



Tel (03) 9282-1239

Fax (03)9282-1241

www.aciia.asia

ACIIA ADVOCACY PROJECT ASIAN STOCK EXCHANGE PERSPECTIVES ON INTERNAL AUDIT

APRIL 2015

TABLE OF CONTENTS

A.	Introduction _____	1
B.	Scope and Methodology _____	2
C.	Summary of Survey Results _____	3
D.	Conclusion _____	13
E.	Appendix A – Country/Territory Profile _____	15

Introduction

Increasingly, stock exchanges around the world are becoming a key stakeholder for the internal audit function.

Last year, the ACIIA undertook a unique advocacy effort with the Stock Exchanges in member countries and territories in Asia, with the assistance of its affiliate institutes. The objective of this initiative was to elicit feedback from stock exchanges across Asia, on issues surrounding internal audit such as, key functions and responsibilities of internal audit, risk management and governance, maximizing internal audit contribution, enhancing recognition of internal audit and competencies required to continue to meet stakeholder's expectations.

This report is the result of the ACIIA's efforts to establish common threads across Asia in defining expectations from internal audit, emerging areas of concern for internal audit, recognizing its role in risk management and governance and enhancing the recognition of internal audit.

This study was done through a survey with the respective stock exchanges by ten ACIIA member institutes. With the results of the survey, the ACIIA intends to initiate a more focused and concrete plan to advocate internal audit, with regulators and with the companies operating in the Asian region.

Scope and Methodology

The participating ACIIA member-affiliates - in the following countries and territories are:

1. Australia
2. China
3. Chinese Taiwan
4. Hong Kong, China
5. India
6. Indonesia
7. Malaysia
8. Philippines
9. Singapore
10. Thailand

For purposes of this report, the term “respondents” refers interchangeably to the ACIIA member-institute or respective Stock Exchange (SE) of the ACIIA member country and territory. The member institutes were primarily tasked to engage with their respective SE to gather information related to Internal Audit. The survey template was circulated to ACIIA member-institutes in March 2014. *(See Appendix A – Country /Territory Profile for the summary of responses)*

The survey included questions that would provide a profile of requirements in terms of:

1. Existence of a mandate for an Internal Audit function in the companies listed with the country’s SE.
2. Percentage of companies that comply with the mandate, or with a Best Practices Code.
3. SE listing requirements for the formation of Audit Committees, and the responsibilities, powers and latitudes of these Audit Committees.
4. SE reporting requirements for listed companies.
5. Key functions, responsibilities, and impact of Internal Audit, as perceived by the stock exchanges.
6. Risk management function in listed companies and whether it improves company performance.
7. The Audit Committee’s role in Risk Management and Governance.
8. Maximizing Internal Audit’s contribution to the Company.
9. Emerging areas of concern for Internal Audit.
10. Internal Audit competencies required to continue meeting stakeholders’ expectations.
11. Enhancing the recognition of Internal Audit.

Summary of Survey Results

There were ten (10) ACIIA member-institutes who responded to the survey. The survey results are as follows:

1. **Existence of a mandate for an Internal Audit function for companies listed with the country's/territory's Stock Exchange (SE)**

Seven of the ten respondents have a mandate from their respective stock exchange / governments that require listed companies to have an Internal Audit function, whether in-house or outsourced. These seven countries and territories are China, India, Indonesia, Malaysia, Philippines, Chinese Taiwan and Thailand. In Hong Kong, internal audit is recommended on a voluntary basis and as part of the Best Practices Code. Hong Kong indicated a plan to consult its market on upgrading the voluntary provision to a Code provision under “comply and explain.”

In Australia, the Australian Stock Exchange (ASX) does not mandate an internal audit function. However, Recommendation 7.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (2014 edition)*, the ASX recommends that a listed entity disclose if it has an internal audit function, how the function is structured and what role it performs or if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes need disclosure. This recommendation applies to all ASX listed entities on an ‘if not, why not’ basis.

In Singapore, listed companies are not directly mandated to have internal audit function by the Stock Exchange. However, listed companies must comply or explain deviations from the recommendations under the Code of Corporate Governance (“Code”) which states that listed companies should establish an effective internal audit function that is adequately resourced.

2. **Percentage of companies that comply with the mandate, or in the case of a voluntary provision in the Best Practices Code**

Of the seven countries and territories who have a mandate, four submitted data on the percentage of companies that comply with the requirement: Malaysia, Chinese Taiwan and Thailand reported 100% compliance; the Philippines reported 90% compliance; Hong Kong reported 51% of its SE issuers have compliance, despite the voluntary provision. India and Indonesia do not currently have this compliance

data as the mandate is recent. Australia and Singapore do not have this data as it is not mandated.

3. SE listing requirements for the formation of Audit Committees, and their responsibilities, powers and latitudes, reporting relationship for the internal audit function

3.1 Formation of Audit Committee

All countries and territories except Chinese Taiwan indicated in their listing requirements the formation of an Audit Committee, for which the composition and qualifications of members are specified. In the case of Australia, only listed entities under their “*S&P All Ordinaries Index*” are required to have an Audit Committee.

The common requirements for the Audit Committee are:

- Composition should be at least three members
- All members to be non-executive directors
- Majority of the members should be independent directors
- The Chairman of the Audit Committee should be an independent director.

3.2 Specification of responsibilities, duties and powers of the Audit Committee

For majority of the respondents, the responsibilities, duties and powers of the Audit Committee are specified in the SE listing requirements, SE rules, or Code of Corporate Governance. In the case of Singapore, the Monetary Authority (“MAS”), the Accounting and Corporate Regulatory Authority (“ACRA”) and Singapore Exchange (“SGX”) have issued a Guide book for Audit Committees of listed companies in Singapore, which sets out sample terms of references to provide guidance.

