey questionnaire incorporating both Internal Audit and enterprise management process questions will be formulated and sent to the affected officials in the sample.

3.8.1 Data collection instrument: Questionnaire

Where a decision to use a questionnaire has been taken by the researcher, designing it therefore becomes critically important. In designing a questionnaire the researcher should consider the category of the audience involved or affected by the study therefore align the language and tone used to the category s/he wants to reach.

A questionnaire is defined by Alison (2012) as “a technique for collecting data in which a respondent provides answers to a series of questions; it is designed to elicit information which is filled in by all participants in the sample”. This definition reinforces the necessity of understanding the participants involved in the study in which case referred to as audience in the previously mentioned stanza.

For the purposes of this study, the researcher shall authenticate collected data to confirm accuracy and completeness thereof. A safe storage will be designed for safekeeping and clear procedures for handling data will be defined.

3.8.2 Types of questionnaires

Literature reveals that there are a number of questionnaire types that researchers can select from depending on what they wish to collect. These range from (1) Dichotomous questionnaire - this is a questionnaire that will generally be a “yes/no” question, but may also be an “agree/disagree” question. It is the quickest and simplest question to analyze, but is not a highly sensitive measure. (2) Open-ended questionnaire - these questions allow the respondent to respond in their own words. They can be useful for gaining insight into the feelings of the respondent, but can be a challenge when it comes to analysis of data. It is recommended to use open-ended questions to address the issue of “why”. (3) Multiple choice questions - these questions consist of three or more mutually exclusive categories and ask for a single answer or

several answers. Multiple-choice questions allow for easy analysis of results, but may not give the respondent the answer they want. (4) Rank-order scale questions: this type of question asks your respondent to rank items or choose items in a particular order from a set. For example, it might ask your respondents to order five things from least to most important. (5) Rating scale questions: these questions allow the respondent to assess a particular issue based on a given dimension. You can provide a scale that gives an equal number of positive and negative choices, for example, ranging from “strongly agree” to “strongly disagree.” These questions are very flexible, but also do not answer the question “why.”

Based on the above analysis provided by other researchers on types of questionnaires, it can be concluded that for the purpose of this study where the researcher needs to quantify the number of officials that believe in the services provided by both the Internal Audit Services and Risk Management Services in the institution a Dichotomous questionnaire, i.e. a “yes/no” question, or “agree/disagree” question will be used.

3.8.3 Advantages and disadvantages of a questionnaire

The questionnaire technique is mostly preferred when collating data for its advantages that it afford researchers with namely: (1) relatively simple method of obtaining data; (2) less time is consumed; and (3) Researcher is able to gather data from a widely scattered sample. The disadvantages of a questionnaire as provided by the literature are namely: (1) Responses to questionnaire lack depth meaning that respondent may omit or disregard any items. (2) Some items may force the respondent to select responses that are not his actual choice. (3) Length of the questionnaire is limited according to the respondent’s interest. (4) Printing may be costly especially if it is lengthy. (5) Data are limited to the information that is voluntarily supplied by the respondents. (6) Some items may be misunderstood and (7) The sample is limited to those who are literate.

3.8.4 Research Interviews

The purpose of the research interview is to explore the views, experiences, beliefs and/or motivations of individuals on specific matters. Interviews are, therefore, most appropriate where little is already known about the study phenomenon or where detailed insights are required from individual participants. Kajornboon (2010) defines interviews as, a systematic way of talking and listening to people and are another way to collect data from individuals through conversations.

Literature reveals that there are three (3) types of research interviews, namely structured, semi-structured and unstructured. Structured interviews are, in essence, verbally administered questionnaires, in which a list of predetermined questions is asked, with little or no variation and with no scope for follow-up questions to responses that warrant further elaboration; consequently, they are relatively quick and easy to administer.

Unstructured interviews on the other hand follow on the respondent initial response and built on it. There are no predetermined or organisation of ideas formulated and unstructured interviews are known to be time-consuming and difficult to manage. They are known to be useful only where substantial or depth of data is required”.

Semi-structured interviews allow the interviewer to outline questions in a way that will address critical areas to be explored, concurrently allows both interviewer and interviewee to diverge when pursuing a different idea. This approach is more flexible, particularly compared to structured interviews. It affords the participants with an opportunity to elaborate and emphasise on information deemed important. Basically, it is an open approach that allows both participants to provide their point of view of the situation.

3.8.5 Data collection method for the study

For the purpose of this study carried out by the researcher here, structured interviews will be used as an instrument of data collection since the study seeks to establish reasons why the University Community resist to adopt Internal Audit Services and Enterprise Risk Management as major internal control measures. It is also to ascertain the views of the custodians of these control processes in question. Clearly, there could be personal, emotional, preferential and perceptual driven issues behind this problem. It is evident that little information is known therefore this approach is appropriate, as it will allow participants in the population to speak out.

3.9 Data Analysis

Data analysis is examining data for its relationship, similarities, trends, and dissimilarities and to find sequences and patterns (Vosloo, 2014). It is a process of reading the outcome for what it is, revealing, proving or disapproving the hypothesis or answering the questions asked. Data will be characterised based on the nature of its population from which it would be collected, therefore this translates that from a representative population, a random sample will selected to which data will be analysed. It will then be

analysed and rated accordingly based on outcomes and responses using percentages, reports as well as graphs.

For the qualitative part of research data, the researcher will have to make some sense out of single data collected, to look for patterns and relationships both within a collection, and also across collections, and also make general discoveries about the phenomena under study. It is important to inspect individual pieces of data to determine how they fit together, therefore form smaller parts of the picture (a reductionist approach in systems thinking language) after which combine all the pieces to see the bigger picture (a holistic approach).

Some of the instruments to be used for data analysis are as follows:

- ✓ SPSS - is an integrated family of products that addresses the entire analytical process, from planning to data collection to analysis, reporting and deployment (Geert van der Berg, 2017)
- ✓ Thematic analysis - emphasizes pinpointing, examining, and recording patterns (or "themes") within data. Themes are patterns across data sets that are important to the description of a phenomenon under study.
- ✓ Excel using graphs and tables - This tool is the normal software that is readily available and affordable to all researchers and if appropriately utilise, good analysis can be made from it. The researcher will make use of graphical presentation suitable for data collected. The normal graphs that can display good pictorial presentation are pie, line, bar and the like.

3.10 Validity and Reliability

The essence of reliability in a research proposal is that the process followed by the researcher in arriving at the results or outcome of the research should not be ambiguous such that other researchers are unable to carry out the same process or procedures and obtain the same outcome.

Whereas validity on the other hand seeks to ensure that, the findings the researcher has obtained are believable because there is sufficient, reliable and appropriate evidence to corroborate the findings. For example: If the security guards at the boom gate are required to log all events for people accessing the campus; and for some reason this procedure it found to be ineffective. Consequently, a study or research is conducted to establish reasons for the ineffectiveness of security at the boom gate because this act is

posing a risk or threat to the safety of employees and students that are on campus as well the University, employees and students property. In order to conduct the study, a sample of register sheets from a population of days in a particular month will be selected. The purpose will be to confirm if all events of people entering the University are logged. If for some reason, the analysis of data reveals that on a particular day the register sheet is not available. It is easy from the researcher's perspective to make assumptions and report on to say on this day the study revealed that events were not logged because the security guards did not log the days' events.

In order to validate the research findings, the researcher needs to enquire further from the interviewee as to why the register sheet is not available for inspection. This procedure should be performed to close the gap open for assumptions or further questions, if the researcher is unable to establish what happened with a register sheet for the day selected on the sample. For example: There are a lot of events that could have caused the register sheet not to be available when requested for verification on the day. There could have been a security strike causing all events of that day not to be logged or the register sheet could have been misfiled, or the register sheet could have caught the fire while there was a student unrest on campus, and the likes. Therefore, it is critical important for the researcher to corroborate the findings in order make them believable or valid, hence Validity.

Reliability of information, especially the findings or outcome will be achieved through ensuring corroboration of issues to provide sufficient appropriate and relevant evidence for their occurrence (IIA Standards: Audit evidence). Furthermore, the researcher in testing the reliability of the outcome may consider different perspectives. Different perspectives is a tool that should allow the researcher to collect as much data from different viewpoints, analyse and consolidate to come up with a "whole"- meaning a holistic view, i.e. seeing the forest rather than trees in the forest (Armson, 2011).

Armson (2011) further supports the ideology daubed in the above paragraph as she articulates, "Perhaps the richest way of extending one's understanding of a situation is to seek a multiplicity of the other views by exploring other people's perspectives. Each person has their own perspectives, albeit partial, so engaging without judgement with what other people see and how they interpret the situation is a powerful way of creating richer understandings".

3.11 Ethical considerations

Mantzorou et al (2011) places emphasis on that importance of ethical considerations in the research. They have pronounced that dissertations may even be doomed to failure if ethical considerations is missing. Generally, when a researcher conducts the research, participants should not be subjected to harm in any ways whatsoever. Ethical consideration takes into account the respect for the dignity of research participants. Furthermore, it ensures that full consent is obtained from the participants prior to the study and the protection of the privacy of research participants has to be ensured. The researcher also needs to adhere to the level of confidentiality on how data derived from research should be secured. The researcher needs to also complete the sections regarding sources of funding, as well as any possible conflicts of interests have to be declared. Moreover, an emphasis in any type of communication in relation to the research should be done with honesty and transparency.

3.11.1 The following topics have been considered as crucial and worth exploring for ethical consideration

- Voluntary participation of respondents in the research is important: Here the researcher simply says that emphasis has been made to ensure that there is voluntary participation from respondents, and intelligence around this area has been shared with respondents.
- The use of offensive, discriminatory, or other unacceptable language needs to be avoided in the formulation of Questionnaire & Interviews.
- Privacy and anonymity of respondents is of a paramount importance.
- Acknowledgement of works of other authors used in any part of the dissertation with the use of Harvard referencing system according to the Dissertation Handbook.
- Maintenance of the highest level of objectivity in discussions and analyses throughout the research.

3.12 Conclusion

This chapter presented Research Methodology. The researcher explored and interpreted types of research methods and decided on the methods to be employed to conducting the study. It also displayed methods to collect and analyse data to be collected in the study and highlighted on how data will be stored once the research is completed. The next chapter presents the outcome of the study in a form of Research Findings.

Chapter 4

Research Findings

4.1 Introduction

The previous chapter presented the research design and methodology. This chapter presents the research findings on both methods conducted, questionnaire and research interviews. The results of a questionnaire method shows the response rate and outcome on all 20 questions in the questionnaire. It also presents the outcome of the research interviews conducted with different respondents at different levels of employments. The outcome from questionnaires were analysed using excel spreadsheet which informed graphical pictorial presentations, whereas a thematic analysis was used to analyse outcomes of research interviews.

To revive the mind of the reader into the objective of the study, this research sought to assess the University Community perception of the Internal Audit and Enterprise Risk Management process. It assessed the level of awareness the University has of the Internal Audit and Enterprise Risk Management processes. The study was mapped around four (4) objectives, namely: 1) Assessed the level of UKZN Community awareness of the current Internal Audit and Enterprise Risk Management process. 2) Ascertained the level of acceptance by the University Community of Internal Audit Services and Enterprise Risk Management as the major internal control measures. 3) Established the factors influencing the University Community perception of Internal Auditing and Enterprise Risk Management. 4) Made recommendations on the measures that can create UKZN Community awareness of necessity of the Internal Audit as well as Enterprise Risk Management as major internal control measures (King IV on Corporate Governance, 2016). The researcher selected Executive Directors, Directors, Managers, and Officers as research respondents.

4.2 Data Collection: Quantitative Responses

Table A2 Quantitative Response Rate

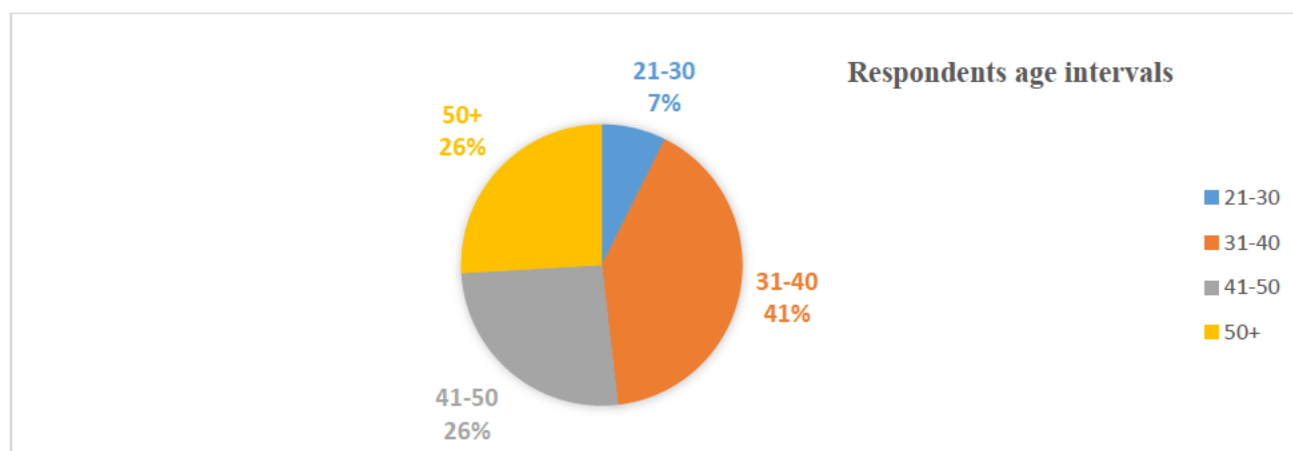
| Survey Details | Total |
|---|-------|
| Key target population | 400 |
| Number of respondents who completed the questionnaire | 378 |
| Completion rate | 95% |

A questionnaire divided into four (4) sections and subdivided into twenty (20) questions was distributed to 400 respondents. Of the 400 questionnaires distributed, 378 (95%) participants responded across different five UKZN campuses. The questionnaire was handed out to different levels of participants at different departments and respondents were given a maximum of 3 days to respond to the questionnaire. The collected questionnaires were analysed using excel thereafter used to inform graphical presentations in the form of pie graphs. This method was appropriate to use for data collected in order to clearly interpret the result. In the analysis, each question was interpreted to provide the researcher the perspective given by the respondent for that particular question.

