BINDURA UNIVERSITY OF SCIENCE EDUCATION

DEPARTMENT OF ACCOUNTING

DISSERTATION RESEARCH PROJECT

IMPORTANCE OF RISK BASED INTERNAL AUDITING ON GROWTH AND SUSTAINABILITY OF MICRO FINANCE INSTITUTIONS: a case of Zimbabwe Women's Microfinance Bank Limited.

BY

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I certify, to the best of my knowledge, that the required procedures have been followed and the preparation criteria have been met on this dissertation.

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DEDICATON

I dedicate this work to parents and my brothers for their support and encouragement, selfless support and sacrifices they have made for me and for what they have done to see me through this challenging education path.

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ABSTRACT

The main objective of this study was to find the importance of Risk-Based internal auditing on the growth and sustainability of microfinance institutions. Regarding the goals of the research project, literature from various authors was evaluated. The Zimbabwe Women's Microfinance Bank in Harare was utilized as a case study in this research, which also used a descriptive research design and case study methodology. To establish the population and sample size, the researcher employed judgmental sampling. Primary data from self-administered questionnaires and self-conducted interviews were used in the research. Data collection methods included both qualitative and quantitative ones. Charts, and graphs were used to analyze and show the data collected. This study may provide information to policy makers, scholars, academicians and management on the importance of Risk-based internal auditing on the growth and sustainability of Microfinance institutions. From the research findings, the study established that Risk-based internal auditing affected the growth and sustainability of Zimbabwe Women's Microfinance bank to a greater extent. The study concludes that there is a positive relationship between Risk-based internal auditing factors and growth and sustainability of Zimbabwe Women's Microfinance bank. The researcher recommended that the management of Zimbabwe Women's Microfinance bank should embrace Risk-based internal audit approach to enhance risk management practices and support the internal audit function by proving the necessary audit resources and fully and carefully implement its recommendations. Also the study concludes that Zimbabwe Women's Microfinance Bank is a risk-averse organization; as a result, traditional auditing techniques are no longer sufficient, and using RBIA will permit its sustainability. The RBIA differs from TAA in that it directs more audit resources toward riskier areas than financial statement areas and compliance, which saves time and resources. The researcher advocated for the implementation of RBIA because it is a proactive measure that enables the detection of risks and the establishment of ways to mitigate them in order to prevent future losses that impede the growth of the Zimbabwe Women's Microfinance Bank.

List of Abbreviations

IIA	Institute of Internal Auditors
DTMF	Deposit taking microfinance
RBIA	Risk Based internal audit
MFI	Microfinance Institutions

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CHAPTER ONE

1.0 NTRODUCTION

The study is introduced in this chapter. An outline of the research problem, which is the use of conventional methods for internal auditing, establishes the tone for the study. Zimbabwe Women's micro finance Bank Limited is the business that is being scrutinized. A brief study background, sub-research questions and objectives, study justification, and operational definitions of key terminology that will be utilized throughout the study are all provided in this chapter. The chapter also discusses the study's limitations and delimitations as well as its underlying presumptions and/or hypotheses.

1.1 BACKGROUND OF THE STUDY

The Reserve Bank of Zimbabwe (RBZ) has granted a license to the Zimbabwe Women's Micro finance Bank (Women's Bank), a registered micro finance institution that was founded and fully registered under the Micro Finance Act, Chapter (24:29). On June 25, 2018, President E D Mnangagwa introduced the Women's Bank as a deposit-taking financial institution. The Ministry of Women Affairs Community, Small and Medium Enterprise Development first proposed the idea of a women's bank in 1982 as a way for marginalized women to gain access to credit facilities. The Bank's mission is to empower all women economically and socially by providing access to affordable and cutting-edge women-centered financial services and merchandise. Additionally, it is subject to Companies Act Chapter (24:03). The company has recently been engaged in the micro finance sector, which currently consists of 178 (credit-only) micro finance institutions, 4 DTMFs, and banks (The Monetary Policy, 2018).