The common duties and responsibilities of the Audit Committee are:

- Appointment, removal, and remuneration of statutory auditors;
- Review of internal audit and implementation
- Risk management; and
- Related party transactions.

To carry out the above tasks, the Audit Committee is mostly empowered to do the following:

- Access company records and resources related to its duties
- Conduct meetings
- Require reporting and other disclosures related to accomplishing its duties

3.3 Reporting relationship for Internal Audit

All respondents that require or recommend Internal Audit function stated that for functional reporting, the Internal Audit reports to the Audit Committee or Board; for administrative reporting, it reports to the Chief Executive Officer (CEO).

4. SE Reporting Requirements for Listed Companies

All respondents, except for Australia, China and Chinese Taiwan, require companies to report on Governance, Risk and Compliance (GRC) issues to the SE through disclosures and confirmations in the listed companies' annual reports. For Australia however, the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (2014 edition)* contains a number of recommendations intended to serve the general principle that a listed entity should establish a sound risk management framework, periodically review the effectiveness of that framework on an 'if not, why not' basis and disclose, in relation to each reporting period, whether such a review has taken place.

For Hong Kong, the Corporate Governance Report is issued twice a year. In Indonesia, reports are due only when specifically demanded by the SE. In Thailand, reporting is required for some issues.

5. Key functions, responsibilities, and impact of Internal Audit, as perceived by each stock exchange, in terms of:

5.1 Key functions of Internal Audit

The respondents had varying answers when asked, "How companies should use the Internal Audit function." The responses were:

- *Australia*: No specific requirement.

- *China*: Focus more on performance audit, but do not drop financial assurance.
- *Chinese Taiwan*: Internal Audit should improve internal control systems and operational effectiveness and efficiency.
- *Hong Kong*: Internal Audit should be used as third-line defense, for ad-hoc investigations by management, and for assurance on specific matters asked by regulators.
- *Indonesia*: Internal Audit should be “preventive,” not “curative.” It should function as consultant rather than mere auditor.
- *India*: Internal Audit’s functions are assurance on integrity of financial information, internal controls, risk management, and compliance with applicable laws. It should also report concerns on actual or suspected unethical and/or fraudulent behavior.
- *Malaysia*: The Board should formalize Internal Audit’s role. It should evaluate the adequacy and effectiveness of the internal control systems and recommend improvements.
- *Philippines*: Management should look at auditors as partners and/or advisors. Internal Audit should be involved in management committees and strategy sessions as observers.
- *Singapore*: Review in detail the processes, controls and systems of the companies to identify the shortfalls or improvements so that corrective measures and enhancements can be put in place to safeguard the company against risks that could occur, which may have a significant adverse impact on the company’s operations and assets.
- *Thailand*: Internal Audit should evaluate governance processes.

5.2 Prevention and detection of fraudulent reporting

The prevailing view of the respondents is that the primary responsibility for fraud prevention is with Management. Internal Audit is in a supportive role as it helps reduce fraud risk.

General guidelines on the role of an Internal Auditor have been provided by regulatory agencies. However, no specific guidelines on fraudulent reporting have been issued.

The following are specific comments from the respondents:

- *China*: Internal Audit is a significant part of the internal oversight system. It should concentrate on fraud-prone areas.
- *Hong Kong*: The Board is responsible for preventing fraudulent financial reporting. Internal Audit can heighten fraud awareness.

- *India:* Internal Audit must play a lead role in fraud prevention and detection by collaborating with third parties.
- *Indonesia:* Internal Audit can improve the company's internal controls to reduce fraudulent financial reporting.
- *Singapore:* Whilst no specific guidelines have been issued, organisations should have processes and controls in place to manage fraud risk and minimize potential fraud occurrence. Organisations should continuously audit/monitor if these controls are effective and robust. Internal Audit function would review if these controls are working effectively and robustly, identify shortfalls and recommend enhancements.

6. Risk Management

“Risk Management” (RM) has been given a separate section because of its relevance to the Internal Audit function.

6.1 SE requirement of companies to have a risk management function

Four of the ten countries and territories have the RM function as mandatory for listed companies. These are Hong Kong, India, Malaysia and Chinese Taiwan. The Philippines mandates RM function for a specific industry – the banking sector. In the case of Singapore, their Code of Corporate Governance has set out the principles related to the risk management function of the Board and listed companies are required to comply or explain deviations from such principles and guidelines. For Australia, their ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (2014 edition)* contains a number of recommendations (under Principle 7) intended to serve the general principle that a listed company should establish a sound RM framework and periodically review their effectiveness.

6.2 Should RM practices be discussed at Board meetings?

The countries and territories are divided regarding the discussion of RM issues in Board meetings.

For the four countries and territories mandated by their SE to have risk management function (see 6.1), board meetings ARE required to discuss RM practices. Specifically, in Malaysia, the Board is expected to set the risk tolerance levels. In India, the Companies Act requires the independent directors to ensure that the systems of RM are robust.

For the rest of the respondents, Board meetings are NOT required to discuss RM practices. However, following the exception mentioned for the Philippines in Section 6.1 above, RM practices are discussed at the board level in the country's banking sector.

6.3 Impact of RM function on Company Performance

The respondents were divided in their responses as to whether the Risk Management function benefits company performance.

Four countries and territories stated that risk management benefits company performance. These are Hong Kong, Indonesia, Singapore, and Chinese Taiwan. Of these, only Hong Kong and Chinese Taiwan have government mandate for RM. Two countries, namely the Philippines and Thailand, indicated partial benefits.

