

**THE STRATEGY DESIGN
IN INTEGRATING INTERNAL AUDIT WITH RISK MANAGEMENT
IN INTERNAL AUDIT & RISK MANAGEMENT DIVISION OF PT. XYZ**

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**THESIS
Master of Management – Young Excecutive Program
Class EM 16**



PPM SCHOOL OF MANAGEMENT

Jakarta

2018

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as part of the requirements required to obtain a Master of Management degree in
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ABSTRACT

This thesis was conducted to analyze and map the strategy of the Internal Audit & Risk Management division of PT. XYZ in integrating and aligning two processes, namely between the Risk Management process and Internal Audit activities. Strategy analysis and mapping is carried out using qualitative and quantitative methods through interviews and analysis of audit reports. Analyze and evaluate the actual process conditions in the Internal Audit and Risk Management division of PT. XYZ. Conduct comparison and analysis to get the correlation between top actual risk obtained from the risk management process and the top findings obtained from the internal audit process.

The risk management process is carried out to assist top management in identifying, managing and reducing risks and ensuring the risk management process is integrated with business practices. The core role of internal auditing relating to Enterprise Risk Management (ERM) is to provide objective assurance services to organizational leaders regarding the effectiveness of the organization's ERM activities. Implementation of Enterprise Risk Management (ERM) and Risk Based Audit by Internal Audit and Risk Management becomes very important because Internal Audit is expected to achieve its objectives by approaching systematically and discipline to evaluate and improve the effectiveness of risk management and internal control.

The results of this thesis research show that the internal audit process without integrating risk factors will make objective assurance provided only based on regulation, while the actual risk faced by the organization is not checked, covered and cannot be given objective assurance. This study also shows that a risk-based internal audit will make the risk management and internal audit processes be aligned so that the actual top risk is maintained.

Keyword: Risk Based Audit, Internal Audit and Risk Management Division

FOREWORD

Thanks and Praise to God, for His mercy, grace and blessing, i can complete the process and final assignment inorder to complete Magister Management program in PPM School of Management during period of August 2016 to August 2018. In the process of completing this postgraduate program and thesis as it final assignment, i have received a lot of support from various parties. With a heart full of joy and humility, i would like to thank all those who have provided support in the form of criticism, guidance, motivation and advice during this process either directly or indirectly. Without guidance, advice and motivation will be very difficult for me to be able to complete this process.

I express my sincere thanks to all those who have helped me. Especially some parties who have provided very meaningful assistance, especially to:

1. Mrs. Pepey Riawati Kurnia, M.M., Dr. As chairman of the Master Management program for young executives (MM - EM). She has provided direction and advice from the beginning of the program, during the process of learning and studying, to the time of thesis writing as the final assignment on MM Program.
2. Mr. M. Akhsanur Rofi, S.T., M.M. As the main counselor of this thesis, Mr. Roffi has been willing to take the time, energy and mind to help direct and provide positive and appropriate input so that in carrying out the process of writing the thesis, I give the best ability I can do.
3. Mrs. Lufina Mahadewi, S.Kom., M.M., M.Sc. as the person responsible for financial courses during MM Program. She has taught and guided all of financial students class MM-EM 16 about financial management, not only in the form of theory but also how to use financial management techniques practically in the business world.
4. The whole family, especially for my two younger sisters and my loving parents, Mama and Papa, Drs. Johni Bonar Napitupulu, Apt and Dra. Gaya Kartini Tarawan, Apt that I love so much. Thank you for the blessings, motivations, guidance and support that has always been given continuously since I was young until now. With the support of my family, I can remain focused on achieving my life goals, one of which is to become a masters, graduating with Cum Laude. Amen.
5. Beloved sweetheart, dr. Linggar Ratih Ayu, S.Ked., M.M. which is always there to provide motivation, joy and comfort when I feel bored and tired while working on the thesis. Thank you always remind me to finish this thesis as soon as possible with the best results. For the support that has been given, I always keep committed to consistently keep the spirit to finish this thesis and target to get the best results

6. All college friends who learn, do the work, struggle and work hard together in completing the MM program. During the learning process, it has given the impression, experience and many stories that are so beautiful.
7. To all parties that i couldnt mention one by one who has provided knowledge, assistance, direction and advice in any form during the learning process until the process of writing the final assignment of this program.

In carrying out the learning process to the end of thesis writing, i have given the best effort i can do. With all the limitations of knowledge and experience, all forms of suggestions and criticism will be received with a heart of joy and gratitude.

Jakarta, August 31st 2018

Yesaya Togar Tarawan | MM – EM 16 Class of 2018

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