4.2.1 Section A - This section of a questionnaire contained six (6) questions relating to the biographical information of the respondents (Questions 1-6)

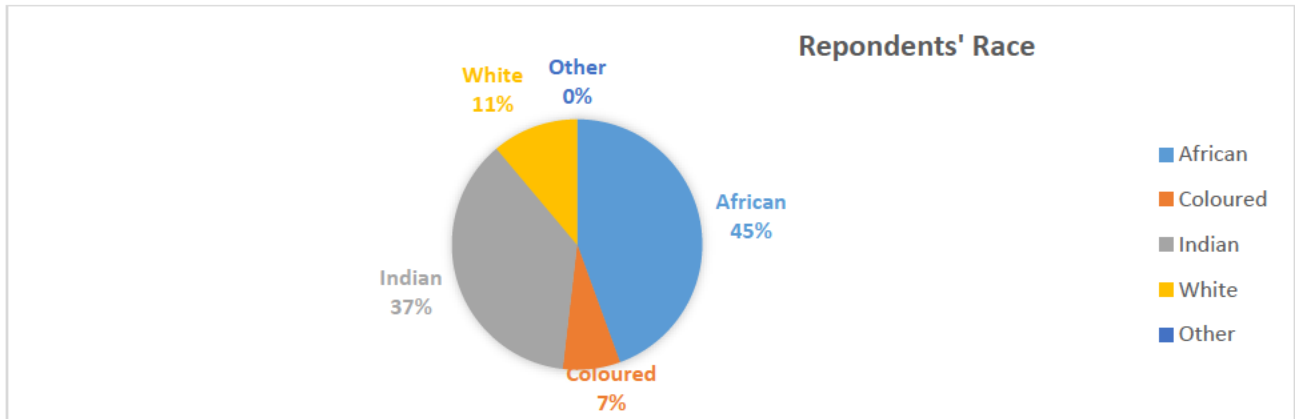
4.2.1.1 Section A: Question 1

1. Age - *Graph 1*



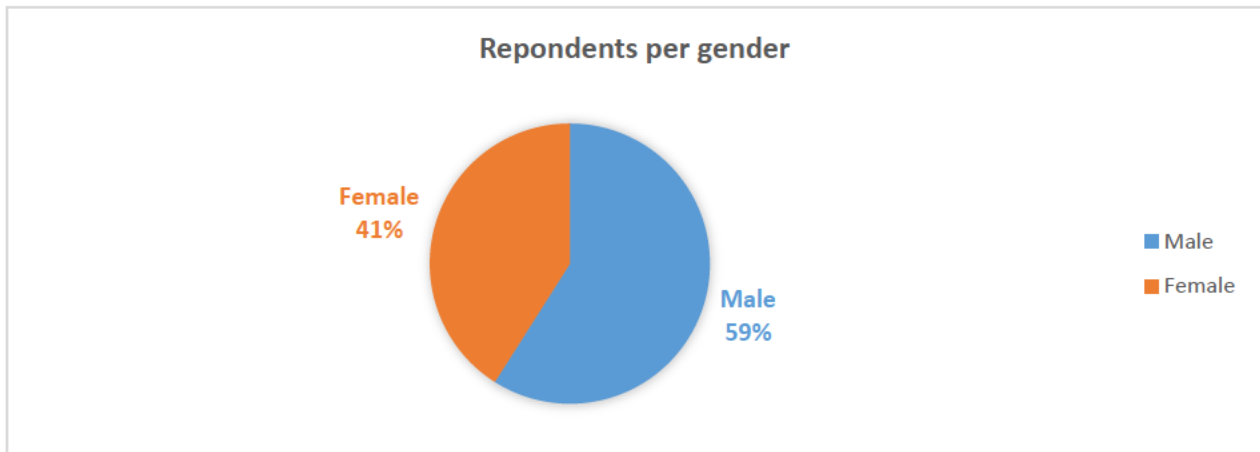
The pictorial presentation is showing that the majority of the respondents are within the 31-40 category. This statistics is congruent with the analysis made on the level of employment under 5 below, that most of the responds are officers. Naturally, it shows that based on the age the cohort of respondents are in the middle age therefore expected to be in that category of level of employment.

2. Race – *Graph 2*



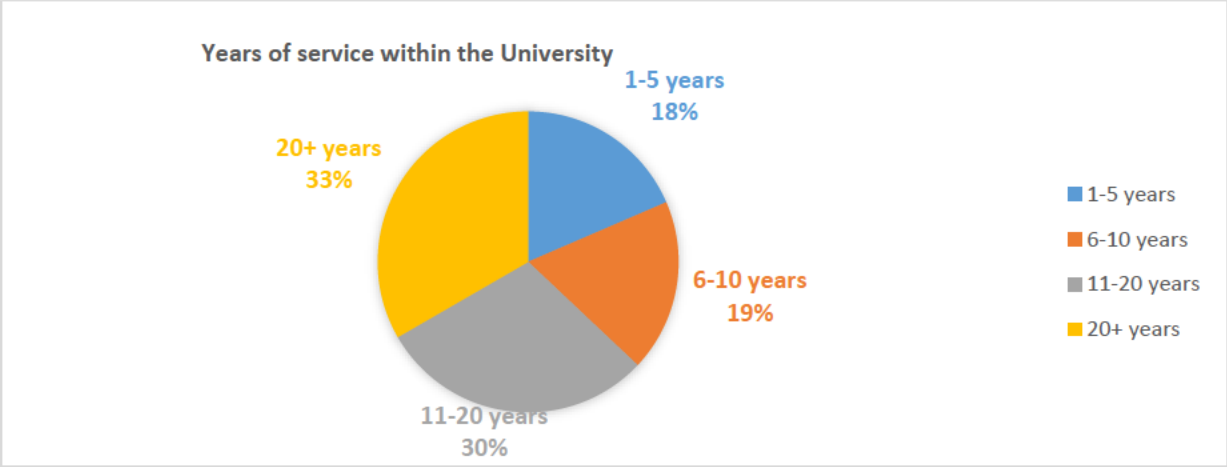
The analysis above indicated that most respondents are Africans at 45% followed by Indians at 37% etcetera; this is correctly represented by the demographics in terms of where the University is located and is also congruent with the number of Africans employed by the University being the highest of all nations.

3. Gender – *Graph 3*



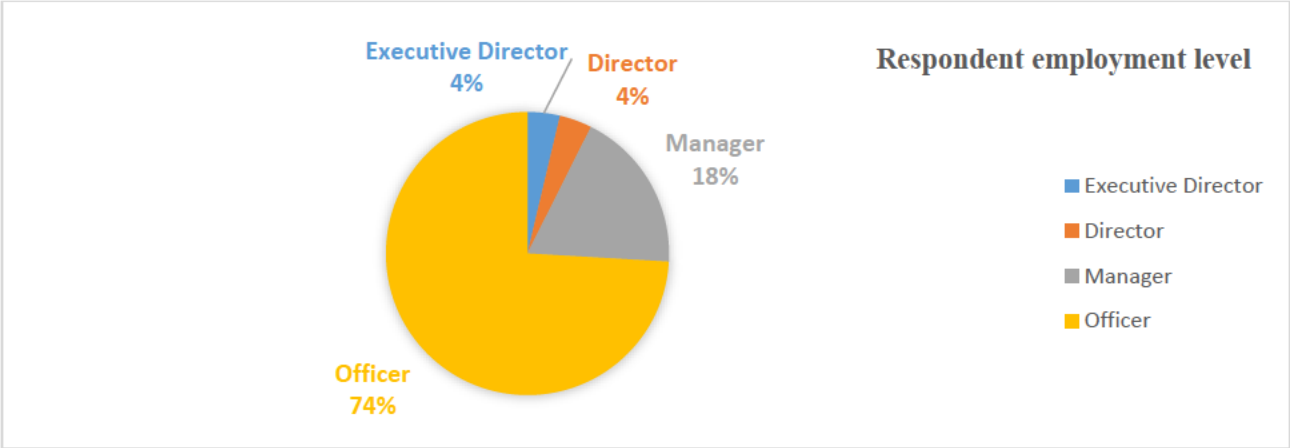
The pictorial presentation shows that of the 378 respondents, 224 were males ad 154 were females.

4. Years of service – *Graph 4*



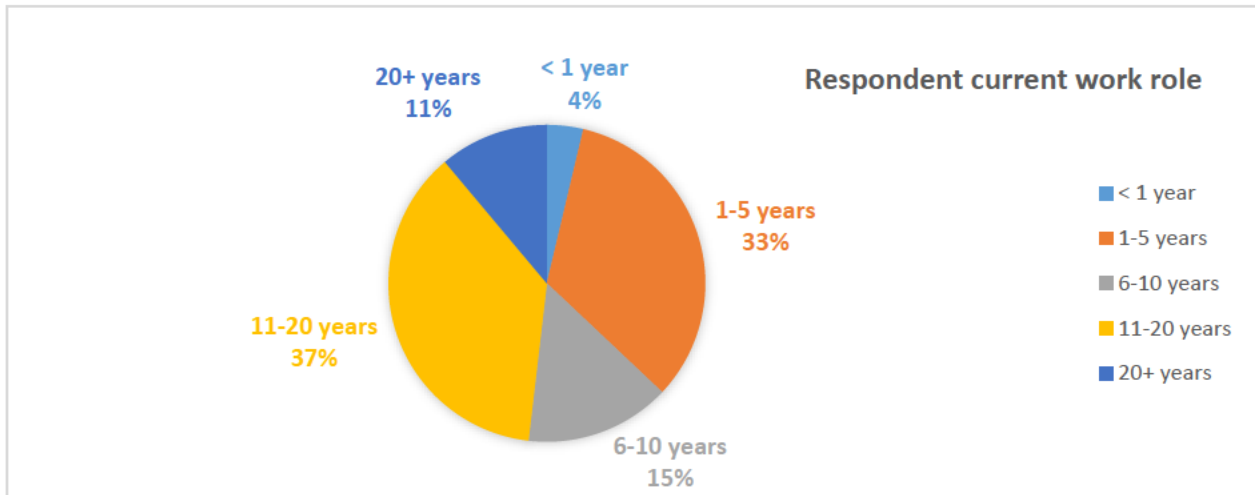
The graph shows that with the different categories of years of service, most respondents were within the 11-20 years category, represented by 30% and 33% of the 378 respondents was within the 20+years category. Between 6-10 years and 1-5 years categories, the representation is 19% and 18% respectively. The interpretation provided by these results was that a reliance could be placed on the view received from 20+ years and 11-20 years category since these respondents have been with the University Community for quite longer. Another picture presented by the pictorial presentation above is congruent with the attrition rate, that the University is slowly introducing the young category sitting at 18% to address the old category, sitting at 33%.

5. What is your current employment level? – **Graph 5**



The pictorial presentation depicts that most respondents are Officers at 74% of 378 respondents, followed by Manager Level at 18% and both Director and Executive Director levels sitting at 4 % each respectively.

6. How long have you been in your current role? – **Graph 6**



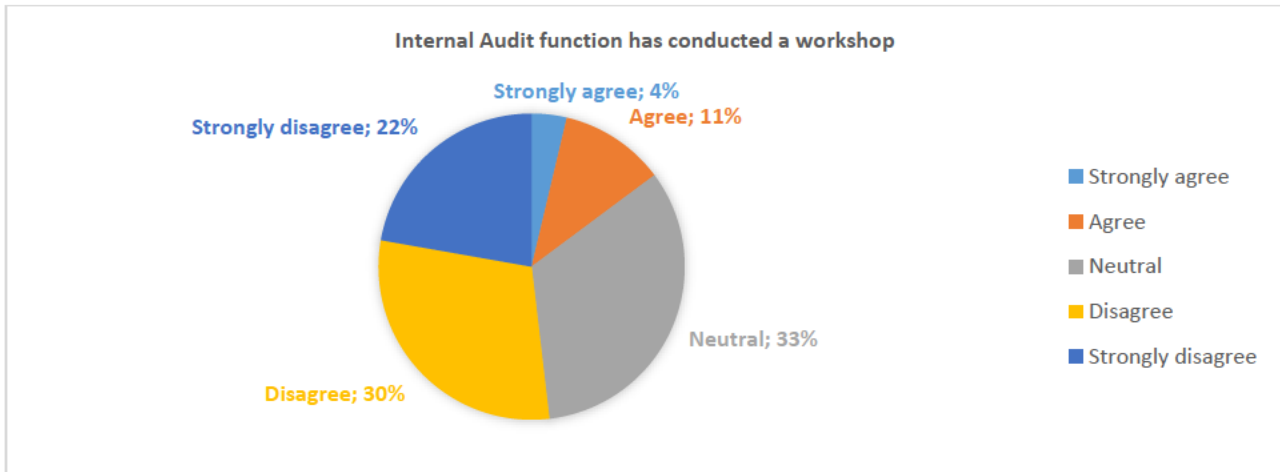
The graph shows that 140 of the respondents, which is 37% of 378 are between the 11-20 years category for the number of years they have spent in their work roles. This is followed by the 1-5 years category, sitting at 33%, which is 126 of 378 respondents. The third category shows that a larger number of respondents is the 6-10 years, followed by 11% for the 20+ years. The last portion, which is the smallest in the pie, is represented by only 4% of the 378 respondents, which is 14 respondents that have been with the University for less than a year. The message received from this analysis is that most respondents have the institutional memory, which then strengthen and validate data collected.