Three countries, namely China, India and Malaysia, believe that further study is needed to review the impact of risk management on the performance of companies. Australia stated that it does not have processes that monitor the performance of listed companies based on their RM processes. China stated that risk management, generally will have a positive influence on performance.

7. The Audit Committee's Role in Risk Management and Governance

7.1 The Audit Committee and Risk Management

The respondents are divided in their stand as to whether the Audit Committee should oversee the RM function. Four respondents, Hong Kong, India, Singapore, and Chinese Taiwan, agree that the Audit Committee should oversee the RM function. Singapore highlighted that oversight of the RM function is part of the fiduciary responsibilities of the board as a whole. Hong Kong added that companies should decide if they need a RM Committee separate from the Audit Committee.

Indonesia and Malaysia agree that the Audit Committee should oversee the RM function but only in the absence of a separate risk committee. For Australia, the Audit Committee is not required to oversee the RM function but its ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (2014 edition)* recommends that a listed

company should have a committee or committees to oversee risk or, if does not, disclose that fact and the processes it employs for overseeing the entity's RM framework.

The remaining three countries do not agree with the Audit Committee overseeing the RM function. These are China, Philippines and Thailand. However, both Philippines and Thailand, state that large companies may have a separate RM Committee.

7.2 The Audit Committee and Governance

All the respondents agree that Audit Committees improve governance.

Some countries and territories had specific takes on the Audit Committee's impact on governance.

- *Hong Kong*: They have considered Audit Committee as an important element of Corporate Governance Framework thus, Hong Kong Corporate Governance Code mandates its establishment and prescribes its terms of reference.
- *Malaysia*: The Audit Committee's oversight of financial statements, internal controls, and risk management may increase investors' confidence in boards. The Audit Committee ensures auditor independence, integrity of financial statements, accountability and transparency of management, and transparency in decision-making.
- The *Philippines*, on the other hand, stated the challenge of getting "truly independent" directors on the Audit Committee on account of the compensation not being commensurate to the responsibilities of the independent director.

8. Maximizing Internal Audit's Contribution to the Company

The following are the Stock Exchange responses when asked about how to maximize Internal Audit's contribution to their companies.

- *China*: Focus on high-risk areas and efficiency of resource utilization. Review areas that impact financial reporting.
- *Chinese Taiwan*: Provide valuable consulting inputs to support achievement of company's strategy; focus on high risk areas to assess adequacy of risk management processes.
- *Hong Kong*: Key focus should be on identifying risk priority, conducting analysis and independent appraisal of enterprise and key business risks.

- *India*: To provide assurance on integrity of financial information, internal controls, risk management, and compliance with applicable laws, report on unethical / fraudulent behavior.
- *Indonesia*: Focus on internal controls to reduce operational risk; promote compliance.
- *Malaysia*: To evaluate governance, risk and control environment, give recommendations for efficient resource utilization.
- *Singapore*: Evaluate governance processes, management of risks, adequacy of controls and ensure compliance in their entities.
- *Philippines*: Corporate management should see auditors as partners and advisors. It is good practice to involve auditors in management committees and strategy sessions (as observers). The inputs of auditors are valued and considered.
- *Thailand*: Promote ethical values and management accountability.

9. Emerging Areas of Concern for Internal Audit

The following are the emerging areas of concern for Internal Audit as reported by the respondents:

- *China*: Issues that attract public/investor attention; issues that impact strategy/image of the organization
- *Chinese Taiwan*: All elements of risk management.
- *Hong Kong*: Systemic technology risk, A.M.L. bribery, regulatory compliance
- *India*: RM, related party transactions, and areas having conflict of interest for stakeholders
- *Indonesia*: Role as strategic business consultant for the company.
- *Malaysia*: Enhancement of governance processes and efficiency of financial statements.
- *Philippines*: Benchmarking and promotion of best practices.
- *Singapore*: Ensure there are processes to manage financial cybersecurity, information security and social media to protect the interest and reputation of the organization.
- *Thailand*: Corporate social responsibility.

10. Internal Audit Competencies Required to Continue Meeting Stakeholders' Expectations and Maximize Its Contributions

Following are the respondent's comments on the competencies required by the internal audit:

- *China*: Understanding of organizational strategy, current management pressures, and stakeholder expectations.
- *Chinese Taiwan*: Critical thinking and intelligent business problem solving, as well as effective communication skills.
- *Hong Kong*: Understanding of specific company risks, including rapid technology and increased systemic risks. Competence of Internal Audit should match complexity of company risk profile.
- *India*: Understanding of the changing and expanding nature of business and application of technology to governance processes.
- *Indonesia*: Understanding of the changing and expanding nature of the company business, risk management and governance.
- *Malaysia*: Information Technology skills, value-adding through consultancy role, whistle-blowing.
- *Philippines*: Business perspective to make valuable recommendations. Cross-enrichment by rotation of internal auditors within the company, or inviting operations staff to experience internal auditing.
- *Singapore*: Data management; in-depth knowledge of risks in digital technology and trends in corporate fraud; updated knowledge of the organisation's operational and financial processes and compliance requirements; spot developing risks in the areas of cyber fraud; and soft skills like communication, leadership, negotiation, and relationship management.
- *Thailand*: Receptivity to change.

11. Enhancing the Recognition of Internal Audit

The following are the respondents' comments on enhancing the recognition of Internal Audit as the third line of defense in corporations.

