Proposed a Study Model of Factors Affecting the Internal Control of Vietnam Commercial Banking

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Abstract:
The objective of this paper is to review research related to the internal control of businesses and commercial banks (commercial banks). From there, based on the context of Vietnamese commercial banks, the analytical study introduces research gaps and suggests a proposed research model to evaluate the impact of factors of the control environment on the internal control of Vietnamese commercial banks.

Keywords: Internal control, Vietnamese commercial banks.

1. Introduction

Commercial banks formed, existed and developed associated with the development of commodity economy. The development of the commercial banking system has had a great influence on the development of the commodity economy. In contrast, the commodity economy strongly developed to its high stage, which is the market economy, the more commercial banks are completed and become indispensable financial institutions.

In the commodity economy, from its very early days, there appeared many organizations whose operations took the form of banking activities. Along with the development of the economy, these credit institutions are developing more and more, operating more abundantly and modernly. Commercial banks operate in the monetary business and banking services, which contribute to promoting socio-economic development. Commercial banks' activities in the monetary and credit sectors are called a special kind of financial institution in a market economy. Commercial banks were born in the condition of a developed commodity economy to a certain level. At the same time, through the centuries of existence and development, the commercial banking system has been increasingly perfect and became one of the indispensable institutions of the market economy, promoting the growing economy. Along with the development of commercial banks to meet the increasing requirements of society, the concept of commercial banks is also introduced in accordance with each historical period and each national territory.

In the US, commercial banks are money companies, operating in the financial services industry; specializes in providing financial services such as receiving deposits, transferring money, paying, lending, investing, exchanging money, buying and selling foreign exchange and other services related to money such as preservation, trust, domestic and international [14]. The Banking Act of the French Republic of 1941 defined commercial banks as establishments whose regular profession is to receive money from the public in the form of deposits, or in other forms, and use those resources for themselves. they are involved in discounting, credit and finance [9].

In a nutshell, commercial banks are an intermediary financial institution in the market economy, with monetary business activities and banking services. Commercial banks play an important role in the financial market. Thanks to the existence and operation of commercial banks that the idle money in society is concentrated and transformed into capital to meet the needs of companies, economic organizations, households and fish. people in society.

Commercial banks are a financial intermediary between the surplus and the short of money; between the state and the people, companies and commercial banks. Commercial banks are considered as a type of company in nature Commercial banks are a typical company operating currency trading and banking services with the regular content of receiving deposits (demand and term deposits). use this money to provide credit, provide
payment services, discount and carry out various business operations for the sake of profitability and the overall development of the economy. Therefore, banking activities are diversified and diversified in terms of profession as well as the products and services provided by the bank, and banking operations are inclusive and decisive to the whole economy.

2. Literature review

Noorvee, L. (2006) evaluated each component of the internal control system through the financial statements of 3 manufacturing companies in Estonia. The author based on the framework of COSO divided the internal control system into 5 components and asked interview questions for each factor in the components of the internal control system. The study used the distance scale for each question and scored from 1 to 6. Based on the results of the interview, the author statistically calculates the average score for each component and assesses the suitability of each component of KSNB systems in 3 manufacturing companies above. The research results show that each component of the internal control system plays a different important role in the internal control system, the control and monitoring environment plays the most important role in preparing financial statements. The weakest of the firms was to underestimate the risk assessment [103].

Karagiorgos, T. et al (2008) emphasized the importance of a well-organized internal control system to ensure the safety and soundness of the credit institution's operations, helping to maintain the stability of the system. Commercial banking system in Greece. The author reviews the theory and empirical studies show that the components of the internal control system are very important to commercial banks, thus determining the survival and success in banking business. The study used questionnaires with the question of contents of internal control system components according to COSO framework, the 5-level Likert scale used in the study to evaluate each question in the internal control system components from Strongly disagree (1) to strongly agree (5) [90].

Research results from descriptive statistics show that, for the control environment; Integrity and ethical values, code of conduct and organizational structure are essential elements of the control environment. Risk assessment is considered an important part of the management process, reflected in the identification and assessment of barriers to achieving the goals of commercial banks. Operational controls are the policies and procedures used to meet regulatory requirements. Information and information exchange are effectively communicated both up and down within commercial bank departments. Supervision is an indispensable part of commercial banking and is done on the basis of a flexible response to changing conditions [90].