4.2.2 Section B - Results based on objective 1: Assess the level of UKZN Community awareness of the Internal Audit and Enterprise Risk Management process (Questions 7-11)

The purpose of this objective was to ascertain if the University Community is aware of the existence of Internal Audit and that of Enterprise Risk Management process. The researcher developed six (6) questions (7-12) to address the objective.

4.2.2.1 Section B: Question 7

Statement: Internal Audit function has conducted a workshop to the University Community in order create awareness of its existence – **Graph 7**



Of the 378 respondents, 130 (33%) which represent the bigger piece of the pie responded as neutral, this could mean that they are not sure whether there was an awareness created by the Internal Audit. This could also mean that 33% of the entire University is not sure whether these major internal control processes exist, as they may have not witness any informative sessions conducted by its custodians. Another reflection provided by the result is that 52% (30%+22%) of the population having to disagree with the statement. Clearly, it shows that the larger part of the population disagrees with the fact that there was an awareness created.

A conclusion therefore made that limited awareness was made of the existence of Internal Audit and Enterprise Risk Management. The researcher combined the 34%+31%+23% equals 88% of the respondents proved to be located on the negative side of the pie, disagreeing with the statement.

It is therefore evident that it is important to create an awareness in order for the entire University Community to be informed about the existence of the Internal Audit.

The outcome of the analysis is supported by the pronouncement made by Restiana Linggadjaya in August 2015, in her article, *Marketing the Internal Audit Function*, when she made a contention that one of the objective of marketing the Internal Audit is, 'To change the Internal Audit Image'. She further alluded that, 'The importance of Internal Audit has been increasing, however the perceptions may not reflect this. Internal Audit is no longer an underdog but a cornerstone of the success of every organization'.

A further pronouncement was made by the IIA Global toolkit (2015) that, 'Most people understand the role of general professionals such as doctors, lawyers, and teachers, consequently a campaign aimed to promote awareness of what doctors, teachers and lawyers do is not necessary. The reality is that, this may

not be the case for the Internal Audit profession. In fact, even those that are close to Internal Auditors, such as their friends and families do not understand explicitly what the role of an Internal Auditor is’.

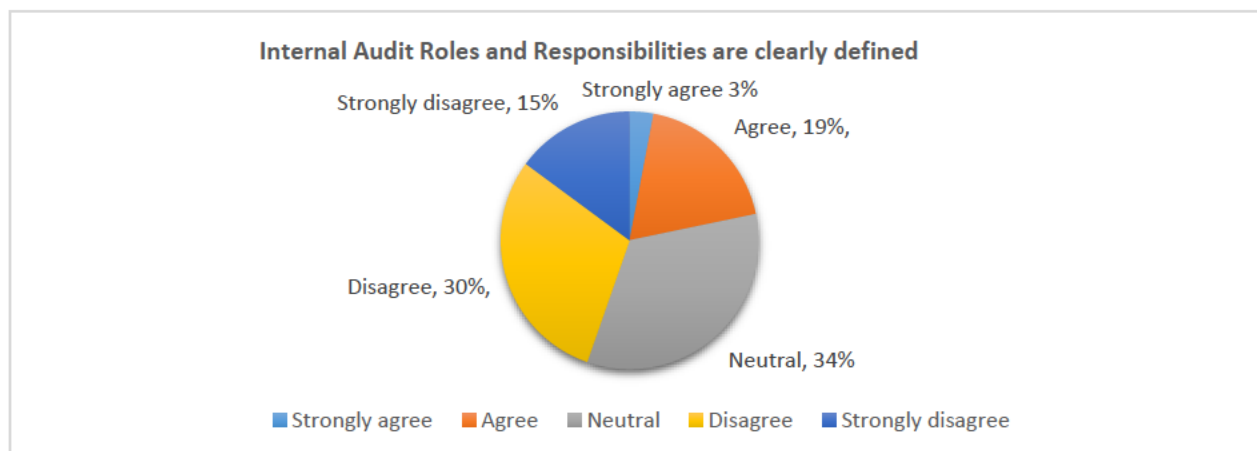
The aforesaid account is supported by the position that the Institute of Internal Auditors (IIA) is taking regarding the objective being examined that it supports the efforts to raise awareness of the Internal Audit profession and its value. In terms of IIA Global 2016, ‘the aim is not only to dispel misperceptions of the profession, but to enhance the business community’s knowledge of the essential role Internal Auditing plays in strong organisational governance, internal control, and effective risk management’.

Ala Abu Naba (2015) also concluded in his article, *Marketing Internal Audit Services* that, ‘Marketing help in enhancing not only professional relationships but most importantly the personal ties with stakeholders and hence replacing the image of the policeman with the image of the business partner who is there to add value’.

An addition to creating an awareness of the Internal Audit and Enterprise Risk Management are the views provided by Orima (2015) in his journal, as he alluded that, ‘Increasing the visibility of Internal Audit will improve stakeholders perception of audit’s role; improve stakeholders awareness of Internal Audit’s services. He further stated that increasing the visibility of Internal Audit will ensure stakeholders understand the value of Internal Auditing; reduce false expectations and frustrations; facilitate increased communication and build stakeholders trust and confidence’.

4.2.2.2 Section B: Question 8

Statement: The Internal Audit function’s roles and responsibilities are clearly defined to University Community – **Graph 8**



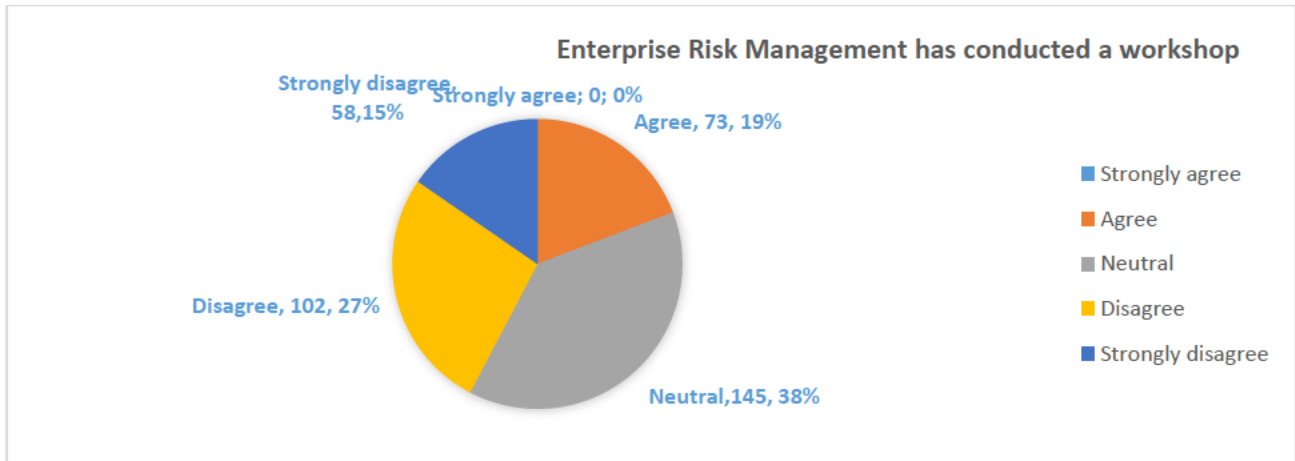
Similar to the picture painted by the probing done on awareness of the Internal Audit function, this section also proved that Internal Audit Roles and Responsibilities are not clearly defined or visible to the University Community. 84 of 378 respondents, which is (19%+3%) 22%, agreed that the roles and responsibilities of the Internal Audit are clearly defined. Of the 22%, only 3% strongly agreed. The bigger piece of the pie 45% (30%+15%) which is 174 of the respondents disagreed with the statement and 34% remained neutral about the statement, which could also be interpreted as disagreeing with the statement.

The results projected by the pictorial presentation above is supported by the IIA Global toolkit (2015) that most people understand the role of general professionals such as doctors, lawyers, and teachers, consequently a campaign aimed to promote awareness of what doctors, teachers and lawyers do is not necessary. The reality is that, this may not be the case for the Internal Audit profession. 'In fact, even those that are close to Internal Auditors, such as their friends and families do not understand explicitly what the role of an Internal Auditor is'.

An addition to creating an awareness of the Internal Audit are the views provided by Orima (2015) in his journal, as he alluded that, 'increasing the visibility of Internal Audit will improve stakeholders perception of audit's role; improve stakeholders awareness of Internal Audits services. He further stated that increasing the visibility of Internal Audit will ensure stakeholders understand the value of Internal Auditing; reduce false expectations and frustrations; facilitate increased communication and build stakeholders trust and confidence'

4.2.2.3 Section B: Question 9

Statement: The Enterprise Risk Management has conducted a workshop to the University in order to create the awareness of its existence – **Graph 9**

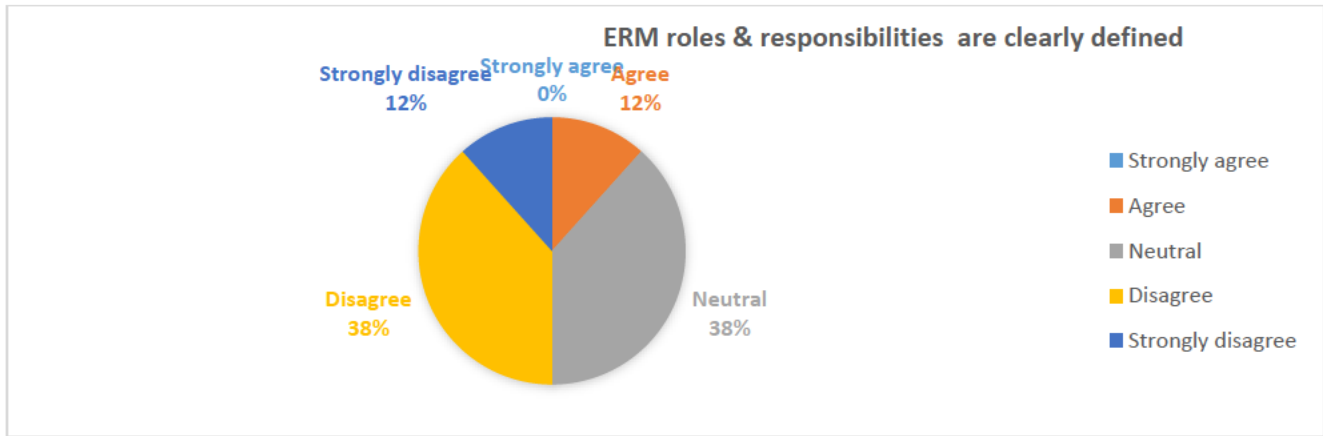


The picture painted by the statistical presentation of the perspective projected by the statement, that Enterprise Risk Management has conducted a workshop to the University Community in order to create the awareness of its existence, is that $(27\%+15\%) = 42\%$ of the population disagreed with the statement. Whereas 38% is not sure or have a neutral feeling about the statement. Only 19% agreed with the statement. The conclusion drawn from data analysis is that about 80% $(42\%+38\%)$ of the entire population is not aware of the Enterprise Risk Management Process.

It is therefore critical for the Enterprise Risk Management function to create an awareness of its process. This is supported by the thought that when leadership and boards of directors come to fully appreciate the value of Enterprise Risk Management process, they ensure adequate resourcing of the function (King IV on Corporate Governance, 2016).

4.2.2.4 Section B: Question 10

Statement: The Enterprise Risk Management function’s roles and responsibilities are clearly defined to University Community – **Graph10**

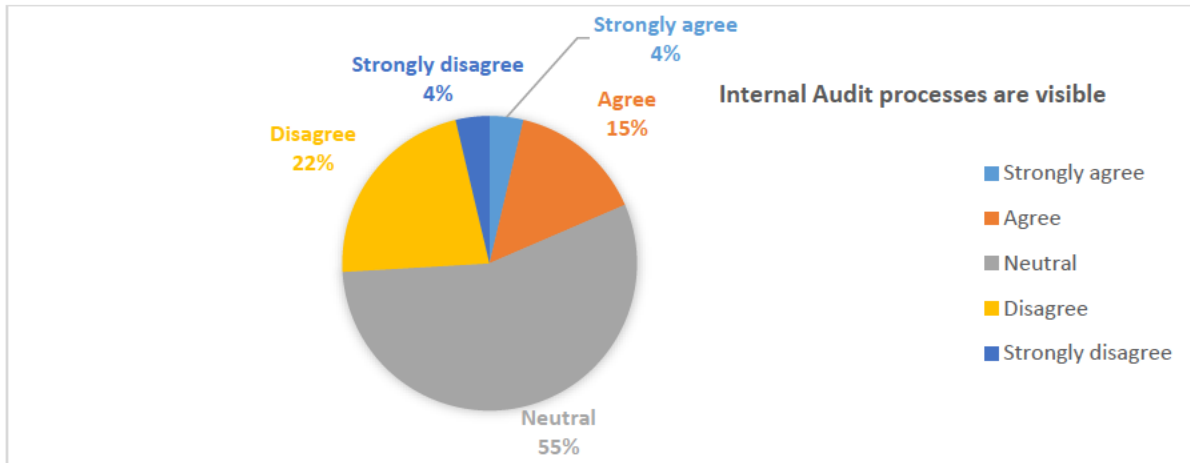


Similar to the picture painted by the probing done on awareness of the Enterprise Risk Management process, this section also proved that Enterprise Risk Management roles and responsibilities are not clearly defined or visible to the University Community. 44 of 378 respondents, which is 12%, agreed with the statement. The bigger piece of the pie 50% (38%+12%) which is 189 of the respondents disagreed with statement and another 38% remained neutral about the statement, which could also be interpreted as negative or disagreeing with the view.