- *China*: Internal Audit should assist organizations in achieving their internal control objectives.
- *Chinese Taiwan*: Adhere to international internal auditing standards. They should be an effective reporting channel to the governing body.
- *Hong Kong*: SE needs to upgrade voluntary provision to "comply and explain."
- *India*: Companies Act has given statutory form to internal audit. SE needs to monitor and further promote the role of Internal Audit.
- *Indonesia*: The role, authority and responsibilities of Internal Audit have been explicitly stated in government regulations.
- *Malaysia*: Include advocacy efforts to promote Internal Audit's role in educational programs.
- *Philippines*: Partnering with other assurance groups and stakeholders has been identified as part of best practice.

- *Singapore:* Listing rules can set out specific areas of focus for the board to review the necessity of Internal Audit.
- *Thailand:* SE should issue guidelines on reporting line of internal audit and disclosures of the effectiveness of corporate RM processes.

Conclusion

Based on the responses summarized in the previous section, the following conclusions were drawn:

1. **Government mandate for Internal Audit and compliance with the mandate**

The situation is very promising for Asia, as majority of the countries and territories already have a government mandate, for instituting internal audit in listed companies. Where it is not mandated, it is recommended as best practice.

2. **Key functions of Internal Audit and variations in each country**

Although the respondent-countries and territories varied in how they looked at the key functions of Internal Audit, common areas exist and the variances may be attributed to the current challenges that each country or territory may be experiencing. The core role of Internal Audit as opined includes governance, internal controls, compliance, and risk management. The additional areas for coverage are: performance audits, fraud and ethical issues.

3. **Reporting line for Internal Audit**

The ideal reporting line for the Internal Auditor is perceived to be that of reporting to the Audit Committee. For administrative purposes, the reporting is best done to the Chief Executive.

4. **Audit Committee and Boards**

Overall, the opinion was that Audit Committees improve governance.

5. **The Growing Role of Risk management**

In four of the ten countries and territories, stock exchanges require listed companies to have Risk Management (RM) and discuss RM at Board meetings. It was felt that more time is needed to assess the impact of Risk Management on performance of companies.

6. Enhancing Recognition of Internal Audit

Respondents have given numerous suggestions for enhancing the recognition of internal audit. From making Internal Audit mandatory (where it is not so) to the need to partner with other assurance groups and stakeholders, having the highest independence levels and effective reporting lines.

7. Emerging concern areas and the Need for New Competencies from Internal Auditors

As businesses change and evolve, and technology gets more complex and efficient, the need to adapt to these changes and technological advances grows even more critical. Business relations are also impacted by this “revolution.”

More than ever before, Internal Auditors need to attain additional skills outside the traditional perimeter of accounting and internal auditing. They need to:

- Redefine their role: as consultants, advisors, or partners;
- Keep abreast with business risks, i.e., technology, reputation, related party, complex risks, etc.
- Have a broader understanding of their company’s business strategy, stakeholders’ expectations, as well as corporate social responsibility;
- Have a good grasp of best practices, social media, integrated reporting and
- Be receptive to change.

Appendix A

COUNTRY/TERRITORY PROFILES

1. Australia
2. China
3. Chinese Taiwan
4. Hong Kong
5. India
6. Indonesia
7. Malaysia
8. Philippines
9. Singapore
10. Thailand

AUSTRALIA

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies? Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - No. However, Recommendation 7.3 of the ASX Corporate Governance Council's <i>Corporate Governance Principles and Recommendations (2014 edition)</i> recommends that a listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. - No data on company compliance
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<p>ASX does not prescribe any requirements in this regard. However, the commentary to Recommendation 7.3 of the ASX Corporate Governance Council's <i>Corporate Governance Principles and Recommendations (2014 edition)</i> recommends that if a listed entity does have an internal audit function, it should have a direct reporting line to the board or to the board audit committee.</p>
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - No. - However, Recommendation 7.4 of the ASX Corporate Governance Council's <i>Corporate Governance Principles and Recommendations (2014 edition)</i> recommends that a listed entity should disclose whether it has any material exposure to exposure to economics, environmental and social sustainability risks, and if it does, how it manages or intends to manage those risks. This recommendation applies to all ASX listed entities on an 'if not why not' basis.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?</p>	<ul style="list-style-type: none"> - Yes. Only listed entities of ASX under <i>S&P All Ordinaries Index</i> are required to have an audit committee. If the entity is not a part of the <i>S&P All Ordinaries</i>, there is no requirement in the ASX Listing Rules for it to have an audit committee. However, Recommendation 4.1 of the ASX Corporate Governance Council's <i>Corporate Governance Principles and Recommendations (2014 edition)</i> recommends that the board of a listed entity should either (a) have an audit committee; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting (including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner).
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - ASX expresses no view on this issue.