Amudo, A., Inanga, E.L. (2009) based on the KSNB system framework of COSO and COBIT (Control Objectives for Information and Related Technology), built the theoretical model of the independent variables that are components of the internal control system (adding more Information technology according to COBIT) affects the dependent variable which is the goals of the KSNB system [42].

The internal control components of the internal control system are analyzed into small questions based on the contents of the internal control system and interviewed through closed questions with the answers "Yes" or "No". Using the case study method and interview results, the author evaluated the effectiveness and efficiency of the internal control system components in public sector projects in Uganda funded by the African Development Bank. support. The results show that some components of the internal control system are defective, leading to ineffective operation of the internal control system [42].

Oseifuah, E.K., & Gyekye, A.B. (2013), stated that the lack of mechanisms of the internal control system is one of the factors leading to the failure of the internal control system. The author also agrees with the previous points, that the internal control system is a process implemented by the Board of Directors, managers and employees in the company; is designed to provide reasonable assurance to achieve company efficiency and performance goals, the reliability of its financial statements, and compliance with applicable laws and
regulations. However, the major problem facing companies is that these goals may not be achieved due to a number of factors [106].

Purpose of the study of Oseifuah, E.K., & Gyekye, A.B. (2013), is a review of the effectiveness of the internal control system in a small company in the Vhembe district of Limpopo province in South Africa. The author used questionnaires to collect data related to 5 basic components of the internal control system under the COSO framework and considered the relationship between components of the internal control system, including: control environment, risk assessment, control activities, information and information exchange, monitoring activities. The study used Chi-square test method to check the differences in internal control system in companies by company size and business type [106].

The findings of the study show that: only 45% of companies surveyed have all components of the internal control system, which shows that the implementation of internal control in small companies is quite low; The internal control system components have a positive difference according to company size. Therefore, the study's findings imply policy that it is necessary to have policies to encourage and support small companies to develop and scale up in order to use effectively measures of internal control systems [106].

Samuel, I.K. & Wagoki, J. (2014) thinks that the company establishes an internal control system that will help achieve company goals, prevent loss of resources, prepare reliable financial statements and ensure compliance with laws and regulations. The purpose of the research is to evaluate the role of components of the internal control system in public universities in Kenya. The study used the internal control system framework according to COSO (1992) analyzed the internal control system into 5 components. The author used a sample in the study including 138 observations [116].

Research using descriptive statistics and research results shows that universities have clear and relatively good structure of components of internal control system. The results also showed that most of the staff agreed that information and information exchange is important in strengthening the internal control system. However, research shows that employee perception of risk assessment is of the lowest mean; This implies that, one of the reasons of the weak internal control system is due to the low perception of the risk assessment process [116].

Jokipii, A. (2010) said that, to ensure operational efficiency and efficiency, information reliability and compliance with the law, companies need to have a good internal control system. The KSNB system framework of COSO, CoCo (Canadian Criteria of Control Committee) shows that the KSNB system needs to change depending on the specifics of the company. This is consistent with the context theory, which states that each company can select the most suitable internal control system by considering the context characteristics [89].

Research is based on context theory, that the design of internal control system depends on company context; the compatibility between the context and the internal control system will lead to more efficient company operation. The study examines the contextual features that the company chooses to adapt to the internal control system structure with results that have a more favorable effect on the effectiveness of the internal control system, hypothesizing whether context features have an effect affect the structure and efficiency of the internal control system. The author performed the method of analyzing the structural model SEM, the sample survey on the web of 741 Finnish companies [89].

The research results show that companies with internal control systems adapting to changing environment achieve high control goals. In addition, company strategy has a significant influence on the structure of adaptation to internal control and is statistically significant. Besides, the study has an important contribution in context theory explaining the characteristics of the adaptation to the internal control system [89].

Siayor, A.D. (2010) systematic frameworks on internal control and risk management systems of COSO, Basel. The author used questionnaires built on the results of several researchers, modified and approved by auditing firm Pricewaterhouse Coopers. The questionnaire includes closed questions (“Yes” or “No” questions and
questions with 5-point Likert scale) and open-ended questions to collect information about the internal control system and risk management from employees of a Norwegian financial services group. The author uses descriptive statistical research methods and case studies [121].

Research results show that the existence of the internal control system, specifically the risk management department, is very important in the Norwegian financial services group. The author has pointed out the internal control system is a tool in preventing and dealing with risks in order to achieve the group's goal. The risk management department needs to develop a model of operational risk analysis and calculation, including: credit risk, market risk and liquidity risk. The results also acknowledge that the internal control system ensures efficient company operations, improves reporting quality, and complies with laws and regulations [121].