It is therefore critical important for the Enterprise Risk Management function to create an awareness of its process. This is supported by the (IIA Standards), which stipulates that, ‘when management and boards of directors come to fully appreciate the value of Internal Auditing and that of Enterprise Risk Management process, they ensure that these two (2) processes are adequately resourced and effectively utilised. Similarly, as the general public becomes more familiar with what Internal Auditors do, the number of individuals who consider it a viable career option rises, fueling the profession with greater talent’. They reach out to co-workers and other stakeholders year-round to explain the importance of Internal Audit and how it can benefit them. Conduct a lunch-and-learn with people who work in your organization. Explain what you do and why you do it, and answer questions to clarify their perceptions’.

4.2.2.5 Section B: Question 11

Statement: Internal Audit function processes are visible on the University Website and accessible to the entire University Community – **Graph 11**

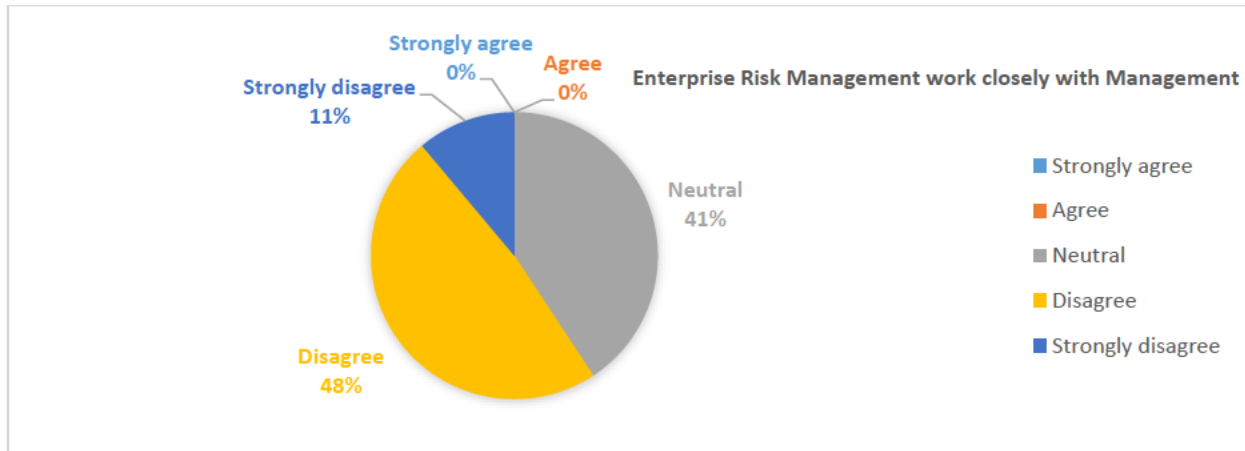


The pictorial representation projected by the statistics shown in the graph above proves that the Internal Audit Services is not visible in conducting its duties. The majority of the respondents being 81% (55%+22%+4%) have a negative view of the statement. Only (15%+4%) 19% agreed with the statement, therefore a conclusion drawn from this outcome is that more work is to be done by Internal Audit to improve visibility.

The conclusion drawn from the analysis above is supported by the recommendations made by Orima (2015) in his journal, as he alluded that, ‘increasing the visibility of Internal Audit will improve stakeholders perception of audit’s role; improve stakeholders awareness of Internal Audit’s services. He further stated that increasing the visibility of Internal Audit will ensure stakeholders understand the value of Internal Auditing; reduce false expectations and frustrations; facilitate increased communication and build stakeholders trust and confidence’.

4.2.2.6 Section B: Question 12

Statement: The Enterprise Risk Management function work closely with management at departments in ensuring that risk assessments processes are carried out periodically – **Graph 12**



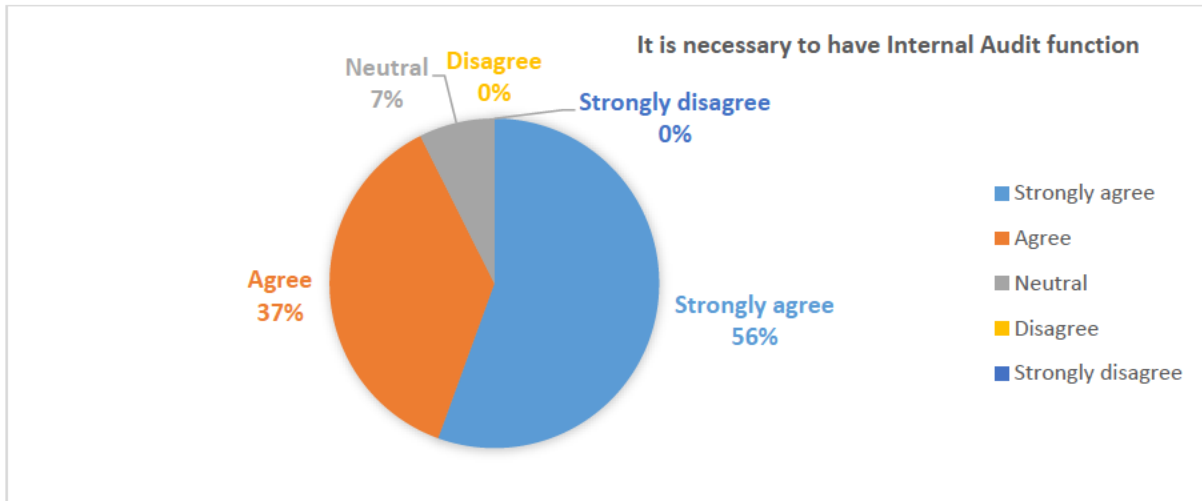
The interpretation given by the pictorial presentation above shows that most of the respondents had negative views (disagreed) with the statement. The majority (182+42=224) equals to (48+11%) 59% of the respondents thought that the Enterprise Risk Management process does not work closely with management to assist with risk identification, analysis and prioritisation in order to ensure that appropriate risk responses. Furthermore 154 (41%) respondents remained neutral, which could also be interpreted as a negative because if they were sure of the prevailing condition, the assumption is they will define as such.

In terms of the best practice, King IV on Corporate Governance (2016) which states that, ‘because of the strategic and multi-faceted nature of risk management, the function should be positioned at an executive level within the organisation’. The Chief Risk Officer should have ready and regular access to the CEO and the chairperson of the risk committee. The board and the management should establish an appropriate level of support for and commitment to risk management.

4.2.3 Section C - Results based on objective 2: To ascertain the level of acceptance by the University Community of Internal Audit Services and Enterprise Risk Management as the major internal control measures. Questions (13-16)

4.2.3.1 Section C: Question 13

Statement: It is necessary to have the Internal Audit function as a major internal control measure within the Institution – *Graph 13*

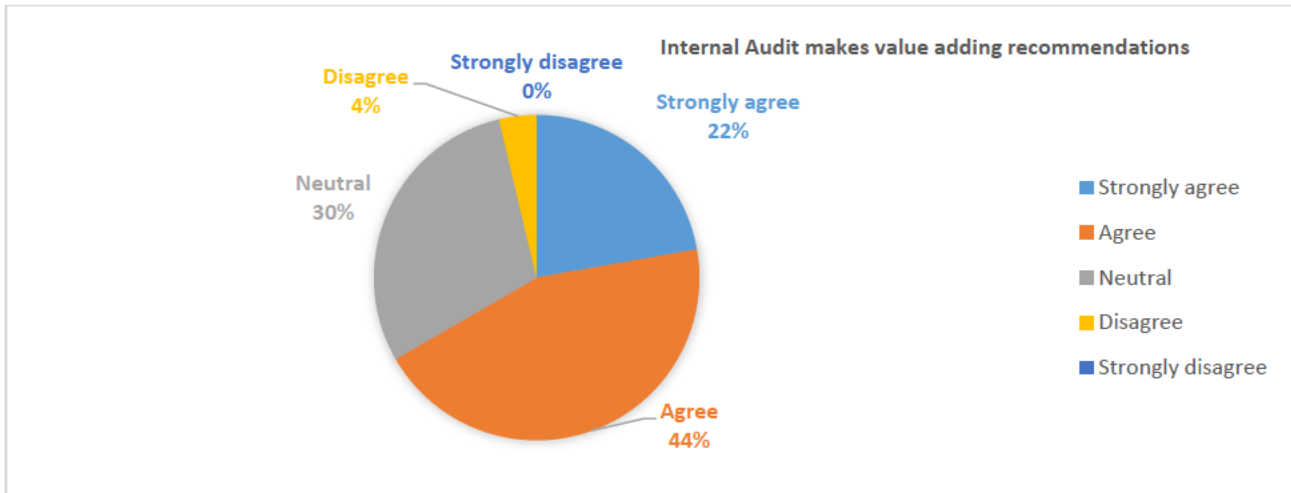


The interpretation provided by the statistical data projected in the pictorial presentation above indicated that 210+140 =340 of 378 respondents, which is 93% (37% + 56%), agreed with the statement that it is necessary to have the Internal Audit function within the institution. Only 7% remained neutral about the statement. None of the respondents disagreed with the view presented by the statement therefore a conclusion was made that the University Community appreciate the need for the institution to have the Internal Audit function as a major internal control measure.

The analysis of outcome depicted on the statistical presentation above is also supported by the best practice on Corporate Governance (2016), ‘that the Internal Audit function is an organisation’s critical friend’. Over and above its general role of providing an independent assurance on the effectiveness and adequacy of the design of internal controls, the Internal Audit function is also there to provide insight and foresight to the executive management on how to discharge its responsibilities.

4.2.3.2 Section C: Question 14

Statement: The Internal Audit function in discharging its responsibilities makes recommendations that add value to the system of internal control – **Graph 14**



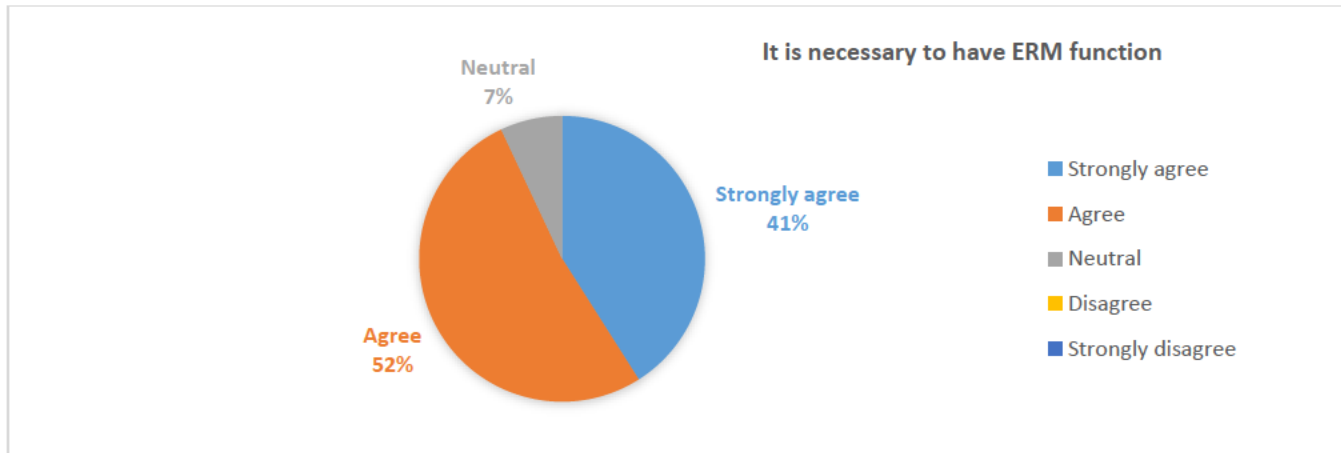
The interpretation provided by the statistical data projected in the pictorial presentation above indicated that 168+84 =252 of 378 respondents, which is 66% (44% + 22%), agreed with the statement that Internal Audit function makes value-adding recommendations when discharging its responsibilities. However, 30% remained neutral about the statement. Only 4% of the respondents disagreed with the view presented by the statement, therefore a conclusion was made that the majority of the University Community is happy with service provided by the Internal Audit function. Furthermore, the statistics showed that there is a room for improvement, especially with the number of respondents that remained neutral (30%), could be categorized as dissatisfied by the service they receive.

Olavsrud (2016) conducted a study on more than 1,600 chief audit executives (CAEs), senior management and board members, professional services specialists, Internal Audit functions that have very effective leadership perform better and add greater value to their businesses. It was founded that more than half of participating stakeholders believed Internal Audit is contributing significant value to the business.

The study also revealed that 62 percent of stakeholders expect more value from Internal Audit, and 55 percent expect Internal Audit to be a more proactive, trusted advisor. The study further interrogated the value of the leadership in the context of Internal Audit profession and founded that there is a close correlation between a strong leadership and Internal Audits ability to add value and deliver high performance.