Role of Internal Audit in the prevention and detection of fraudulent financial reporting	Not specifically mentioned.
On Risk Management Q – Do the listing requirements require companies to have a Risk Management function? Q – Have performance of companies improved with formal risk management processes?	<ul style="list-style-type: none"> - No. However, Principle 7 of the ASX Corporate Governance Council’s <i>Corporate Governance Principles and Recommendations (2014 edition)</i> contains a number of recommendations intended to serve the general principle that a listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework. This recommendation applies to all ASX listed entities on a ‘if no, why not’ basis. - ASX does not have processes that monitor the performance of listed companies based on their risk management processes.
The Audit Committee’s Role in Risk Management	<ul style="list-style-type: none"> - This is not required. However, Recommendation 7.1 of the ASX Corporate Governance Council’s <i>Corporate Governance Principles and Recommendations (2014 edition)</i> recommends that a listed entity should have a committee or committees to oversee risk or, if does not, disclose that fact and the processes it employs in overseeing the entity’s risk management framework. This recommendation applies to all ASX listed entities on a ‘if no, why not’ basis.
Q - Does the Audit Committee improve governance?	<ul style="list-style-type: none"> - ASX does not express opinion on this issue beyond what is said in the commentary to , Recommendation 4.1 of the ASX Corporate Governance Council’s <i>Corporate Governance Principles and Recommendations (2014 edition)</i> that “having a separate audit committee can be an efficient and effective mechanism to bring the transparency, focus and independent judgment needed to oversee the corporate reporting process.”
Q - What should Internal Audit focus on to maximize its contribution to the company?	<ul style="list-style-type: none"> - ASX expresses no view on this issue except what is said in the recommendations under ASX Corporate Governance Council’s <i>Corporate Governance Principles and Recommendations (2014 edition)</i>
Emerging Areas of Concern for Internal Audit	<ul style="list-style-type: none"> - ASX expresses no view on this issue
Internal Audit competencies required to continue meeting stakeholders’ expectations and maximize its contributions	<ul style="list-style-type: none"> - ASX expresses no view on this issue
Enhancing the recognition of the Internal Auditor	<ul style="list-style-type: none"> - ASX expresses no view on this issue

CHINA

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

Q - Does the Stock Exchange (SE) mandate internal audit for listed companies? Q - What percentage of companies listed on stock exchange would have an internal audit function?	<ul style="list-style-type: none"> - Yes. According to the "Basic Internal Control Norms for Enterprises", a regulation issued by the Chinese government all public-listed companies should establish an internal audit department or function. - No data on company compliance
Q - What is the ideal reporting relationship for internal audit?	<ul style="list-style-type: none"> - Functional reporting: Internal Audit should report to the Board or Audit Committee - Administrative reporting: CEO
Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?	Not responded
Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?	<ul style="list-style-type: none"> - Yes. - According to the "Code of Corporate Governance for Listed Companies in China" and the "Guidelines for Implementation of Audit Committee of the Board of Directors," all listed companies should establish an audit committee and its responsibilities, duties and powers are well defined by the two regulations.
Key function of Internal Audit	- Focus more on performance audit but do not drop financial assurance.
Role of Internal Audit in the prevention and detection of fraudulent financial reporting	Internal Audit is a significant part of the internal oversight system, It should concentrate on fraud-prone areas.
On Risk Management Q - Do the listing requirements require companies to have a Risk Management function? Q - Have performance of companies improved with formal risk management processes?	<ul style="list-style-type: none"> - No mandatory request at this time - It is generally believed that a formal risk management process does influence the company's performance in a positive way. Yet it's a complicated process and a lot of factors are involved, hence further research is needed to determine the impact of the risk management process on the organization's performance.
The Audit Committee's Role in Risk Management	- The Audit Committee is not required to oversee the Risk Management function in companies.
Q - Does the Audit Committee improve governance?	- Yes.
Q - What should Internal Audit focus on to maximize its contribution to the company?	- Focus on high-risk areas and efficiency of resource utilization. Review areas that impact financial reporting.
Emerging Areas of Concern for Internal Audit	<ul style="list-style-type: none"> - Issues that attract public/investor attention - Issues that impact strategy/image of the organization
Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions	- Understanding of organizational strategy, current management pressures and stakeholder expectations
Enhancing the recognition of the Internal Auditor	- Internal Audit should assist organizations in achieving their internal control objectives

CHINESE TAIWAN

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies?</p> <p>Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - Yes. - 100% company compliance
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<ul style="list-style-type: none"> - Functional reporting: Internal Audit should report to the Board - Administrative reporting: CEO
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - No.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?</p>	<ul style="list-style-type: none"> - Not mandated, but the SE has issued best practices for listed companies. - The Audit Committee can review the financial reporting issues and the effectiveness and efficiency of the company's internal control; make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - Internal Audit should improve internal control systems and operational effectiveness and efficiency.
<p>Role of Internal Audit in the prevention and detection of fraudulent financial reporting</p>	<ul style="list-style-type: none"> - Internal Audit should help deter and detect financial reporting frauds. - SE didn't issue any guidelines of fraudulent financial reporting
<p>On Risk Management</p> <p>Q - Do the listing requirements require companies to have a Risk Management function?</p> <p>Q - Have performance of companies improved with formal risk management processes?</p>	<ul style="list-style-type: none"> - Yes, Risk Management is mandatory. - Boards are required to discuss Risk Management issues in their meetings. - Risk management benefits company performance.
<p>The Audit Committee's Role in Risk Management</p>	<ul style="list-style-type: none"> - Yes, the Audit Committee should oversee Risk Management.
<p>Q - Does the Audit Committee improve governance?</p>	<ul style="list-style-type: none"> - Yes.
<p>Q - What should Internal Audit focus on to maximize its contribution to the company?</p>	<p>Provide valuable consulting inputs to support achievement of company's strategy; focus on high risk areas to assess adequacy of risk management processes.</p>
<p>Emerging Areas of Concern for Internal Audit</p>	<ul style="list-style-type: none"> - All elements of risk management
<p>Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions</p>	<ul style="list-style-type: none"> - Critical thinking and intelligent business problem solving, as well as effective communication skills
<p>Enhancing the recognition of the Internal Auditor</p>	<ul style="list-style-type: none"> - Adhere to international internal auditing standards. They should be an effective reporting channel to the governing body.