Charles, E.I. (2011) conducted a study to evaluate the internal control system of commercial banks in Nigeria based on 5 components according to the COSO framework and gave 6 research hypotheses, specifically: (1) Can rely on the internal control system Commercial banks in Nigeria; (2) Internal control system helps to manage commercial banks well in Nigeria; (3) Internal control system has brought efficiency to commercial banks in Nigeria; (4) Internal control system of commercial banks in Nigeria ensures the reliability of financial statements and management reports; (5) Internal control system ensures compliance with laws and regulations; (6) There exists a statistically significant relationship between the internal control system, profitability and liquidity of commercial banks in Nigeria. The study is based on 95 samples from commercial banks, using Chi-square test method to test research hypotheses. The results show that all 6 hypotheses are accepted with relatively high correlation coefficients [57].

Njanike, K. et al. (2011) evaluated the factors affecting the internal control system to ensure good corporate governance in commercial banks in Zimbabwe. The author poses 2 research questions: (1) How to have an effective internal control system in the field of commercial banks of Zimbabwe; (2) How can an effective internal control system promote good corporate governance in commercial banks. The study uses interview questionnaires and descriptive statistical methods. The research results show that 92% of interviewees think that an effective internal control system is an essential component of good corporate governance. To ensure the effective internal control system and effective operation in commercial banks, the Board of Directors needs to implement the following contents: The Board of Directors needs to set appropriate operational goals; risk assessment and management; The audit committee has the right to summon members to provide evidence; CEO updates and reports to the Board of Directors in meetings [101].

The research results also show that, an effective internal control system needs to appoint appropriate staff with the task, need to equip necessary skills and expertise to suit the complexity of operations in commercial banks. The bank's board of directors and senior management are responsible for enacting ethical standards and ensuring high integrity, establishing an organizational culture that emphasizes the importance of the internal control system in all sectors, staff level. Bank staff need to understand their role in the internal control system and fully participate in the system [101].

The study of Sultana, R. et al. (2011), argued that an assessment of the internal control system structure in a company is necessary to determine the ability to ensure that company operations are performed in accordance with the objective objectives. The study was conducted on 6 private commercial banks in Bangladesh. Research to build a development model from the internal control system framework under the COSO system framework. The research model evaluates the 5 internal control system components affecting 3 control objectives, including: operational efficiency of commercial banks, reliable financial statements, compliance with legal requirements and relevant regulations. The model will be of high significance when the independent variables are identified that have a relationship with each of the control objectives of the commercial bank, in particular the good performance of the control components (independent variables) provide consistent assurance. control objectives (dependent variable). The study uses a 5-level Likert scale to measure
the dependent and independent variables, using descriptive statistical methods of the% higher or lower than the mean and standard deviation of each research variable. rescue at each commercial bank [128].

Survey results on the efficiency of commercial banks, the reliability of financial statements, compliance with laws and regulations show that, there are 3 commercial banks that achieve most of the 3 control targets at a higher level than the average. mean and standard deviation are the lowest. Most commercial banks have achieved components of internal control system above average rating. Only a few commercial banks lack some components of the internal control system. The study also gave some recommendations for each component of the ineffective internal control system (achieving lower than average rating). However, the study only stopped at descriptive statistical methods and did not analyze and found a relationship between components of internal control systems and control targets at commercial banks [128].

Mawanda, S.P. (2011) mainly based on the Internal Audit System framework according to COSO standards, research establishes the relationship between the internal control system and financial performance in a graduate training institute in Uganda. The study uses representative theory to explain the relationship between the internal control system and financial performance. Internal control system is seen from the point of view of the control environment, internal audit and control activities, while the financial performance focuses on liquidity and accountability in payment. Research data was collected from questionnaires interviewing leaders and financial accountants at the University of Uganda. The survey questions used a 5-point Likert scale to evaluate the internal control system and financial efficiency. The research method is mainly used: descriptive statistics, analysis of Cronbach Alpha coefficients, analysis of correlation coefficients, analysis of multiple regression models. The results show that there is a positive relationship between the internal control system (control environment, internal audit and control activities) and financial performance [98].