4.2.3.3 Section C: Question 15

Statement: It is necessary to have the Enterprise Risk Management function within the Institution – **Graph 15**



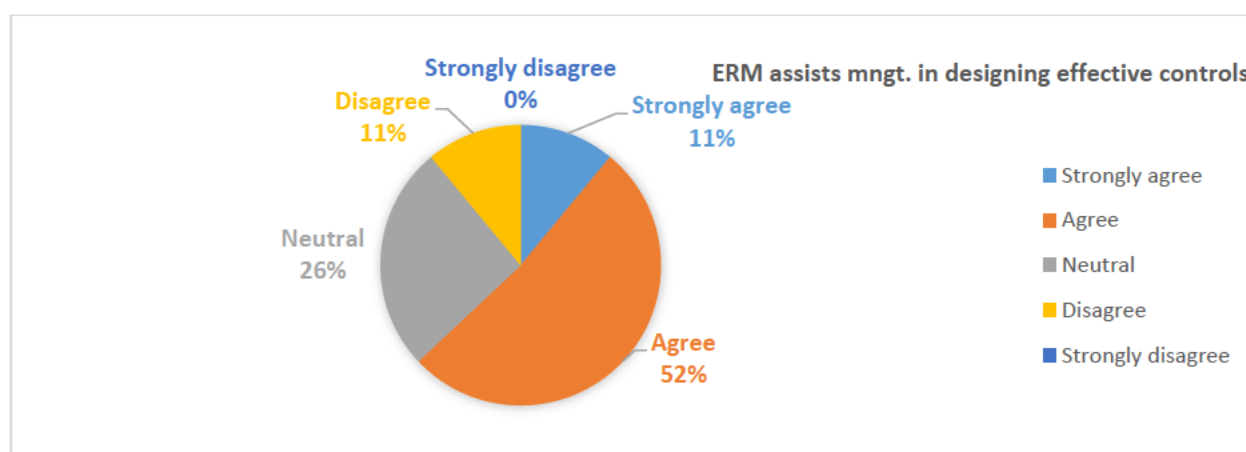
The interpretation provided by the statistical data projected in the pictorial presentation above indicated that 154+196 =350 of 378 respondents, which is 93% (52% + 41%) agreed with the statement that it is necessary to have Enterprise Risk Management (ERM) function within the operations of the institution. Only 7% remained neutral about the statement. A conclusion was then made to say the majority of the University Community is acknowledging the need for the institution to adopt the Enterprise Risk Management process as the major internal control measure. Furthermore, the statistics showed that there is a room for improvement, especially with the number of respondents that remained neutral, could be categorized as dissatisfied by the service they receive.

The outcome of the analysis provided by the pictorial presentation above is in line with the COSO, 2004 ideas that it is necessary to have the Enterprise Risk Management as it will benefits an organisation with the alignment of risk appetite and organisation strategy; this ensures risks are within defined manageable limits. ERM will also enhance risk response decisions, which is to ensure that selected decisions optimises resources. It further minimises operational losses, which ensures that potential risks are identified, assessed, prioritised and responses are established thus reducing the occurrence of surprises due to the changing business environment. It is therefore right to say that the implementation of Enterprise Risk Management strategically implies that, if effective, it helps ensure, with reasonable assurance, that with the understanding of the complete array of risks that an entity faces, it can best achieve its strategic, operations, reporting and compliance objectives. Enterprise Risk Management enables an organisation to

prioritise and allocate resources against those risks that underpin the continued sustainability of the organisation. In other words, an organisation's ability to maintain something of value such as the delivery of services or products to customers relies on its ability to understand and plan for those risks that may impede the achievement of its business objectives / goals.

4.2.3.4 Section C: Question 16

Statement: The Risk Assessment processes conducted by the Enterprise function ensure that identified risks are reduced to minimum levels by assisting management in designing controls that ensure the achievement of University's business objectives – **Graph 16**



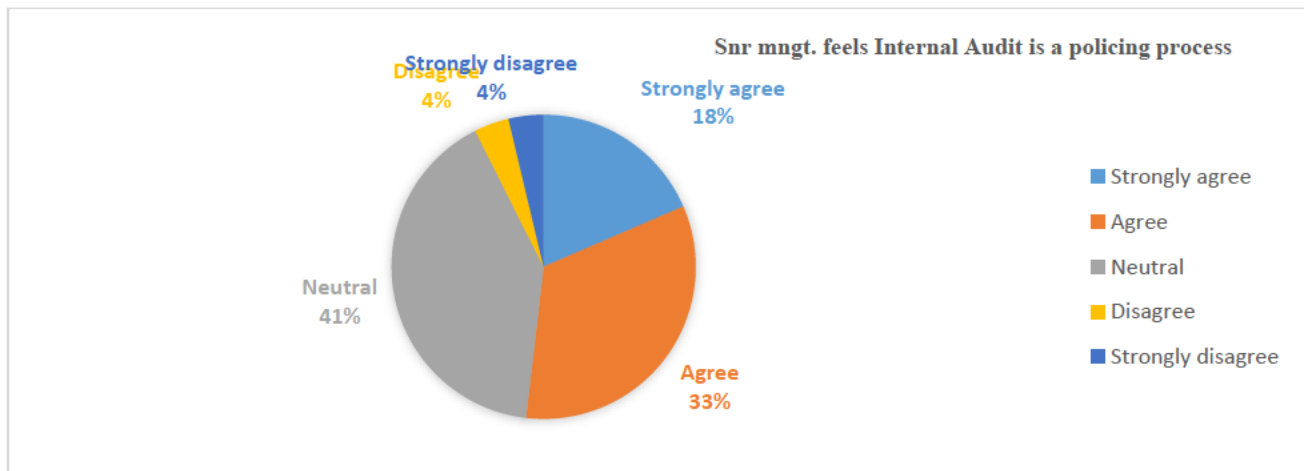
The interpretation provided by the statistical data projected in the pictorial presentation above indicated that $(42+196) = 208$ of 378 respondents, which is 63% (52% + 11%) agreed with the statement that Enterprise Risk Management function assists management with the designing of controls that ensure the achievement of University's business objectives. Of 378 respondents participated, 98 (26%) respondents remained neutral, which could be interpreted as negative whereas 42 (11%) of the respondents disagreed with the statement. A conclusion was then made that the Enterprise Risk Management process needs to turn the condition causing the negative perception.

The analysis of the pictorial presentation above is supported by the COSO framework, which confirms that Enterprise Risk Management also involves identifying risks, which includes the documentation of the material threats to the organization's achievement of its objectives and the representation of areas that the organization may exploit for competitive advantage. Another critical element of COSO is risk analysis, which focuses on the prioritisation and assessment of likelihood and impact of material risks.

4.2.4 Section D - Results based on objective 3: To establish the factors influencing the University Community perception of Internal Auditing and Enterprise Risk Management (Questions 17-20).

4.2.4.1 Section D: Question 17

Statement: Senior Management and those in-charge of operations feel that Internal Audit is a policing process – *Graph 17*



The interpretation provided by the statistical data projected in the pictorial presentation above indicated that $(70+126) = 196$ of 378 respondents, which is 51% (33% + 18%) agreed with the statement that Senior Management and those in-charge of operations feel that Internal Audit is a policing process. Of 378 respondents participated, 154 (41%) respondents remained neutral, which could be interpreted as either negative or positive. There was insignificant 28 (8%) of the respondents that disagreed with the statement. A conclusion was made that since the majority of the respondents feels that Internal Audit is a policing process, there is a general misconception sustained by the process.

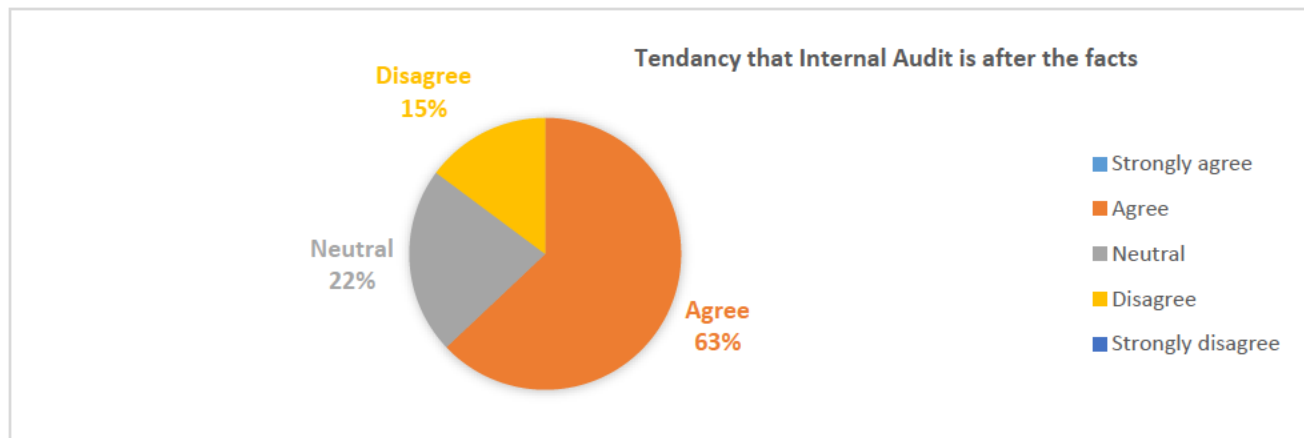
The above analysis is supported by the pronouncement made by Restiana Linggadjaya in August 2015, in her article, *Marketing the Internal Audit Function*, she made a contention that one of the objective of marketing the Internal Audit is, “To change the Internal Audit Image”. She further alluded that, “The importance of Internal Audit has been increasing, however the perceptions may not reflect this. Internal Audit is no longer an underdog but a cornerstone of the success of every organization”.

A further pronouncement regarding creating an awareness of the Internal Audit function was made by Ala Abu Naba (2015) in his article ‘Marketing Internal Audit Services’. He concluded that, ‘Marketing the

Internal Audit helps in enhancing not only professional relationships but also most importantly the personal ties with stakeholders and hence replacing the image of the policeman with the image of the business partner who is there to add value’.

4.2.4.2 Section D: Question 18

Statement: There is a tendency that the Internal Audit is always after the facts – **Graph 18**



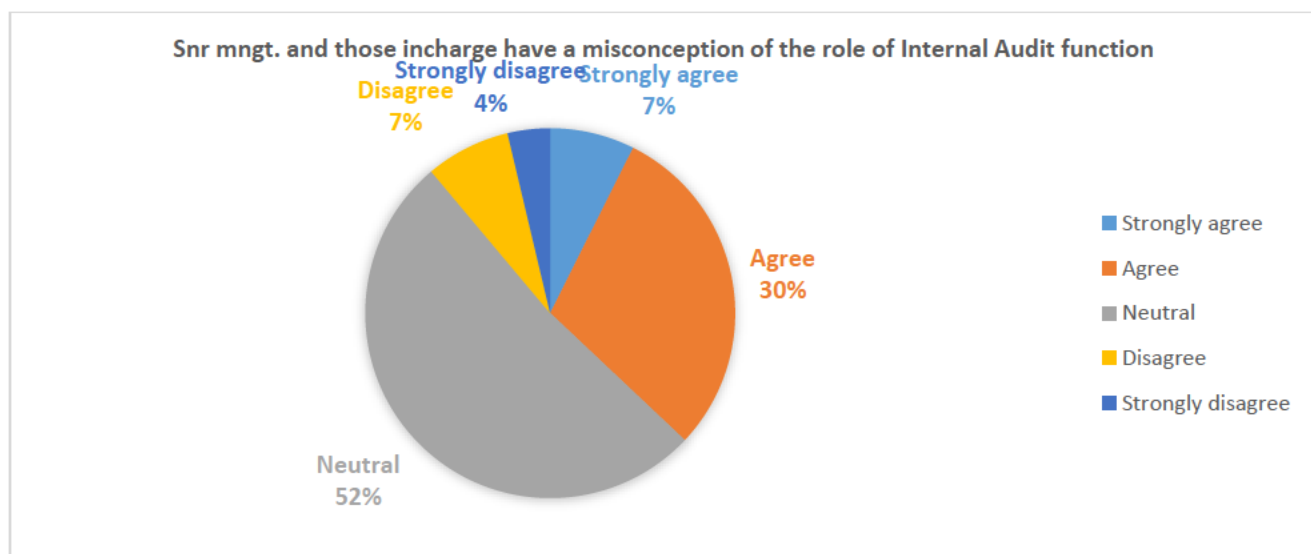
The interpretation provided by the statistical data projected in the pictorial presentation above indicated that 238 of 378 respondents, which is 63%, agreed with the statement that there is a tendency that the Internal Audit is always after the facts. Of 378 respondents participated, 84 (22%) respondents remained neutral, which could be interpreted as either negative or positive. Only 56 (15%) of the respondents that disagreed with the statement. The view provided by the 15% is that a small category of the University Community appreciate the role of the Internal Audit function. Generally, the role of Internal Audit function is to provide assurance on the adequacy and effectiveness of internal controls and provide value-adding recommendation in cases where control deficiencies are identified. A conclusion was then made that since the majority of the respondents feel that Internal Audit is always after the fact, there is a general misconception sustained by the process.

The above analysis is supported by the pronouncement made by Restiana Linggadjaya in August 2015, in her article, *Marketing the Internal Audit Function*. She made a contention that one of the objective of marketing the Internal Audit is, ‘To change the Internal Audit Image’. She further alluded that, ‘The importance of Internal Audit has been increasing, however, the perceptions may not reflect this. Internal Audit is no longer an underdog but a cornerstone of the success of every organization’.