Hong Kong

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies?</p> <p>Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - No. Internal Audit function is a voluntary provision and is part of Best Practices. - 51% company compliance, despite the absence of government mandate and that the requirement is a voluntary provision
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<ul style="list-style-type: none"> - Functional reporting: Internal Audit should report to the Board or Audit Committee - Administrative reporting: CEO
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - The Corporate Governance Report is issued twice a year.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?</p>	<ul style="list-style-type: none"> - Yes. - It is mandatory to have an Audit Committee for which the composition and qualifications of members are specified.
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - Internal Audit must be used as third-line defense for ad-hoc investigations by management, and for assurances on specific matters asked by regulators.
<p>Role of Internal Audit in the prevention and detection of fraudulent financial reporting</p>	<ul style="list-style-type: none"> - The Board is responsible for preventing fraudulent financial reporting. Internal Audit can heighten fraud awareness.
<p>On Risk Management</p> <p>Q - Do the listing requirements require companies to have a Risk Management function?</p> <p>Q - Have performance of companies improved with formal risk management processes?</p>	<ul style="list-style-type: none"> - Yes. - Risk Management is mandatory. - Risk Management benefits company performance.
<p>The Audit Committee's Role in Risk Management</p>	<ul style="list-style-type: none"> - The Audit Committee should oversee Risk Management. Companies must have option to create a separate Risk Management Committee if appropriate.
<p>Q - Does the Audit Committee improve governance?</p>	<ul style="list-style-type: none"> - Yes.
<p>Q - What should Internal Audit focus on to maximize its contribution to the company?</p>	<ul style="list-style-type: none"> - Key focus should be on identifying risk priority, conducting analysis and independent appraisal of enterprise and key business risks.
<p>Emerging Areas of Concern for Internal Audit</p>	<ul style="list-style-type: none"> - Systemic technology risk, AML, bribery, regulatory compliance
<p>Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions</p>	<ul style="list-style-type: none"> - Understanding of specific company risks, including rapid technology and increased systemic risks. Competence of Internal Audit should match complexity of company risk profile.
<p>Enhancing the recognition of the Internal Auditor</p>	<ul style="list-style-type: none"> - Upgrade voluntary provision to "comply and explain".

INDIA

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies?</p> <p>Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - Yes. - Rule 13 of Companies (Accounts) Rules, 2014 (laid down under the Companies Act, 2013) requires every listed company and certain other class of companies to appoint an Internal Auditor or a firm of Internal Auditors to conduct internal audit of the functions and activities of the Company - No data on company compliance as the mandate was recent.
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<ul style="list-style-type: none"> - Functional reporting: Internal Audit should report to the Board or Audit Committee - Administrative reporting: CEO
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - Yes.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?</p>	<ul style="list-style-type: none"> - Yes. - Listing Agreement mandates constitution of Audit Committee and one of the functions of audit committees is to review the internal audit functions.
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - Provide assurance on integrity of financial information, internal controls, risk management, and compliance with applicable laws, report on unethical / fraudulent behavior.
<p>Role of Internal Audit in the prevention and detection of fraudulent financial reporting</p>	<p>Internal Audit must play a lead role in fraud prevention and detection by collaborating with third parties.</p>
<p>On Risk Management</p> <p>Q - Do the listing requirements require companies to have a Risk Management function?</p> <p>Q - Have performance of companies improved with formal risk management processes?</p>	<ul style="list-style-type: none"> - Yes, Risk Management is mandatory. - Boards are required to discuss Risk Management issues in their meetings. - Too early to form an opinion. However, it seems to have benefited.
<p>The Audit Committee's Role in Risk Management</p>	<ul style="list-style-type: none"> - Yes, the Audit Committee should oversee Risk Management.
<p>Q - Does the Audit Committee improve governance?</p>	<ul style="list-style-type: none"> - Yes.
<p>Q - What should Internal Audit focus on to maximize its contribution to the company?</p>	<ul style="list-style-type: none"> - Provide assurance on integrity of financial information, internal controls, risk management, and compliance with applicable laws, report on unethical / fraudulent behavior.
<p>Emerging Areas of Concern for Internal Audit</p>	<ul style="list-style-type: none"> - Risk Management, related third party transactions, and areas having conflict of interest with stakeholders

Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions	- Understanding of the changing and expanding nature of business and application of technology to governance processes
Enhancing the recognition of the Internal Auditor	- Companies Act has given statutory form to Internal Audit. SEs need to monitor and further promote the role of Internal Audit.

INDONESIA

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies?</p> <p>Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - Yes. - Per the Indonesia Stock Exchange Rule Number 1-A point III.1.7, a prospective listed company must have an internal audit unit. Point V.8 also requires Listed Company to maintain establishment of internal audit as an obligation to remain listed. - No data on company compliance, as the mandate was recent
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<ul style="list-style-type: none"> - Functional reporting: Internal Audit should report to the Board or Audit Committee - Administrative reporting: CEO
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - Reports are due only when specifically demanded by the Stock Exchange.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?</p>	<ul style="list-style-type: none"> - Yes. - It is mandatory to have an Audit Committee as described in Indonesia Stock Exchange Rule number 1-A point III.I.6. The responsibilities, duties and powers are explained in Rule of Bapepam and LK Number IX.I.5
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - Change internal audit approach from curative action to preventive action. Internal audit should change approach from auditor to consultant.
<p>Role of Internal Audit in the prevention and detection of fraudulent financial reporting</p>	<p>Internal Audit can improve the company's internal controls to reduce fraudulent financial reporting.</p>
<p>On Risk Management</p> <p>Q - Do the listing requirements require companies to have a Risk Management function?</p> <p>Q - Have performance of companies improved with formal risk management processes?</p>	<ul style="list-style-type: none"> - No. - Risk Management is recommended as Best Practice. - Risk Management benefits company performance.
<p>The Audit Committee's Role in Risk Management</p>	<ul style="list-style-type: none"> - Yes, in absence of risk monitoring function.
<p>Q - Does the Audit Committee improve governance?</p>	<ul style="list-style-type: none"> - Yes.
<p>Q - What should Internal Audit focus on to maximize its contribution to the company?</p>	<ul style="list-style-type: none"> - Focus on internal controls to reduce operational risk; promote compliance.
<p>Emerging Areas of Concern for Internal Audit</p>	<ul style="list-style-type: none"> - Role as strategic business consultant for the company
<p>Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions</p>	<ul style="list-style-type: none"> - Understanding of the changing and expanding nature of company business, risk management and governance.
<p>Enhancing the recognition of the Internal Auditor</p>	<ul style="list-style-type: none"> - The role, authority and responsibilities of Internal audit have been explicitly stated in government regulations.