Muraleetharan, P. (2011) argues that the internal control system plays an important role in the company to achieve management goals. The author's study is based on data collected through questionnaires interviewing companies in Sri Lanka, examining whether the internal control system increases firm financial performance. The internal control system is measured through the components of the internal control system under the COSO framework including: control environment, risk assessment activities, accounting information systems, control and monitoring activities. Financial efficiency is measured by: profitability, ability to achieve efficiency in operations and liquidity. Quantitative research methods are used: factor analysis Cronbach's alpha, test of Chi-square distribution and multivariate linear regression. The results show that the positive relationship between the internal control system and the financial performance is statistically significant. The results also show that risk assessment, control and supervision have a positive effect on the company's financial performance [99].

Amaka, C.P. (2012) conducted research using samples interviewed by accountants, directors, independent auditors, managers and shareholders of Nigerian Wine Company. The author built 3 research hypotheses: Internal control system ensures a reasonable use of company capital and assets; Weakness in the internal control system leads to fraud and loss of revenue in the company; Internal control system ensures the financial statements present the company's activities honestly. Analysis results of correlation relationships between variables showed that all 3 above hypotheses are accepted with significance lower than 5% [40].

Research by Olumbe, C.O.O. (2012) seeks to establish relationships between internal internal control system and corporate governance mechanism in commercial banks in Kenya. Research based on the context of the need to promote the development of commercial banks in Kenya through completing the internal control system, the author has developed into research on the internal control system based on the corporate governance mechanism. Research using representative theory emphasizes the importance of internal control system as a foundation of corporate governance mechanisms. On that basis, companies can review their policies to perfect the internal control system to achieve effective corporate governance [105].

The study design author investigates the relationship between internal internal control system and corporate governance mechanism in commercial banks in Kenya. The study surveyed all 45 commercial banks in Kenya.
Primary data was collected using questionnaires. The data is analyzed on the basis of descriptive statistics and linear regression analysis of OLS for 3 research models with table data over time from 2009 to 2011. Model 1, the effects of the variables part of internal control system to general assessment of internal control system; model 2, the influence of corporate governance mechanism variable on the overall assessment of the internal control system; model 3, combining component variables of internal control system and processing corporate governance mechanism to influence the general assessment of internal control system [105].

This study concludes that most commercial banks have combined different factors to evaluate the internal control and corporate governance systems in commercial banks. This shows that commercial banks in Kenya that have set up a good corporate governance system are linked to a strong internal control system [105].

Fogelberg, L and Griffith, J.M. (2000) based on the representation theory developed by Jensen and Meckling, studying the relationship between the internal control system mechanisms and the performance of commercial banks holding company shares. Control mechanisms including the manager who owns shares and the chairman of the board of directors who is the executive director affecting the performance of commercial banks (measured by EVA = Profit after tax - Cost of capital ). Research data from 100 commercial banks that held corporate stock in 1996 were provided by Stern Stewart & Co in 1997, the OLS regression method used in the study. The results show that the relationship between the proportion of managers who own shares and the performance of commercial banks is nonlinear. The results also showed that the chairman of the board of directors holding the position of executive director does not affect the performance of commercial banks [84].

To examine whether the quality of the internal control system affects the accounting profitability of mergers & acquisitions (M&A) companies after the China SOX Act was enacted, research by Leng, J. & Zhao, P., (2013) selected 126 companies with mergers & acquisitions (M&A) transactions that are not in the financial sector listed on the Shanghai and Shenzhen China Stock Exchange in 2010 from the database. by CSMAR (China Securities Market & Accounting Research). The study looks for evidence that corporate acquirers who require higher quality corporate internal control systems are more likely to benefit from mergers and acquisitions (M&A) activities, which generate more prices. value for the company and its shareholders. The study used the content analysis method of the internal control system framework according to COSO to build the scoreboard to measure the quality of the internal control system. The scorecard is based on the COSO internal control system assessment questionnaire (ICQs) in 2010, according to the guidance on monitoring of the internal control system of the company published in 2009 by COSO. The content index format for each component is given a score of "0, 1, and 2", then the average is calculated for all surveyed content indexes. Internal control system quality is measured by the average score of 5 components of the internal control system (control environment, risk assessment, control procedures, information systems and information exchange, monitoring activities). and whether or not to disclose information on the internal control system of the independent auditor as required by the Chinese SOX Act. Research results show that the internal control system quality is positively related to business results, the event research results also show that the internal control system quality positively affects stock repurchase [95].