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4.2.4.3 Section D: Question 19

Statement: Senior Management and those in-charge of University operations have a misconception of the role of Internal Audit – **Graph 19**

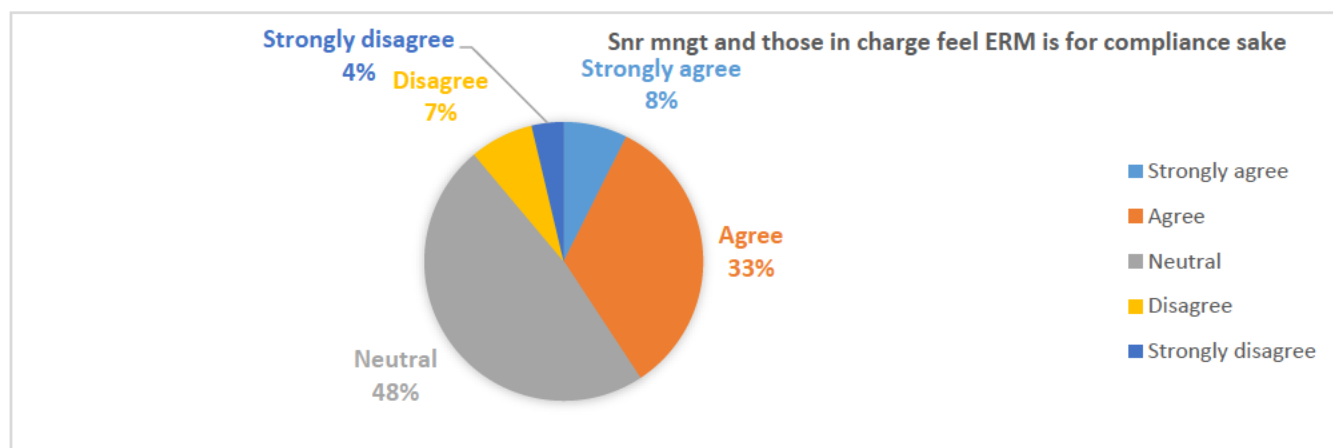


The interpretation provided by the statistical data projected in the pictorial presentation above indicated that 140 (112+28) of 378 respondents, which is 37%, agreed with the statement that Senior Management and those in-charge of University operations have a misconception of the role of Internal Audit. The majority of the respondents participated, 196 (52%) remained neutral, which could be interpreted as either negative or positive. Only 42 (11%) of the respondents disagreed with the statement. The view provided by the 11% is that a small category of the University Community appreciates the role of the Internal Audit function. Generally, the role of Internal Audit function is to provide assurance on the adequacy and effectiveness of internal controls and provide value-adding recommendation in cases where control deficiencies are identified. A conclusion was then made that since the minority (11%) of the respondents feel that Senior Management and those in-charge of University operations understand the role of Internal Audit. There is a general misconception sustained by the process.

The outcome of the analysis above is supported by the IIA Global toolkit (2015) in its article *Building Awareness, May 2017* that most people understand the role of general professionals such as doctors, lawyers, and teachers, consequently a campaign aimed to promote awareness of what doctors, teachers and lawyers do is not necessary. The reality is that; this may not be the case for the Internal Audit profession. In fact, even those that are close to Internal Auditors, such as their friends and families do not understand explicitly what the role of an Internal Auditor is.

4.2.4.4 Section D: Question 20

Statement: Senior Management and those in-charge of operations feel that Enterprise Risk Management (ERM) is just for compliance sake (tick in the box) – **Graph 20**



The interpretation provided by the statistical data projected in the pictorial presentation above indicated that 144 (28+126) of 378 respondents, which is (33%+8%) 41%, agreed with the statement that Senior Management and those in-charge of operations feel that Enterprise Risk Management is just for compliance sake (tick in the box). Of 378 respondents participated, 182 (48%) respondents, representing the majority of the population remained neutral, which could be interpreted as either negative or positive. Only 42 (28+14) which is (4%+7%) 11% of the respondents disagreed with the statement. The view provided by the 11% which is a small category of the University Community if extrapolated, feel that the Enterprise Risk Management process is not a tick box exercise.

Negus (2010) in his article *-10 top challenges affecting implementation of Enterprise Risk Management* supports the philosophy provided by the outcome of the analysis above that as he states that very few organizations find the implementation of Enterprise Risk Management easy. This is for the reason that it

requires a rare combination of organisational accord, strong executive management and an appreciation for various program sensitivities. Other challenges organisations face when implementing ERM is misconceptions that limit the success rate and ability to implement ERM that it is for compliance only and a control process (Johnson, 2012).

4.3 Data Collection: Interviews

Kajornboon (2010) defines interviews as, a systematic way of talking and listening to people and another way to collect data from individuals through conversations. The researcher also conducted structured one-on-one interviews. Out of ten (10) respondents in the sample, the researcher managed to interview eight (8) respondents, which is 80% of the sample being the *Executive Directors, Directors, Managers, and Officers*. The interview sessions were held with the following officials and different dates.

The table B below present data based on the response rate

| Qualitative Reponses rate | | |
|---------------------------|----------------|------------|
| Respondents | No of Reponses | Total % |
| Managers | 3 | 30% |
| Directors | 3 | 30% |
| Executive Directors | 2 | 20% |
| Total | 8 | 80% |

4.3.1 Qualitative Responses

4.3.1.1 Question 1: Describe your role in your portfolio and for how long have you been employed by the University?

Respondent 1, q1: ‘It is 20 years now. I joined the University in 1997 as a Private Accommodation Officer from that I was appointed as a Manager Student Housing for UDW. After the merger, we became the Deputy Directors for all campuses. After College devolution, the Deputy Directors were phased out and became Heads of Departments’.

Respondent 2, q1: ‘I joined the University in 2014; I am now three and half years in the capacity of a Director Financial Reporting’.

Respondent 3, q1: ‘I am the Acting Director Corporate Relations Division (CRD), responsible for providing direction to the CRD division. I joined the University in 2004 as the Events Coordinator for

Management & Law Studies College. I have been into different positions within the College and eventually acting as the director for division. It's been 13 years since I joined the University'.

Respondent 4, q1: 'I joined the University three and a half years in a manager role. My responsibilities involve a number of processes including informing policies relating to student services, broadly looking at driving policies for student accommodation University wide, also to improve infrastructural facilities'.

Respondent 5, q1: 'I am officially the Acting Director Professional Services for College of Humanities. I have been with the University for 24 years, started working at Finance. I moved to general management positions and my current substantive post is the Finance Manager for the College. Areas like finance and audit need people with ability to analyse information and situations. My major role since I arrived at UKZN has been in the area of Financial Reporting. This background gave me a generalized UKZN intelligence'.

Respondent 6, q1: 'I have been with the University for over 20 years. My background is from Health Sciences. I am a qualified Occupational Therapist. Before I came to join the University, I had been running administration at a hospital. In 2011, the Director Professional Services for College of Law and Management Sciences post became available, I applied and was appointed. I feel the reason I got appointed in this portfolio is my strong Human Resources and Student Support background. The only thing that I did not have is the Finance background but since I came into post in 2011, I have learnt a lot about Finance'.

Respondent 7, q1: 'I joined the University in January 2016 as a Director Corporate Relations. I later occupied the position of the Acting Executive Director Corporate Relations Division (CRD) since February 2017. My responsibilities include overseeing the operations of the CRD; safeguard the image of the institution; ensure the website is appropriately updated with relevant information; Marketing the University including its products, Recruitment of prospective students, involvement of the Alumni through different activities, Graphic design and Conferencing and Crisis management communication'.

Respondent 8, q1: 'I am the Manager for Student Fees. I have been with the University for over 10 years started working as a Student Assistant. I occupied the position of Head of Student Fees and now employed as a Manager for Student fees department'.

4.3.1.2 Question two (2): Are you aware of the existence of the Internal Audit function and Enterprise Risk Management within the institution?

Respondent 1, q2: ‘I am aware, my first involvement with the Internal Audit was in 2002 when I occupied a position of a Manager Student Housing at Westville campus’. I now know about Enterprise Risk Management because I was involved in the Risk Assessment process for my division when the Enterprise Risk Manager facilitated the session of Risk identification, Risk Analysis and Prioritisation and eventually compiled our division risk register’.

Respondent 2, q2: ‘Yes I am aware of the existence of the processes. I was impressed and noticed through the brand audit engagement with Internal Audit, the value creation and independent view that we realized as a department was incredible. The information we received assisted us in improving our operations as a division. Eventhough I have the Enterprise Risk Management (ERM) experience through invitations received to attend the risk assessments process in my department; I had no understanding what the motive behind the process was. I always thought it was just for compliance sake, until I was personally involved as a Risk Champion, became close to the process, is when I discovered the value one derives from the ERM process. The ERM process provides direction and a system to measure performance as it is linked to the strategic objectives of the division or institution. Internal Audit and Enterprise Risk Management functions must consider having road shows, creating awareness and become visible so that the entire University becomes aware of the value they can derive by engaging with these processes’.

Respondent 3, q2: ‘Yes I have been involved, however I struggle to differentiate between Internal Audit, enterprises risk and forensic services’.

Respondent 4, q2: ‘I have been involved with auditing in almost all my positions I have been. Auditing could be seen in a number of ways’.

Respondent 5, q2: ‘Yes I am aware of the existence but not impressed. The Internal Audit unit does not realize the role and impact it has to the entire University’s operations. The Internal Audit is supposed to be like the ‘Public Protector’ of the University’

Respondent 6 q2: ‘Yes I am aware of both processes, but the trouble with Enterprise Risk Management is that it keeps changing its name’.

Respondent 7, q2: ‘Yes because I had some dealings with the functions otherwise I would know nothing about these processes. There is nothing that educate the University Community about Internal Audit or Enterprise Risk Management. Internal Audit plays a reactive role; it is only visible when they are after the fact. The roles and responsibilities of Internal Audit and Enterprise Risk are hugely misconceived due to lack of awareness and education. Internal Audit and Enterprise Risk could collaborate with Corporate Relations to ensure that a workshop to promote / market their brand is conducted’.

Respondent 8, q2: ‘I do not know anything about Enterprise Risk Management and would rather not comment on this. I have been involved with Internal Audit but if it was not for the fact that I work at Finance, I would not have known about the Internal Audit. I feel that Internal Audit is not visible like Forensic Services’.

Table B1: Awareness of the existence of the Internal Audit function and Enterprise Risk Management within the institution.



The message provided by the statement on the awareness of the existence of Internal Audit and Enterprise Risk Management process is that there is lack of awareness. Respondents confirmed to know about existence of Internal Audit because they have had dealings with it otherwise they would not have known. It came out clear to say no workshops have been conducted to sensetise the University of these two major processes. It also came very strong that Internal Audit is not visible but reactive. It is therefore critical important that awareness is created. This conclusion is supported by Ala Abu Naba (2015) when concluded in his article, *Marketing Internal Audit Services* that, ‘Marketing help in enhancing not only

professional relationships but most importantly the personal ties with stakeholders and hence replacing the image of the policeman with the image of the business partner who is there to add value’.

Another critical factor that was identified is that there is no clear distinction between the Internal Audit and enterprise risk, this is attributed to the fact that no awareness was created to inform the University Community of differences, roles and responsibilities and Value they can derive by engaging Internal Audit

4.3.1.3 Question 3: What is your understanding of the role played by the Internal Audit Services and Enterprise Risk Management in the institution?

Respondent 1, q3: ‘I think Internal Audit and Enterprise Risk Management are a resource that the University Community should embrace as they are here to improve the system of internal controls within the operations of the Institution’.

Respondent 2, q3: ‘I have been involved with Internal Audit and Enterprise Risk on a number of occasions as the nature of my work demands so. Most of the processes in my space are subjected to Internal Audit reviews; and the Enterprise Risk Management process becomes the precursor for risk identification and assisting management with the design of internal controls. My personal view is that Internal Audit still has a lot of work to do to improve the standard of it service. As much as there are no risk assessments conducted by the Internal Audit that informs the basis for the audit, in my space at Finance, the most critical risky area is financial reporting, reconciliations and procure to pay’. Most reviews conducted by the Internal Audit are not adding value. The Internal Audit function also does not conduct follow up audits to ensure implementation of action plans and recommendations. Having an Internal Audit and Enterprise Risk Management is must, but only if they are effective. Internal Audit should also be providing consulting engagement, which should assist in ensuring that the system of internal control is improved’.

Respondent 3 q3:‘The names given to these two processes are self-explanatory but when the Internal Audit name was pronounced, I always thought that somebody was in trouble. I would associate Internal Audit with a policing function, until recently when I started engaging with both Enterprise Risk Management and Internal Audit. I was then able to see the value through involving these processes, was able to differentiate between the two. The misconception was then removed’.

Respondent 4 q3: ‘My involvement with Internal Audit was to a large extent on Withdrawals of bed and reconciliation of income the University receives. The only slightly frustration is when they rely on you to give context in the sense that they wouldn’t get the information that you have on the system and start manipulating then start involving people. I have been involved with Enterprise Risk Management in our department risk assessment processes.

Respondent 5 q3:‘My personal view about Internal Audit is that the Internal Audit lacks visibility, is silence, reactive. As for Enterprise Risk Management process I think it is not effective’.

Respondent 6 q3:‘My understanding of the Internal Audit is that they are an investigative process. If you have people like me who have no background of the Internal Audit, you need people who can guide. The trouble with Enterprise Risk Management is that it keeps changing its name’.

Respondent 7 q3:‘The understanding I have is that Internal Audit comes to check on compliance to predetermined objectives and if there are wrong doings on processes; and also do check and balances. However, after your explanation and also recent engagement with Internal Audit in the brand audit; and risk assessment conducted by Enterprise Management; I now have a better understanding of the roles of Internal Audit and Enterprise Risk in the institution. I could see that I also had a misconception. Internal Audit should be there to prevent not to detect otherwise there is no value add in what they are doing’.

Respondent 8 q3:‘I would not tell because I do not know. All that I understand is that Internal Audit will come assist with a particular process on Senior Management request. She said that the roles and responsibilities of Internal Audit are not clearly defined’. As far Enterprise Risk Management is concerned I don’t know anything about this process and would rather not comment on this’

Table B2: Understanding of the role played by the Internal Audit Services and Enterprise Risk Management in the institution.