Malaysia

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies?</p> <p>Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - Yes. - Paragraph 15.27 of the Listing Requirements (LR) requires all listed issuers to establish an internal audit function which is independent of the activities it audits. The internal audit function is to report directly to the audit committee. - 100% compliance.
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<ul style="list-style-type: none"> - Functional reporting: Internal Audit should report to the Board or Audit Committee - Administrative reporting: CEO
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - Yes.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?</p>	<ul style="list-style-type: none"> - Yes. - Paragraph 15.09 of the LR mandates listed issuers to appoint an audit committee which fulfils the following requirements. <ul style="list-style-type: none"> (a) the audit committee must be composed of not fewer than 3 members; (b) all the audit committee members must be non-executive directors, with a majority of them being independent directors; and I. at least one member of the audit committee- <ul style="list-style-type: none"> (i) must be a member of the Malaysian Institute of Accountants; or (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and- <ul style="list-style-type: none"> (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or (bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or (iii) fulfils such other requirements as approved by the SE.
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - Internal Audit should evaluate internal control systems and also complement the external audit function.
<p>Q. Role of Internal Audit in the prevention and detection of fraudulent financial reporting</p>	<ul style="list-style-type: none"> - Internal auditors should carry out their function according to the standards set by professional bodies.
<p>On Risk Management</p> <p>Q - Do the listing requirements require companies to have a Risk Management function?</p> <p>Q - Have performance of companies improved with formal risk management processes?</p>	<ul style="list-style-type: none"> - Yes. - Risk Management is mandatory. - The Board is expected to set the risk tolerance levels. - Need further research to determine if Risk Management benefits company performance.
<p>The Audit Committee's Role in Risk Management</p>	<ul style="list-style-type: none"> - The Audit Committee should oversee Risk Management, in the absence of a separate risk committee.
<p>Q - Does the Audit Committee improve governance?</p>	<ul style="list-style-type: none"> - Yes.

Q - What should Internal Audit focus on to maximize its contribution to the company?	- Internal audit should objectively evaluate governance, risk and control environment, give recommendations for efficient resource utilization.
Emerging Areas of Concern for Internal Audit	- Enhancement of governance processes and efficiency of financial statements
Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions	- Information technology skills, value-adding through consultancy role, whistle blowing
Enhancing the recognition of the Internal Auditor	- Include advocacy efforts to promote Internal Audit's role in educational programs

Philippines

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies?</p> <p>Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - Yes. - Reported 90% company compliance
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<ul style="list-style-type: none"> - Functional reporting: Internal Audit should report to the Board or Audit Committee - Administrative reporting: CEO
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - Yes.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?</p>	<ul style="list-style-type: none"> - Yes. - This is included also in the PSE Corporate Governance Guidelines and well as reinforced also in the Securities and Exchange Commission (SEC) Code of Corporate Governance.
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - Management should look at auditors as partners and/or advisors. Internal Audit should be involved in management committees and strategy sessions as observers.
<p>Role of Internal Audit in the prevention and detection of fraudulent financial reporting</p>	<ul style="list-style-type: none"> - General guidelines or highly recommended practices have been issued.
<p>On Risk Management</p> <p>Q - Do the listing requirements require companies to have a Risk Management function?</p> <p>Q - Have performance of companies improved with formal risk management processes?</p>	<ul style="list-style-type: none"> - No. - Risk Management is part of Best Practice, except in the banking sector where it is mandatory. - Need further research to determine if Risk Management benefits company performance; may be so for large companies but probably not for family-owned companies.
<p>The Audit Committee's Role in Risk Management</p>	<ul style="list-style-type: none"> - Not required but recommended practice.
<p>Q - Does the Audit Committee improve governance?</p>	<ul style="list-style-type: none"> - Yes. - There is a challenge in getting "truly independent" directors on account of the compensation not being commensurate to the responsibilities of the position.
<p>Q - What should Internal Audit focus on to maximize its contribution to the company?</p>	<ul style="list-style-type: none"> - Corporate management should see auditors as partners and advisors. It is good practice to involve auditors in management committees and strategy sessions (as observers). The inputs of auditors are valued and considered.
<p>Emerging Areas of Concern for Internal Audit</p>	<ul style="list-style-type: none"> - Benchmarking and promotion of best practices
<p>Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions</p>	<ul style="list-style-type: none"> - Business perspective to make valuable recommendations. Cross-enrichment by rotation of internal auditors within the company, or inviting operations staff to experience internal auditing.
<p>Enhancing the recognition of the Internal Auditor</p>	<ul style="list-style-type: none"> - Partnering with other assurance groups and stakeholders has been identified as part of best practice.