The study examines the relationship between the quality of the internal control system and the performance of the merged & acquired companies using multivariate regression analysis. The independent variable is the KSNB system quality variable and some other control variables, the dependent variable used in the model is ROE and EPS. The research results show that the quality of the internal control system required by the company acquirers has a positive relationship to the company's financial performance, namely ROE and EPS. The better quality of the internal control system will help the company acquirers more likely to benefit from M&A activities and create more value for companies and shareholders [95].

Fanta, A.B. et al. (2013) mainly based on representation theory, researching corporate governance mechanisms and its effects on the performance of commercial banks in Ethiopia. The study evaluates the relationship between the internal control system mechanism and the external management tools of commercial banks that
affect the performance of commercial banks as measured by the variables ROE and ROA. The author used a regression model to analyze the factors affecting ROE and ROA including: number of administrators, existence of audit committee, safe capital ratio, capital ratio, rate expected loan risk prevention, loan-to-deposit ratio, using 2 control variables: total assets and ownership characteristics [70].

The results showed that the number of managers and the existence of the Audit Committee in the Board of Directors had a negative effect on the financial performance of commercial banks, while the total assets of the bank had an effect. Significantly positive performance of commercial banks. Similarly, the capital adequacy ratio, as a measure of the banking risk management mechanism, has a positive effect on the performance of commercial banks. In addition, deep government intervention, lack of awareness of banking governance, no national standards for banking governance, as well as a lack of accounting, auditing and a weak legal framework to protect interests. Minority shareholders are important factors with negative effects on banking governance and commercial banking performance in Ethiopia [70].

Research by Magara, C.N. (2013), investigating the impact of the internal control system on financial performance in credit cooperatives (SACCOs) in Kenya. Research is considered important because SACCOs make an important contribution to the economic development of the country through savings and funds. However, SACCOs face a number of challenges, one of the most important is the management problems that are mainly caused by the weaknesses of the internal control system. Financial performance of SACCOs is also seriously affected by the weak consequences of the internal control system, which will lead to financial inefficiency in operations of SACCOs [97].

The study was conducted on 122 SACCOs in Kenya, based on both primary data interviewed and secondary data collected from annual SACCOs reports. Research is based on representation theory and context theory to explain, internal control system is a component in the system of internal governance mechanisms and is a corporate context control process. Regression analysis method is used to test whether the internal control system set up by the manager affects the financial performance of SACCOs in Kenya. Each independent variable is a component of the internal control system, including: control environment, risk assessment, control activities and monitoring activities. The research results show that there are 2 components of the internal control system (control and monitoring activities) have a positive effect on the financial performance (ROA) of SACCOs in Kenya. The study also implies that if SACCOs improve the effectiveness and efficiency of the internal control system, the financial efficiency of SACCOs will be significantly improved [97].

Research objectives of Musya, F.A. (2014) is to examine the relationship of components of the internal control system with the revenue sources of the county government in Kenya. The study seeks to determine whether the internal control system makes sense in increasing revenue for the District government. The study was conducted based on primary data collected by questionnaires with 47 samples answered. The study uses the representative theory to explain the relationship between the internal control system and the revenue of the District government, apply the COSO framework to analyze the internal control system into 5 components, using the linear regression method to data analysis [100].

The research results show that, for the internal control system to operate, it is necessary to have five components of the internal control system under the COSO including: control environment, risk assessment, control activities, information and communication, news, activities monitoring. Although not statistically significant, the components of the internal control system have a significant effect on the budgetary revenues of the District government in Kenya. Research also shows the weakness of the internal control system in the information system and information exchange, collusion has created opportunities for fraud, corruption and loss of revenue [100].

In summary, the studies on the components of the internal control system, the effectiveness of the internal control system mainly evaluate the effectiveness (existence) and efficiency of each component of the internal control system, as well as the influence of the internal control system. Internal control system to the goals of
controlling the company, more specifically commercial banks. The authors mainly based on the concept and components of the internal control system under the COSO, COBIT, CoCo, SOX and some other frameworks, building a model to evaluate each internal biogas component and its effects. Internal control system to the goal of control include: operational efficiency, reliable financial statements, compliance with the law. The variables on the internal control system are mainly determined from primary data, based on interview questionnaires about the components of the internal control system and the effectiveness of the internal control system. The questions are set up based on the analysis of the Internal Audit System content index analysis or the questionnaire of the COSO internal control system assessment, measured mainly by the nominal scale "Yes" or "No" and the interval scale way "Likert". Performance variables are determined from primary data (interview) or secondary data (profit, ROA, ROE, liquidity, EVA). The variables measuring the reliability of reports and regulatory compliance mainly use primary data. Some studies use representative theory or context theory to define a number of variables for the internal control system mechanisms, including: board characteristics, management board characteristics, company strategy, size company, company operating environment. The main research methods are: case study, descriptive statistics, correlation analysis, Chi-square test, multivariate regression analysis and SEM structural equation model analysis.