It is common knowledge that financial service providers are subject to a wide range of internal and external risks, which have an impact on both their short- and long-term viability. To promote sustainability and growth, these risks must be appropriately and efficiently addressed. Mefford (2014) described risk-based internal auditing as the process of matching an organization's goals with the annual audit plan, initiatives, and efforts.

The internal audit function at Zimbabwe Women's micro finance Bank is currently performed annually at the branch and departmental levels as a control measure utilizing the traditional audit approach. Individuals are given the proper responsibilities for managing assets, data, and transaction processing under this control. The internal audit function has two goals, according to the 2020 internal audit report. First, they are intended to guarantee that management and loan officers follow internal controls. Second, they are intended to be tools for financial auditing. The major objective of the audit is to determine whether the staff is adhering to Zimbabwe Women's micro finance Bank's generally accepted principles while excluding risks that could affect the branch, department, and the company as a whole.

Financial risks are quite a major worry in the literature on traditional banking, but up until now, the academic community in micro finance has paid them little consideration (Gietzen, 2017). Credit risk, liquidity risk, and interest rate risk are the three main financial risks affecting the growth and sustainability of Zimbabwe Women's micro finance Bank. The concern to earnings or capital resulting from borrowers' late and non-payment of loan obligations is known as credit risk. Poor portfolio quality is a sign that credit risk is not being managed adequately inside the firm. According to corporate records, on December 31, 2019, 27.5% of the total loan book was written off, with the major cause being a poor risk assessment during the internal audit's planning stage. The firm spent a lot of time and money in 2020 trying to recover the past-due amounts that had accumulated by the end of 2019 would shift attention away from expansion and growth toward managing overdue loans, which would hinder growth.

Poor risk management restricted the growth of the Zimbabwe Women's micro finance Bank, according to the external auditor's report for December 2020. According to a report, sustaining sufficient cash for funding requires having enough committed credit facilities. The national cash crisis in 2020 and subpar risk management by management and internal audit are to blame for the company's liquidity risk. The long-term revolving loans new product, which was introduced in

February 2020, expanded the loan book by 30% and raised the profit for the year, according to the external audit. Huge loan requests were made, and the money allocated in the budget to cover all payments and disbursements for the year was completely absorbed. Due to consumer unhappiness and some customers canceling loans and switching to competitors, the company struggled for months to pay loan disbursements, which reduced the client base by 18.3% (The managers' performance minutes of the meeting, 2020).

The company is also subject to operational risks, which must be adequately handled to support the expansion and sustainability of the business. Two fraudulent cases involving the Zimbabwe Women's micro finance Bank were reported in 2020, one using a loan officer and the other involving a mobile representative. According to company statistics, there were $8,572.62 worth of financial leakages in 2020. Those monies may have gone toward payments. In addition to suffering financial losses, both incidents lowered sales for the fiscal year that ends on December 31, 2020, as well as lost customers in the affected branches. Although the internal audit was conducted annually, many cases went undetected since the audit's focus was on financial statement auditing and compliance. Unfortunately, these losses could be linked to the application of conventional auditing methods, which would not have been the case had the company turned to modern risk-based internal auditing methods.

Internal auditing that is based on risk assessment chooses as its focal point the high-risk areas and saves both time and money (Griffiths, 2012). In order to prevent financial leakages in the future, this study argues that Zimbabwe Women's micro finance Bank should implement a risk-based internal auditing technique.

1.2 STATEMENT OF PROBLEM

The Zimbabwe Women's micro finance Bank has been currently growing throughout the nation for the past several years. As the external environment's rivalry starts to heat up, the organization is constantly adapting its business practices by updating its clientele as new portfolios are taken on and launching new goods in an effort to compete for clients and resources. As a result, periodic reviews of risk management systems and internal controls are increasingly necessary as the company becomes more complex and more exposed to internal and external risk. This oversight has driven the author to investigate the value of risk-based internal audits for the expansion and sustainability of the company.

1.3 RESEARCH OBJECTIVES

The study will accomplish the primary objectives,

a) To pinpoint the main risks to Zimbabwe Women's micro finance Bank.
b) To examine the variations between the conventional strategy and RBIA.
c) To evaluate the impact of internal audits on risk management.
d) To assess the impact of the RBIA on the expansion of Zimbabwe Women's micro finance Bank.