Singapore

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies?</p> <p>Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - No. However, listed companies must comply or explain deviations from the recommendations under the Code of Corporate Governance (“Code”) which states that listed companies should establish an effective internal audit function that is adequately resourced. - No data as this is not monitored by the SE.
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<ul style="list-style-type: none"> - Functional reporting to the Audit Committee and administrative reporting to the CEO.
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - These are mandatory disclosures required to be reported to the shareholders through disclosures and confirmations in the company’s annual reports.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee (AC)?</p>	<ul style="list-style-type: none"> - Guidelines on AC and their responsibilities are set out in the Code. Listing rules also impose specific responsibilities on the AC.
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - Evaluate governance processes, management of risks, adequacy of controls and ensure compliance in their entities.
<p>Role of Internal Audit in the prevention and detection of fraudulent financial reporting</p>	<ul style="list-style-type: none"> - SE has no guidelines on this as this is set out under the relevant professional standards.
<p>On Risk Management</p> <p>Q - Do the listing requirements require companies to have a Risk Management function?</p> <p>Q - Have performance of companies improved with formal risk management processes?</p>	<ul style="list-style-type: none"> - Such principles are set out in the Code and companies are required to comply or explain deviations from such principles and guidelines. - Yes.
<p>The Audit Committee’s Role in Risk Management</p>	<ul style="list-style-type: none"> - Oversight of the risk management function forms part of the fiduciary responsibilities of the board as a whole.
<p>Q - Does the Audit Committee improve governance?</p>	<ul style="list-style-type: none"> - Yes as Audit Committee provides independent oversight over management to review the systems of internal controls implemented by management over operations and financial reporting, risk management and compliance, to safeguard shareholders’ interest and the company’s assets.
<p>Q - What should Internal Audit focus on to maximize its contribution to the company?</p>	<p>Evaluate governance processes, management of risks, adequacy of controls and ensure compliance in their entities.</p>
<p>Emerging Areas of Concern for Internal Audit</p>	<p>Ensuring processes are in place to manage financial cyber security, information security, and social media to protect the interest and reputation of the company.</p>

<p>Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions</p>	<p>- Data management and in-depth knowledge of risks in digital technology, trends in corporate fraud, updated knowledge of the company's operational, financial processes and compliance requirements, soft skills like communication, leadership, negotiation, and relationship management.</p>
<p>Enhancing the recognition of the Internal Auditor</p>	<p>Listing rules can set out specific areas of focus for the board to review the necessity of Internal Audit.</p>

Thailand

Source of Data: Survey of ACIIA Member Institutes related to the Stock Exchange Initiative in 10 Asian Countries and Territories, 2014

<p>Q - Does the Stock Exchange (SE) mandate internal audit for listed companies?</p> <p>Q - What percentage of companies listed on stock exchange would have an internal audit function?</p>	<ul style="list-style-type: none"> - Yes. - Reported 100% company compliance
<p>Q - What is the ideal reporting relationship for internal audit?</p>	<ul style="list-style-type: none"> - Functional reporting: Internal Audit should report to the Board or Audit Committee - Administrative reporting: CEO
<p>Q - Does the SE require companies to report Governance, Risk and Compliance (GRC) issues?</p>	<ul style="list-style-type: none"> - Yes, some issues.
<p>Q - Do the listing requirements of the SE mandate the formation of an Audit Committee?</p>	<ul style="list-style-type: none"> - Yes, it is mandatory for listed companies. - Its responsibilities, duties and powers was specified in the Best Practice Guidelines for Audit Committee issued by the SE. <p>http://www.set.or.th/dat/content/rule/th/BorJorRor2500_TH.pdf</p>
<p>Key function of Internal Audit</p>	<ul style="list-style-type: none"> - Internal Audit should evaluate governance process.
<p>Role of Internal Audit in the prevention and detection of fraudulent financial reporting</p>	<ul style="list-style-type: none"> - Internal audit should report any significant risk exposures, control and governance issues including fraud risk.
<p>On Risk Management</p> <p>Q - Do the listing requirements require companies to have a Risk Management function?</p> <p>Q - Have performance of companies improved with formal risk management processes?</p>	<ul style="list-style-type: none"> - No - Boards are not required to discuss Risk Management practices - Partly true.
<p>The Audit Committee's Role in Risk Management</p>	<ul style="list-style-type: none"> - Some big companies have a separate Risk management committee.
<p>Q - Does the Audit Committee improve governance?</p>	<ul style="list-style-type: none"> - Depends on selection / quality of Audit Committee members.
<p>Q - What should Internal Audit focus on to maximize its contribution to the company?</p>	<ul style="list-style-type: none"> - Promote ethical values and management accountability.
<p>Emerging Areas of Concern for Internal Audit</p>	<ul style="list-style-type: none"> - Corporate social responsibility
<p>Internal Audit competencies required to continue meeting stakeholders' expectations and maximize its contributions</p>	<ul style="list-style-type: none"> - Receptivity to change
<p>Enhancing the recognition of the Internal Auditor</p>	<ul style="list-style-type: none"> - SE should issue guidelines on reporting line of internal audit and disclosures of the effectiveness of corporate RM processes.

ACKNOWLEDGMENT

The Executive Committee of the Asian Confederation of Institutes of Internal Auditors (ACIIA) would like to thank the participating member-institutes who provided support and assistance in making the completion of this research possible.

ACIIA Executive Committee 2014/15:

President - Mr. Naren K. Aneja

Vice President - Ms. Helen T. de Guzman

Honorary Secretary - Mr. Ranjit S.T. Singh

Honorary Treasurer - Mr. Xi Sheng