Research results mainly evaluate the application of internal control systems in companies, especially in commercial banks. Besides, a number of studies have evaluated the effects of the internal control system on the performance of companies and commercial banks; as well as the influence of the internal control system on the reliability of financial statements, compliance with relevant laws and regulations. Since then, policy implications are made based on the research results. This is a premise for the author to conduct further studies on the internal control system at commercial banks in Vietnam.

3. Proposed research model

Commercial banks have become an important financial institution of the economy, playing a role in promoting economic development. Operation of commercial banks is an activity of a business nature. In general business and currency trading in particular, it is required to have a good organization, management and control system to achieve the set goals. There are many objectives in commercial banks' operations, mainly focusing on 3 main objectives: business performance, honest and reasonable presentation reports, compliance with relevant regulations. In that condition, the research of internal control system at commercial banks has important implications, not only for each commercial bank but also for the entire system of commercial banks in Vietnam.

The COSO framework and more specifically in the Basel framework have documented the structure of the components, the principles of the banking system internal control in the belief that the principles presented will provide a useful framework for monitoring the effectiveness of the banking internal control system. In general, the Basel Committee wants to emphasize that the implementation of the internal control system is very necessary to make the operation of the bank more cautious, more efficient and promote stability in the financial system in general. However, the Basel Committee also recognizes that not all institutions can implement all aspects of this framework, banks are working towards the adoption of the frameworks above.

Internal control to the goals of the bank; based on the representative theory that the internal control system is one of the internal governance mechanisms of the bank to best serve the interests of the bank, help improve operational efficiency, is the theoretical basis for explanation. for the need to exist internal control systems in commercial banks; based on the contextual theory that the internal internal control system in commercial banks studies the internal internal control system in the conditions of various types of commercial banks, is the necessary theoretical basis for researching the internal internal control system at different commercial banks, through many different stages, in many different regions in Vietnam; at the same time, research based on COSO's framework on components and principles of internal control systems, Basel's framework on principles of internal control systems and empirical studies of some authors to develop hypothesis of the effects of
components of the internal control system on control objectives in the operations of commercial banks in Vietnam.

Besides, according to the COSO framework in 1992 and updated in 2013, the control environment is a fundamental component of the internal control system and has a relationship with other components of the internal control system. The control environment plays an important role for the whole internal control system, deciding the remaining components of the internal control system. The influence of the internal control system on the control objectives depends on the influence of the control environment on the remaining components of the internal control system. Research to develop a research model to study the effects of the internal control system on control objectives by considering the influence of the control environment on the remaining components of the internal control system, the research model is developed as after:

Hypothesis H1: There is a positive influence of the Control Environment (CE) component on the control target (ICO) at Vietnamese commercial banks.

Hypothesis H2: There is a positive effect of the Risk Assessment (RA) component on the control target (ICO) at Vietnamese commercial banks.

Hypothesis H3: There is a positive influence of the Control Activity (CA) component on the control target (ICO) at Vietnam's commercial banks.

Hypothesis H4: There is a positive influence of information component and information exchange (IC) on control target (ICO) at commercial banks in Vietnam.

Hypothesis H5: There is a positive influence of the Supervisory component (MA) on the control target (ICO) at Vietnam's commercial banks.

Hypothesis H6: There is a positive influence of the Control Environment (CE) component on the Risk Assessment (RA) component at Vietnamese commercial banks.

Hypothesis H7: There is a positive influence of the Control Environment (CE) component on the Control Activity (CA) component at Vietnam's commercial banks.

Hypothesis H8: There is a positive influence of the Control Environment (CE) component on Information and Information Exchange (IC) components at Vietnamese commercial banks.

Hypothesis H9: There is a positive influence of the Control Environment (CE) component on the Supervisory component (MA) at Vietnam's commercial banks.

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