The statement proved some of the respondents think Internal Audit is a policing process or an investigative arm. A different view was projected to say it is thought that Internal Audit is there to assist management to improve the University system of internal control. Another view was made to say Internal Audit adds no value to the operations of the University.

4.3.1.4 Question 4: Have you ever gotten involved with the Internal Audit in your operations? Can you describe your experience you have had with this process?

Respondent 1 q4: ‘May be if the audit can be conducted twice a year, not once a year. It should be done at the beginning of the year and towards the end of the year because normally the University have two (2) semesters. And then, because it makes you make a follow up rather than you do it once a year, come the following year, and find out that some of the things have not been followed through. If there are stumbling blocks, then we can all be in the same page, maybe we accepted your recommendation at the beginning only find out that it is not practical, well make you aware immediately that it is not practical to implement rather than having to wait for a long time’.

Respondent 2, q4: ‘Most of the time in my space as Director for Finance I get subjected to Internal Audit on a number of occasions as the nature of my work demands so and I think Internal Audit has got work to do to improve its service. As much as there are no risk assessments conducted by the Internal Audit that informs the basis for the audit, in my space at Finance, the most critical risky area is financial reporting, reconciliations and procure to pay’. Most reviews conducted by the Internal Audit are not adding value. The Internal Audit function also does not conduct follow up audits to ensure implementation of action plans and recommendations’.

Respondent 3, q4: ‘What I have been exposed to has been satisfactory. The process of internal brand that we have been busy with, because even if a unit or a division is not performing at a required level, with the unit like your one can put us on a right track. For example if we did not know what we were doing, you would have told us that you need these documents (provide guidance). The enterprise risk I have been working with them for a long time, and it is always good to sit down and take stock. It does seem like there are too many meetings, too many but important. Because if there is no direction, then there is chaos. If all of us can adopt it, we will a perfect system you mentioned earlier’.

Respondent 4, q4: ‘My interaction with Internal Auditing is to a large a tense was on Withdrawal of bed and reconciliation that has to do with the income the University receives. The only slight frustration is when they rely on you to give context in the sense that you wouldn’t get the information that you have on the system and start manipulating and start involve people. So, for me that can be a ‘manipulatable’ environment, in the sense that you come to and say show me how the withdrawals are done, you take them through and then they see. Show me how many withdrawals you have. So for me it been a fairly good environment that we are finding ourselves good to work with’.

Respondent 5, q4: ‘Many times in my capacity as a Financial Manager’.

Respondent 6 q4: ‘I am being honest again is. Sometimes I feel that because we have a big change of people, Internal Audit does not always understand the nuances of the University. I think Internal Audit needs to understand the University processes. Sometimes I feel that Internal Audit forces us to take all their recommendation eventhough they do not align to the process. There has to be a balance’.

Respondent 7, q4: ‘I am not sure which one is which. Now that you have explained to me, I am sort of having an understanding of the distinctions and similarities. Somebody should have taken an initiative to ensure they educate and inform us about these two processes, especially when they arrive in the institution on the basis of the role these processes play in the University operations. It is important to be given a brief interim of what is expected of us and how these processes will affect our operations’.

Respondent 8, q4: ‘Yes on a number of occasions. I feel that Internal Audit staff is not friendly and is unapproachable. I do understand the principle of independency that Internal Auditors need to uphold, but I feel that Internal Auditors needs to be human’.

Table B3: Experience the University Community had with Internal Audit and Enterprise Risk Management process.



The theme projected in the table B3 above displayed that there is a lack of follow-up audit procedures conducted by Internal Audit. It came out clear during interview conversations that value is reduced if follow-up procedures are lacking, because no one will ensure that management implements audit recommendation and agreed action plans. However, the general view provided by the statement is that there is lack of education.

4.3.1.5 Question 5: What is your perspective of the Internal Audit function regarding the service they render to the entire University?

Respondent 1, q5: ‘I would say my experience with Internal Audit has only been the one that I have highlighted earlier on. They come when they is something they want to check and disappear, they are not visible. They do not come to confirm if their recommendations have been implemented, no follow up procedures. With Enterprise Risk Management; I think it is a critical process for the reason that it assists management with risk identification and ensure to improve the University control environment’.

Respondent 2, q5: ‘Having Internal Audit and Enterprise Risk Management process is a must but only if they are effective’.

Respondent 3, q5: ‘I promote the existence of these process because as the University Community we are being educated through guidance and advice on optimum way of managing risks and how to leverage the combined assurance provided by these governance functions’.

Respondent 4, q5: ‘I am of the opinion that you are a small group therefore not visible enough, and it normally take a longer time to do a process like this one, therefore should be looking into getting more resources because at the time when one has forgotten, you then get the outcome, therefore lose relevance.’

The other perspective is that it just reminds one that there are checks and balances as indicator that are you are going to the red or doing ok’.

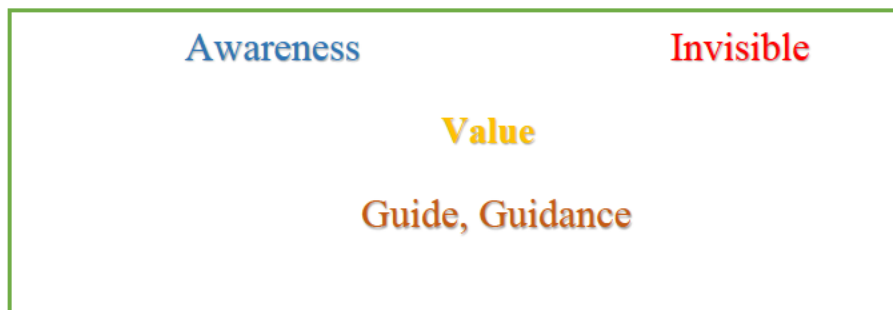
Respondent 5, q5: ‘I have seen no service’.

Respondent 6, q5: ‘Can I say from the research perspective you make it quite hard for the respondent to be honest because you the process owner and the researcher. You need to put this in your limitations. I think these processes only appear when there is trouble. Also, we haven’t been educated on these processes. In these six years that I have been involve, how many people have come and gone in the Internal Audit and Enterprise Risk Management. We do not have much continuity. I have a thing that says what happens in this University is that we start a thing and lose momentum. I would also appreciate more opportunities to engage with University Community because you use the language that people do not understand - What is a risk, what is a mitigating, what is control, because it’s the whole language that people that are not from Internal Audit have to learn. So, it not that people are not interested but every profession has its language. I use profession occupational therapy. You know what I quite enjoy is that Forensic Services has put up a little magazine every second month, just for information and awareness purposes. Therefore, this month it was about whistle blowers - what are whistle blowers, what is the legislation around whistle blowing and some background information? I must say that I find that very interesting. Therefore, that is what I think Internal Audit and Enterprise Risk Management has to do more, teaching the people. Because I think for all of us, even the deans do not understand the language. In addition, what is important it should also provide an understanding of what benefits you can get from these two processes’.

Respondent 7, q5: ‘Now that I have an understanding or dealt with Internal Audit, I value their service because I can see that you can assist us in streamlining our processes, you can ensure that all processes are water tight. You can guide us on matters that can hinder us from achieving our goals’.

Respondent 8, q5: ‘Adequate but not exceptional. The Internal Audit function does not conduct follow-up procedure to ensure that recommendations and management action plan have been appropriately implemented. This condition therefore cause the work done by Internal Audit to lose value’.

Table B4: The University Community perspective of Internal Audit function regarding the service they render to the entire University



The general understanding provided by the statement above is that the University Community perceives Internal Audit and Enterprise Risk processes as add value because they provide guidance regarding the University’s system of internal control, however, there is a need for these processes to create awareness. Internal Audit is not visible; they come when they are looking for something.

4.3.1.6 Question 6: *Would you promote or condemn the existence of Internal Audit and Enterprise Risk, and why?*

Respondent 1, q6: ‘I would promote the existence of Internal Audit and Enterprise Risk on the basis that they are there to improve a system of internal controls within the University processes’.

Respondent 2, q6: ‘Yes, having Internal Audit and Enterprise Risk Management is important because they keep us on track and provide guidance and insight on risks and controls issues’.

Respondent 3, q6: ‘I would promote its existence because many of us deliver on a daily basis. But like I said with Corporate Relations, we have been operating for almost four (4) years without any direction, yes we are doing stuff but the question is; are we really pulling the resources, or using sources effectively, efficiency, or duplicating, we don’t have a system to measure, but really how effective are the campaigns we put there. Internal Audit and Enterprise Risk Management processes help us to take stock. It is a positive process. I normally attend risk assessments processes, but it was the first time this year that I was asked to contribute. This year it was inclusive. I think another problem, like CRD, Internal Audit is seen as a nice to have not a necessity. You know I am going to be honest as what I usually feel when I was being called to attend ERM workshops is that it is a tedious and tick box exercise. People will complain that how much time we have been into these workshop but we are never given a feedback’.

Respondent 4, q6: ‘I would promote the existence of auditing because of the interrogation on information reliance, relevance as you saying and insisting on perfecting the how part of doing the work, so I would promote it’.

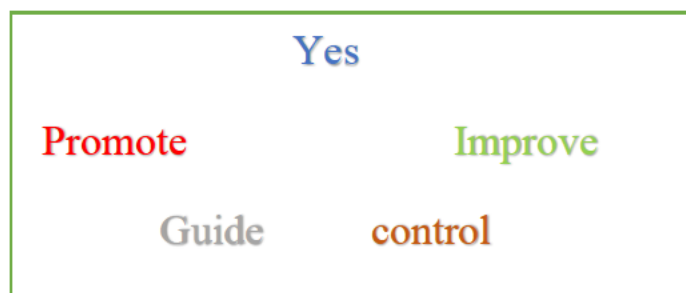
Respondent 5, q6: ‘Yes I would promote its existence, provided it is composed by the brilliant team of individuals from diverse disciplines, i.e. ICS, HR, Forensics, Finance, Research, T&L to ensure a well-rounded team intelligence’.

Respondent 6, q6: ‘I think the University needs to have it, we are more risk aware then we were in five years ago. Some of the thinking is rubbed off from the people in the College. Because earlier you spoke about those words earlier that external audit does as well, which I think they fit in well with Internal Audit – ‘the completeness and accuracy’. They are also words that fit with ensuring that the process is right. So maybe as Internal Audit you need to have a drive to talk about these words’.

Respondent 7, q6: ‘Yes, I think it is important, and what I have said before is that, and maybe this is a, and I’m being honest again is I think sometimes I feel that because we have a big change of people, Internal Audit does not always understand the nuances of the University. I think Internal Audit needs to understand the University processes. Sometimes I feel that Internal Audit forces us to take all their recommendation even though they do not align to the process. There has to be a balance. Sometimes I go to meetings and we look at the Audit Report and find that recommendations and think this is not going to work, not practical.

Respondent 8, q6: ‘Yes I would promote its existence because, knowing that it exists create a perception that a preventative control exists’.

Figure B6: Would you promote or condemn the existence of Internal Audit and Enterprise Risk Management, and why?



The general idea projected by the outcome on the statement above is that the University Community promotes the existence of Internal Audit and Enterprise Risk Management processes (King IV on Corporate Governance, 2016).

4.3.1.7 Question 7: *In your view would do you think it is important or not important to have the Internal Audit within the operations of the institution and why so?*

Respondent 1, q7: ‘Internal Audit is an important aspect of internal controls because it helps management understand risks and controls’.

Respondent 2, q7: ‘Yes Internal Audit and Enterprise Risk Management process are important because they keep us on track and provide guidance and insight on risks and controls issues’.

Respondent 4, q7: Yes, I would promote the existence because of the interrogation and the information reliance. I now know the difference between two (2) processes because I was involved in the Risk Assessment process for my division where the Enterprise Risk Manager facilitated the session of Risk Identification, Analysis and Prioritisation and eventually compiled our division’s risk register’.

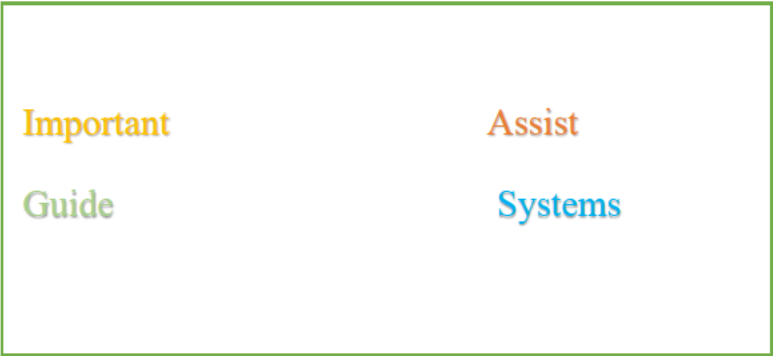
Respondent 5, q7: ‘Yes it is important to have Internal Audit within the operations of the institution. Management can decide to outsource or insource the services of Internal Audit but the truth is outsourcing is not ideal because nobody from outside understands processes and systems of the University. My overall opinion about the Enterprise Risk Management system of the University is that it is not effective’.

Respondent 6, q7: ‘Yes, I think it is important for the reason that one is more risk aware then we were in five years ago. Some of the thinking is rubbed from the people in College. Because earlier you spoke about those words that external audit does as well, which I think they also fit well with Internal Audit – “completeness and accuracy”. They are also words that fits with ensuring that the process is right. So maybe you need to have a drive to talk about the words’.

Respondent 7, q7: ‘It is very important for the reasons that now I understand its role, because Internal Audit is not there to police what I am doing but to assist and guide’.