1.4 RESEARCH QUESTIONS

a) What are the main risks that Zimbabwe Women's micro finance Bank is exposed to?
b) What distinguishes RBIA from the conventional internal auditing method?
c) How can the internal audit function support risk management the most effectively?
d) How does RBIA impact the company's expansion?

1.5 DELIMITATIONS

The major subject of this study will be the Zimbabwe Women's micro finance Bank's Head Office and Harare Branch from June 2018 to December 2020. The study exclusively considers RBIA as the sole factor influencing the organization's development and sustainability.

1.6 ASSUMPTIONS

a) The feedback provided on the questionnaires are correct and give a true and impartial representation of the institution.
b) The researcher's sample size will give an accurate and fair representation of the Zimbabwe Women's micro finance Bank.

1.7 IMPORTANCE OF THE STUDY

a) To the researcher

The research was conducted as a component of Bindura University of Science Education's Bachelor of Commerce (Honors) Accounting degree program. The study will assist the researcher in comprehending the risks that perhaps a micro finance institution faces in fulfilling its main goals.

The study is crucial in assisting the researcher in comprehending how the risk-based internal auditing model is implemented.

b) **To Bindura University of Science Education**

The research is meant to provide literary texts for other students.

c) To Zimbabwe Women's micro finance Bank

By using risk-based internal audits, the research's results and recommendations will help the organization enhance its risk management procedure

1.8 Limitations of the study

Just like any other human made thing the study will have its own setbacks. For the research to become successful cooperation is key therefore some participants will not disclose full information due to confidentiality or due to some internal control practices. Finally, due to the covid-19 pandemic, there are some travelling and access restrictions due to covid-19 regulations. Considering the about limitations, they will not stop my research.

1.9 DEFINITION OF TERMS

Internal Auditing

An impartial, objective assurance and consultation process intended to enhance organizational performance. (IIA 2013)

RISK

Risk, according to (https://economictimes.indiatimes.com, retrieved on 02 September 2022), is the uncertainty of a future outcome that deviates from what is anticipated.

RISK MANAGEMENT

Identifying, analyzing, evaluating, controlling, avoiding, minimizing, or eliminating risks that are unacceptable. (www.businessdictionary.com, retrieved on 02/09/22).

RISK BASED INTERNAL AUDITING

Risk-based internal auditing, as defined by the IIA, is a methodology that integrates internal auditing into a company's overall risk management strategy. It gives the board confidence that risk management procedures are effectively controlling risks in light of their risk appetite.

1.10 Chapter summary

This chapter focused on various aspects introduced that gave rise to this study. It focused on the background of the study, its objectives, the problem statement, the research questions and as well as the significance of the study delimitations, limitations and the definition of terms. The next chapter looked at literature review.

CHAPTER 2

LITERATURE REVIEW

2.0 INTRODUCTION

The literature by various writers related to the functions of internal audits on risk management will be reviewed in this chapter. A literature review describes, summarizes, and evaluates various texts (Wee and Banister, 2016). Additionally, it will demonstrate how the RBIA strategy, and the conventional technique have various implications on financial performance. This chapter will also describe how the RBIA strategy was developed and how it was put into practice.

2.1 INTERNAL AUDITING OVERVIEW

Internal auditing is an independent, impartial assurance and consultative activity intended to provide value and enhance an organization's operations, according to The Institute of Internal Auditors (IIA, 2014) (www.theiia.org retrieved on 08 September 2022). The organization benefits when internal audit activity offers an objective and relative assurance and enhances the efficiency of governance, risk management, and control systems internal audit activity offers an objective and relative assurance and enhances the efficiency of governance, risk management, and control systems, the organization benefits (Webner, 2015) The internal audit, according to Phiri (2018), serves as an impartial consultant and catalyst for transformation with the mission of ensuring that the institution as a whole accomplishes its objectives by offering assessments and suggestions. According to Manoukian (2017), internal auditing is carried out at predetermined intervals to determine whether the organization is aware of the risks that it encounters throughout its operation. The internal audit manager must develop a comprehensive audit plan that details how well the audit procedure will be conducted effectively, according to (https://indiamicro finance.com retrieved on 10/09/2022). The researcher examined that authors were of the same view about internal audit as a function that adds value to the organization through establishing independence and objectivity. The authors implied that risk management is a component of internal audits and is essential for contemporary businesses.

