

Title [optional]

1. Introduction

The article by Spira and Page (2003) titled "Risk Management: The Reinvention of Internal Control and the Changing Role of Internal Audit" explores the evolving landscape of internal control and the shifting responsibilities of internal audit in the context of risk management. The authors highlight the increasing importance of risk management in organizations and how it has led to a transformation in the role of internal control systems and the internal audit function.

From this article, it can be inferred that risk management has become a central focus for organizations due to the dynamic and complex business environment. The traditional approach of internal control, primarily focused on financial reporting and compliance, has expanded to encompass broader risks such as strategic, operational, and reputational risks. The authors argue that this broader perspective on risk management necessitates a reevaluation and enhancement of internal control systems to effectively identify, assess, and manage risks.

Furthermore, the article suggests that the changing risk landscape has implications for the role of internal audit. Internal auditors are now expected to be more proactive and provide value-added services by assisting management in identifying and mitigating risks. The authors emphasize the need for internal auditors to develop a deeper understanding of the organization's objectives, risks, and controls to contribute effectively to the risk management process.

2. Literature review

The sources examined in this review provide valuable insights into the functions, objectives, independence, and changing role of internal audit within organizations. They emphasize the significance of internal audit in providing assurance, consulting services, and improving organizational performance. Chun (1997) discusses the functions and objectives of internal audit, highlighting its role in enhancing organizational performance through the provision of assurance and consulting services. Stewart and Subramaniam (2010) focus on the importance of independence and objectivity in internal audit, emphasizing their impact on governance and control systems. Spira and Page (2003) explore the changing role of internal audit in the context of risk management, emphasizing the need for internal auditors to actively contribute to the organization's risk management processes. Coram, Ferguson, and Moroney (2008) investigate the relationship between internal audit structures and misappropriation of assets fraud, highlighting the importance of effective internal audit mechanisms. Adams (1994) applies agency theory to internal audit, emphasizing its role as an agency control mechanism in improving organizational governance.

Critical Evaluation:

Chun's (1997) article provides a comprehensive exploration of the functions and objectives of internal audit. The article emphasizes the role of internal audit in enhancing organizational performance through the provision of assurance and consulting services. However, to enhance the practical relevance of the article, the inclusion of practical examples or case studies would have further illustrated the identified functions and underlying conditions.

Stewart and Subramaniam (2010) rightly stress the importance of independence and objectivity in internal audit. The article highlights the significance of independence in ensuring the credibility and effectiveness of internal audit activities. However, to strengthen the arguments, additional empirical evidence could have been incorporated. Empirical studies or case examples could have supported the claims made and provided a more robust foundation for the discussions on the impact of independence on governance and control systems.

Spira and Page's (2003) article explores the evolving role of internal audit in the context of risk management. The article emphasizes the need for internal auditors to adapt and actively contribute to the organization's risk management processes. The insights provided are valuable; however, the practical relevance of the discussions could have been enhanced by incorporating more empirical evidence or case studies. Real-world examples of how internal audit functions contribute to risk management practices in organizations would have provided a deeper understanding of the topic.

Coram, Ferguson, and Moroney (2008) investigate the relationship between internal audit structures and misappropriation of assets fraud. The article sheds light on the importance of designing effective internal audit mechanisms to reduce fraudulent activities. The study presents valuable findings; however, a more detailed analysis of the specific characteristics or mechanisms of different internal audit structures would have provided greater clarity and practical insights.

Adams (1994) applies agency theory to internal audit, highlighting its role as an agency control mechanism. The article discusses how internal audit can mitigate agency problems and improve organizational governance through effective monitoring and control mechanisms. While the article offers a theoretical perspective, the inclusion of empirical evidence or practical examples would have strengthened the arguments and provided more concrete support for the claims made.

Overall, the sources reviewed contribute to our understanding of the functions, objectives, independence, and evolving role of internal audit. They highlight the significance of internal audit in providing assurance, consulting services, and improving organizational performance. To enhance the practical relevance and applicability of the discussions, future research could incorporate more empirical evidence, case studies, and practical examples. This would provide a deeper understanding of how internal audit functions operate in real-world scenarios and how they contribute to risk management, fraud prevention, and organizational governance.

3. Conclusion

In conclusion, the reviewed sources have provided valuable insights into the functions, objectives, independence, and evolving role of internal audit within organizations. They emphasize the significance of internal audit in enhancing organizational performance, improving governance and control systems, mitigating risks, and preventing fraud.

Chun (1997) highlights the functions and objectives of internal audit, emphasizing its role in providing assurance and consulting services. Stewart and Subramaniam (2010) emphasize the importance of independence and objectivity in internal audit, while Spira and Page (2003) discuss the evolving role of internal audit in risk management. Coram, Ferguson, and Moroney (2008) investigate the relationship

between internal audit structures and fraud prevention, and Adams (1994) applies agency theory to internal audit.

While the sources provide valuable insights, it is important for future research to incorporate more empirical evidence, case studies, and practical examples to enhance the practical relevance of the discussions. This would provide a deeper understanding of how internal audit functions operate in real-world scenarios and how they can effectively contribute to organizational success.

Overall, the findings from these sources highlight the crucial role of internal audit in enhancing organizational performance, ensuring effective governance, managing risks, and preventing fraud. Organizations should recognize the importance of internal audit and strive to establish independent and effective internal audit mechanisms to safeguard their interests and achieve their objectives.

4. Resources:

1. Chun, C. (1997). On the functions and objectives of internal audit and their underlying conditions. *Managerial Auditing Journal*, 12(9), 501-512.
2. Stewart, J., & Subramaniam, N. (2010). Internal audit independence and objectivity: Emerging research opportunities. *Managerial Auditing Journal*, 25(4), 328-360.
3. Spira, L. F., & Page, M. (2003). Risk management: The reinvention of internal control and the changing role of internal audit. *Accounting, Auditing & Accountability Journal*, 16(4), 640-661.
4. Coram, P., Ferguson, C., & Moroney, R. (2008). Internal audit, alternative internal audit structures and the level of misappropriation of assets fraud. *Accounting & Finance*, 48(4), 543-559.
5. Adams, M. B. (1994). Agency theory and the internal audit. *Managerial Auditing Journal*, 9(8), 8-12.