Respondent 8, q7: ‘I think it is important to have the Internal Audit within the operations of the institution than to have an outsourced arrangement because Internal Auditors understand internal processes. There are conditions that require a strong institutional intelligence’.

Table B5: Is it important or not important to have the Internal Audit and Enterprise Risk Management within the operations of the institution and why?



The theme provided by the statement above is that it is important to have Internal Audit and Enterprise Risk Management processes in the operations of the institution because it assist and guide management on issues of systems of internal controls (King IV on Corporate Governance, 2016).

4.1.3.8 Question 8: If given a chance, what changes would you recommend to the Leadership regarding the necessity of the Internal Audit function as a one of internal control measures?

Respondent 1, q8: ‘Well it goes back to the issue of you coming twice a year (to follow-up) because you would be in the better position to know if these people are following on our recommendations. Secondly, is to have so sort of workshops with everyone not with management. For example, we have administrators if they do not understand the role of auditors and their role. Everyone must be made aware. You can start with Westville campus, Howard College and so on. The problem is that you come, the word audit brings fear. Even me I use to have that fear but now I know that you are there to improve the system of internal control’.

Respondent 2, q8: ‘Management should acknowledge the necessity and value they get by engaging with these processes but my recommendation would be to emphasize on these processes to provide constant feedback, results to risk champions and regular checkups to the University Community’.

Respondent 3, q8: ‘Not changes, but something that we need to see I think is what you are doing. Results and feedback are what is lacking so that Internal Audit and Enterprise Risk Management can be taken seriously. If you happen to discover faults or risks, you need to hold the Risk Champion accountable, but not after 3 years, so regular feedback is important’.

Respondent 4, q8: ‘Internal Audit is composed by a few individuals there I would recommend that you automate most of investigations for reliability, dependability, consistence, save a lot of manual work and promote efficiency’.

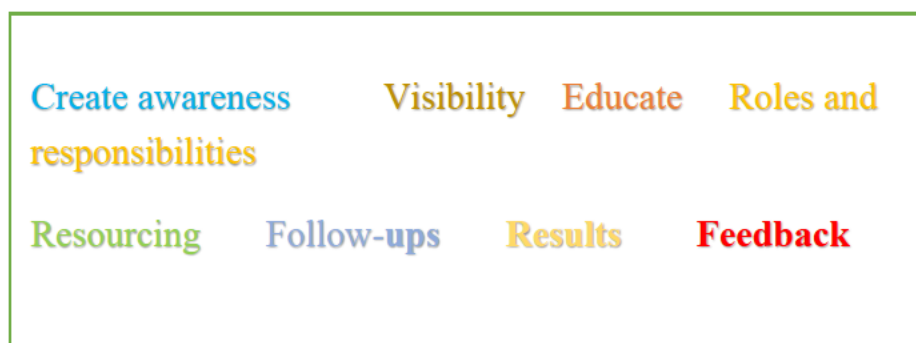
Respondent 5, q8: ‘Resourcing of Internal Audit with adequate skills set. Risks are wide open as control environment is defective’.

Respondent 6,q8: ‘Maybe I have spoken about visibility, instead of focusing on audit to actually sort to have a drive for people to learn the language. Another critical aspect of this conversation is that Internal Audit has not had a proper home, keep on changing. It has to have a proper home. My general perception of Enterprise Risk Management is ‘Confused’.

Respondent 7, q8: ‘The first thing is to create Awareness. Besides awareness, people should be educated, it should also form part of the management training because we do attend this leadership programmes and whatever but there no mention of Internal Audit & Enterprise Risk Management is not part of it and also on the induction programme, there should actually a slot to sensitize’.

Respondent 8, q8: ‘The functions need to create awareness and increase visibility. There is also a need for these processes to define their roles and responsibilities in order to make us relevant. She said that if Internal Audit do not create the awareness of their mandate, they are running a risk of misconception as currently they are being perceived as playing a policing role’.

Table B6: Changes recommended to the Leadership regarding the necessity of the Internal Audit function and Enterprise Risk Management process internal control measures.



The views depicted by the statement above on recommendations would give leadership regarding Internal Audit and Enterprise Risk Management process are analysed in Question five under recommendations and conclusion.

4.4 Conclusion

This chapter allowed the researcher an opportunity to present and interpret the results derived from both qualitative and quantitative research methods. The questionnaire gave clear depictions of how the University Community perceive the Internal Audit and Enterprise Risk Management processes. Whereas research interviews allowed the researcher to delve deeper to the emotional aspects of respondents, offered a personal interpretation that assisted the researchers in mapping a clear picture that informed recommendations and overall conclusion on the study.

Based on the results of the procedures performed, it can be concluded that the University Community is somewhat aware of the existence of the Internal Audit and Enterprise Risk Management process. The research outcome clearly showed that the University Community has glimpse understating of the roles and responsibilities for both processes as greater analysis of the study proved that the roles are misinterpreted to that of a policing role for the Internal Audit and tick box exercise for the Enterprise Risk Management.

The next chapter presents the research summary, conclusions and recommendations on how to create awareness and understanding of roles and responsibilities of these major internal control processes.

Chapter 5

Research Summary, Conclusion and Recommendations

5.1 Introduction

The previous chapter presented the outcome of the research in a form of findings. The researcher analysed and interpreted data that informed the research conclusion. This chapter presents conclusions and recommendations on how to create awareness and understanding of roles and responsibilities of Internal Audit and Enterprise Risk Management processes.

5.2 Research Summary

Internal Audit and Enterprise Risk Management processes play a pivotal role in any organisation's system of internal control. These processes encourage accountability and strengthen business processes by ensuring that risks associated with strategic and operational objectives of the organisation are identified, assessed for likelihood of occurrence and impact they may have in its operations. Enterprise Risk Management process prioritize risks and ensure that management build a strong system of internal controls to address them, whereas Internal Audit process evaluates the adequacy of the design and effectiveness of controls to address identified risks.

This study was aimed at investigating the University Community perception of the Internal Audit and Enterprise Risk Management process. This task was achieved through interrogating the four main objectives of the study, which were mainly: Assessing the level of awareness of the University Community of the Internal Audit and Enterprise Risk Management; Assessing the level of acceptance of Internal Audit and Enterprise Risk Management by the University Community as well as Establishing and interrogating the factors influencing the University Community perception of Internal Audit and Enterprise Risk Management. The study was also intended at designing informed recommendations, which aimed to benefit the University Community by creating a UKZN community awareness of the necessity of the Internal Audit as well Enterprise Risk Management as major internal control processes.

Respondents in the University Community included Managers, Directors, and Executive Management. The researcher needed to experience and interrogate different zones of respondent's territory, quantity versus the emotional hence mixed research methodology was used to execute the study.

5.3 Research Conclusion and Recommendations

Based on the results of the procedures and analysis performed, it can be concluded that the University Community is somewhat aware of the existence of the Internal Audit and Enterprise Risk Management process. The research outcome clearly showed that the University Community has glimpse understating of the roles and responsibilities for both processes as greater analysis of the study proved that the roles are misinterpreted to that of a policing role for the Internal Audit and tick box exercise for the Enterprise Risk. These results therefore calls for an immediate attention from the Custodians of these processes to ensure awareness and education on their roles and responsibilities. Furthermore, it is been evident that the University Community appreciates the value received from Internal Audit and Enterprise Risk Management processes, but need to increase level of visibility and ensure adequate feedback and follow-up procedures so that the value of their services is improved.

Based on the evidence obtained from analysis of the outcome when addressing research objectives, the following was concluded per research objective:

5.3.1 Objective 1: Assess the level of UKZN Community awareness of the Internal Audit and Enterprise Risk Management process

A conclusion was therefore made that limited awareness was made of the existence of Internal Audit and Enterprise Risk Management. The research results showed that 88% of the respondents proved to be located on the negative side of the pie, disagreeing with the statement that said awareness of the existence of Internal Audit and Enterprise Risk Management processes was done. It is therefore evident that it is important to create an awareness in order for the entire University Community to be informed about the existence of the Internal Audit. This has also been supported by evident scholars used to back the study that, 'Marketing helps in enhancing not only professional relationships but most importantly the personal ties with stakeholders and hence replacing the image of the policeman with the image of the business partner who is there to add value'. It has also been discovered during the study that it is critical important for the Enterprise Risk Management and Internal Audit process to create an awareness of its process. This is supported by the (IIA Standards), which stipulates that, 'when management and boards of directors come to fully appreciate the value of Internal Auditing and that of Enterprise Risk Management process, they ensure that these two (2) processes are adequately resourced and effectively utilised.

5.3.2 Objective 2: To ascertain the level of acceptance by the University Community of Internal Audit Services and Enterprise Risk Management as the major internal control measures.

The outcome of the statistical analysis proved that 93% of the University Community feel that it is necessary to have the Internal Audit within the operations of the institution. Only 7% remained neutral. None of the respondents in the analysis disagreed; therefore, a conclusion was made that the University Community appreciate the need for the institution to have the Internal Audit and Enterprise Risk Management process as major internal control measures.

Eventhough it was revealed through the analysis of the outcome that Senior Management and those in-charge of University operations have a misconception of the roles and responsibilities for both Internal Audit and Enterprise Risk Management process. For example: This is based on the interpretation provided by the statistical data presentation above indicated that 37% of the population think that Enterprise Risk Management process is a tick in the box or compliance exercise and 51% perceive the Internal Audit process as a poling role with 38% of the respondents remained silent. Only (11%) of the respondents feel that Senior Management and those in-charge of University operations understand the role of Internal Audit. Therefore, it is concluded that there is a general misconception of the roles and responsibilities sustained by the two (2) processes.

5.3.3 Objective 3: Establish the factors influencing the University Community perception of Internal Auditing and Enterprise Risk Management.

The analysis and interpretation of the outcome of study proved that 63% of the respondents perceive Internal Audit as always after the fact, whereas 22% of the respondents remained neutral with only 15% disagreeing with the statement. A conclusion was then made that since the majority of the respondents feel that Internal Audit is always after the fact, there is a general misconception of process, which is one of the factors influencing its perception. Equally important noted to be lacking, is the visibility of the Internal Audit and Enterprise Risk Management processes. 85 % of the entire population proved to be on the negative side of the pie – meaning that they feel that there is huge lack of visibility of Internal Audit and Enterprise Risk Management process to the University Community. Another factor that was seen to be influencing the perception of the Internal Audit is the lack of follow-up audit procedures, which affect value creation. Another discovery made through the study was the lack of automated Internal Audit and

Enterprise Risk Management processes which create delays in completion of most of the engagements. Moreover, the lack of requisite skills and constant feedback was also noted as other factors influencing the perception of the Internal Audit and Enterprise Risk Management process.

5.3.4 Objective 4: Recommend measures that can create UKZN community awareness of necessity of the Internal Audit as well as Enterprise Risk Management as major internal control measures.

In terms of the outcomes of the conversations with the respondents, it came out very strong that follow-up audits should be conducted to ensure value creation (IIA Standards – Internal Audit process). Roadshows and marketing of both units should be created with roles and responsibilities clearly defined. Furthermore, improvement on visibility by having at least two visits to departments per annum. Internal Audit could collaborate with Corporate Relations to ensure that a workshop to promote / market its brand is conducted.

It also came out very strong that in order to improve intelligence on the subject matter; the Internal Audit Services website should cover pertinent information about Internal Audit and Enterprise Risk Management process. The information on the website or inner web should be standalone-meaning it should be self-explanatory.

It was also recommended that the Internal Audit function should have a diverse set of skills in order to ensure they assist management to design internal controls where control deficiencies have been identified through adopting consulting engagement. This is in line with the Standard 1000, ‘Nature of Work’ of the Institute of Internal Auditors in South Africa.

It was further stated that the Enterprise Risk Management function should provide constant feedback on results of risk assessments processes facilitated and the status of risks University wide to the risk champions and regular checkups on the understanding the University Community has of risk/controls concepts – Maturity of University control environment. This approach will ensure that the Enterprise Risk Management function embeds a conservative risk management culture throughout the University.

The Enterprise Risk Management function should devise a strategy to be able to relay the message to the University leadership on the responsibility and accountability they have in relation to management of risk in the University (King IV on Corporate Governance, 2016).

It is also recommended that the Internal Audit function consider automating most of its audit processes, as this will create efficiencies on services it provides to the University Community as turnaround times will be improved thus ensuring that relevant and useful information is provided to departments audited (IIA Standards, reliability and relevance of audit evidence).

In order to eliminate challenges of misconception of policing role (Abu Naba (2015), negative perception of Internal Audit and Enterprise Risk Management process - adequate training in terms of what mandate do these processes have in the University operations must be provided. Furthermore, management needs to be alerted to the benefits they can derived from engaging Internal Audit and Enterprise Risk Management processes what point these become relevant and available. It further recommended that a slot be incorporated in the induction process to cater for these processes to introduce them at that level, so that information is not missed.

It also came out strongly that it is important to have the Internal Audit within the operations of the institution than to have an outsourced arrangement because Internal Auditors understand internal processes. There are conditions that require a strong institutional intelligence.

Chapter 6

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01 June 2017

Ms Sithembile Degracia Sibisi (200100528)
Graduate School of Business & Leadership
Westville Campus

Dear Ms Sibisi,

Protocol reference number: HSS/0671/017M

Project title: The UKZN community perception of the Internal Audit and Enterprise Risk Management process

Full Approval – Expedited Application

In response to your application received on 30 March 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and FULL APPROVAL for the protocol has been granted.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully,

Dr S. [Redacted] (Chair)

/ms

Cc Supervisor: Dr Emmanuel Mutambara
Cc Academic Leader Research: Dr Muhammad Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

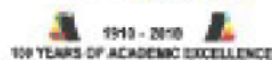
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