2.2 Risks that affect micro finance institutes

Research on risks and their impacts on the operations, sustainability, and development of MFIs was conducted in the Zimbabwean situation. According to research by Manyumbu et al. (2014) on the factors influencing the sustainability of MFI growth in Zimbabwe, risks were the main impediment to sustainable growth. According to the research, MFI operations were seriously threatened by liquidity issues, and even under these circumstances, there were no promising possibilities for expansion. Additionally, Dube & Matanda (2015) investigated the reasons for and solutions to the collapse of micro-lending in Zimbabwe and suggested that MFI's collapse is caused by ineffective credit risk management. In their study, Mago et al. (2013) came to the conclusion that MFIs in Zimbabwe face operational risks, necessitating the necessity for operational risk management. For MFIs to be capable in the area of operational risk management, they need to enhance their human capital. The main factors contributing to the failure of MFIs are operational risk and credit risk, which are intertwined. According to the Micro Finance Industry Report for the quarter ended 30 June 2015, retrieved at (www.rbz.co.zw, 10/09/2022), the Portfolio at Risk (PAR) began to worsen in December 2014, and this was due to the micro finance industry's high credit risk.

Asongo and Nyor (2014) hinted that the primary function of micro finance institutions in the context of Africa is to offer various financial products and services to low-income earners who possess collateral to get financial aid from commercial banks. Liquidity risk is the possibility that an institution may be unable to meet its short-term debt obligations, necessitating the payment of penalties and additional fines or the institution's loss of business (https://www.myaccountingcourse.com, accessed 10/09/2022) defined liquidity risk as the possibility that an institution may not be able to meet its short-term debt obligations. Njeri (2014) came to the conclusion that there is a significant correlation between liquidity and financial performance based on research done in Kenya on the effects of liquidity on the financial performance of DTMF. According to Njeri (2014), liquidity refers to the amount of funds that can be used for investment and consumption. Risk and an MFI's profit have a significant inverse relationship, which suggests that an MFI's bad performance is caused by poor resource management (risky loans) (Molen and Mbinkar, 2016). Additionally, they came to the conclusion that credit risk is a significant hindrance to an MFI's expansion and sustainability in terms of profit and clientele.

A micro finance institution is vulnerable to credit risk while operating outside of Africa. According to https://en.wikipedia.org, accessed on 10/09/2022, "Credit risk is the risk of failure on a loan that may result from a borrower failing to due payments." According to study done in India, credit risk arises when MFIs fail to collect the interest and principal that are owed as a result of loan defaults (Devi and Shaikh, 2017). In a 2017 study, Isanzu (2017) examined how credit risks affected Chinese banks' financial performance and discovered a negative correlation between non-performing loan ratio and financial performance, indicating that a high non-performing loan ratio lowers the bank's return on assets. Gietzen (2017) revealed that in Germany, requests for expanding a systematic action against this risk in the micro finance industry lack support from actual facts, despite the fact that a single institution is susceptible to liquidity risk.

The risk of loss resulting from ineffective management, internal and external fraud, employee mistakes, natural disasters, and IT system interruptions was classified as an operational risk by Bassel II (http://www.scielo.org.za, retrieved on 10/09/2022).

The risks pertaining to banks and other financial institutions were defined by the writers. They offered a variety of risk management strategies and highlighted how risks might be discovered in an institution's operation. Internal auditing, a tool for risk management that ensures that risks are controlled within the organization, received minimal attention.

2.3 Risk Management

Risk management, according to Dugguh and Diggi (2015), is a systematic process of understanding, evaluating, and responding to risks in order to make sure that the organization's goals are satisfied and it can continue to exist. "In a commercial environment, risk management refers to the belief that the likelihood of an event may be reduced and its consequences can be minimized" (Zidafamor, 2016). (https://www.evli.com visited on 10/09/2022) lists the following as the goals of risk management:

- To guarantee that the assets of the organization are adequate given its risk position.
- Must make certain that risks are prioritized properly in order to achieve sustainable profitability.
- To aid in the ongoing revenue production and consistent implementation of the organization's plan.
- To make sure the financial results and evaluations stay within the set objectives and restrictions.

According to Kerazan, (2016); Benli and Celayir, (2014), the risk management process entails six steps, including risk identification and classification, determining the organization's risk appetite, assessing the risk severity and risk scale, establishing the methods or procedures for reducing risk to within the risk aversion, classifying the fully transparent areas through assessing risk in each fully transparent area, and consistent periodic assessment. For appropriate risk management in the organization, the classification and prioritization of risks were emphasized. There are three levels at which risks can be categorized:

- High-risk level: This denotes that certain business activities are highly risky in terms of massive numbers of transactions or complicated activities are examples of business sources. At this level, there is a considerable likelihood of adverse effects on operating capital and revenue.
- Medium risk level: The risk scenario is reasonable and transaction volume is acceptable at this level of risk.
- Low risk level: The level refers to a scenario where there is a low and constrained probability that damage will occur.

A risk assessment matrix can be used to summarize this.

By assigning a risk score to each department or branch, helping management discover a branch with a substandard portfolio, and detecting fraud, the risk scoring technique can be employed to identify risks (https://www.thehindubusinessline.com, accessed on 11/09/2022). According to Shar (n.d.) https://www.irmi.com (accessed on 11/09/2022), corporate governance principles can be developed to manage vulnerabilities. The management of operational risks, according to Epetimehin and Fatoki (2015), is a continuous process that includes identifying, evaluating, measuring, and identifying operational potential risks.

Table 2.1 Risk matrix

Likelihood

Very likely	Medium 2	High 3	Extreme 5
Likely	Low 1	Medium 2	High 3
Unlikely	Low 1	Low 1	Medium 2
What is the chance it will happen?	Minor	Moderate	Major

Impact

Source: www.infovia.net, retrieved on 11/09/2022

2.4 Traditional Auditing Vs Risk Based Auditing

Traditional auditing, according to Nair (2015), is a technique in which internal auditors primarily focused on validating transactions while paying less attention to the overall risks connected to the examined processes and the organizational requirements for risk management. Performing tests in order to express an opinion on the accuracy and fairness of the financial statements of the company under audit is a part of traditional auditing. These tests cover internal controls that the business utilized to produce the financial statements, account balance amounts, and the overall posting system of the accounts, among other things (Hijaz, 2014). The TAA and its procedures are out of date because they take too long and are inefficient financially. The authors examined the traditional method as a reactive strategy that concentrates on risks that have already been found and encountered.

RBIA is a process that offers assurance that risks are managed to within the organization's risk appetite, according to the Institute of Internal Auditors. RBIA and Traditional Audit Approach are further distinguished by Hemmati and Hematfar (2013). (TAA). They claimed that, in contrast to RBIA, when the auditor and the client are on the same side and, in this case, the client has a partner, the TAA is more like a game of chess where players sit across the table and view the game, which is the client's business, from their own perspective. Benli and Celayir (2014) claim that RBIA's qualities set it apart from other internal auditing methodologies. These include concentrating on areas with greater risk, hence adding significantly to value. Internal auditors not only review the control procedures, but also contribute to the creation of risk management procedures by defining the scope of risks and regularly monitoring the company's risk management. The variations between RBIA and TAA are displayed in the table below.

Table 2.2: Difference between RBIA and Traditional internal audit approach

Traditional internal audit approach	**Risk based internal auditing approach**
Audit plan on the audit cycle (time duration)	Audit plan based on the results of the business units risk evaluation and risky areas are covered first and more frequently
Important risks might not be covered in the audit program	Provides assurance that risk are being managed properly
Focuses on deficiencies in controls and noncompliance with laws, rules and regulations	Focuses on risks that are not properly controlled and\ or overly controlled
An understanding of business units operations is built through time consuming processes mapping exercises and might rely on outdated manuals	In depth understanding of business units operations through risk assessment workshops and with the participation of the business units.
Internal audit resources are spread over all business units or activities	More efficient use of internal audit resources by concentrating on risky areas or units
Disagreements with the business units management on the importance of the finding raised by the internal audit.	The importance of risk is established during the risk assessment phase and in agreement between business units management and the internal audit
Disagreements with the business units management over the action plans leading to delays in implementation	Facilitate harmony with the line management on the necessary action plans thus improving timely and effective implementation of corrective measures

Source: Grant Thornton & internal audit (2011:9-10)

2.5 Roles of the internal audit on risk management

Internal auditing (IA), which previously used historical audit data to investigate controls, mistakes, fraud, and audit financial statements, now places a stronger emphasis on better risk management going forward as a result of the changing corporate environment. Companies are taking risks because of the operating environment's ongoing changes in order to reap greater returns, therefore taking risks into account during the design and execution of internal audits has become common (Benli and Celayir, 2014). According to research conducted in Zimbabwe, Matenhese (2014) found that 72% of respondents said internal audit should advise, criticize, and support management's decision-making rather than taking risk management decisions. Mapfeka (2013) conducted research on RBIA in banks and came to the conclusion that because internal audit is so important to risk management, it should also take part in the creation of corporate policies. However, because internal audit is not part of risk management, it is not permitted to attend meetings where policies are being created. Fryat (2016) done extensive research on implementing risk management for Zimbabwe's future growth. This well risk management function, according to him, consists of three lines of defense: business line operation, risk management function, and internal audit. A risk management framework cannot exist without the internal audit.

Regarding the responsibilities and obligations of internal audit in risk management, various perspectives were presented from the perspective of Africa. Coetzee and Lubbe (2014) conducted research on enhancing the efficacy and efficiency of RBIA engagements in South Africa and made the case that perhaps the internal auditing department can conduct its own risk assessment instead of relying on management's risk assessment procedures. Bubilek (2017) conducted study in Arcada and discovered that such internal audit exists in order to help the business reach its goals, which is success. Odoyo et al, (2014) conducted a study on state-owned enterprises in Kenya and came to the conclusion that internal audits must offer advisory services to enhance the organization's governance, control procedures, and risk management. They continued by saying that internal audit may play advisory responsibilities such as advocating for the implementation of risk management within the organization by leading workshops, offering guidance, and educating the organizational staff on risk and control. Williams (2017) conducted research on the responsibilities of internal audit in risk management in South Africa. The argument has been that internal audit serves to inform the organization of the potential for an incident to occur, and also that management addresses risks before auditors examine management's systems for managing risks.

In a non-African setting, study on Jordanian banks (www.emeraldinsight.com retrieved on 12/09/2022) came to the conclusion that the IA plays a small part in risk management. The IAs mostly ignored risks relating to Jordan's economy in favor of controlling compliance-related concerns. The responsibilities of internal audits in risk management in Jordanian banks were also explored by Abdullatif and Kawuq (2015), who asserted that it's likely that internal auditors are unaware of the many types of risks and their proper duties in upholding an acceptable risk level. Europe-based research conducted by Joksimovic and Ahmed (2017), internally led to the conclusion that internal auditing could be seen as the fundamental line of defense for both financial performance and corporate governance. Lulia (2016) researched on the function of internal audit in the global banking industry and discovered that, through risk management, the IA not only identifies and mitigates risks but also helps the organization run more effectively thanks to a more structured and organized approach.

The functions of internal audit in risk management were defined by the Institute of Internal Auditors (IIA). It was emphasized that the IA is not accountable for managing risks, but rather for trying to ensure through documented audit reports that key risks are recognized and evaluated, as well as for assuring on the administration of such risks (www.oracle.com retrieved on 12/09/2022). The responsibilities that internal audit ought to and ought not to carry out in risk management are shown in the table below.

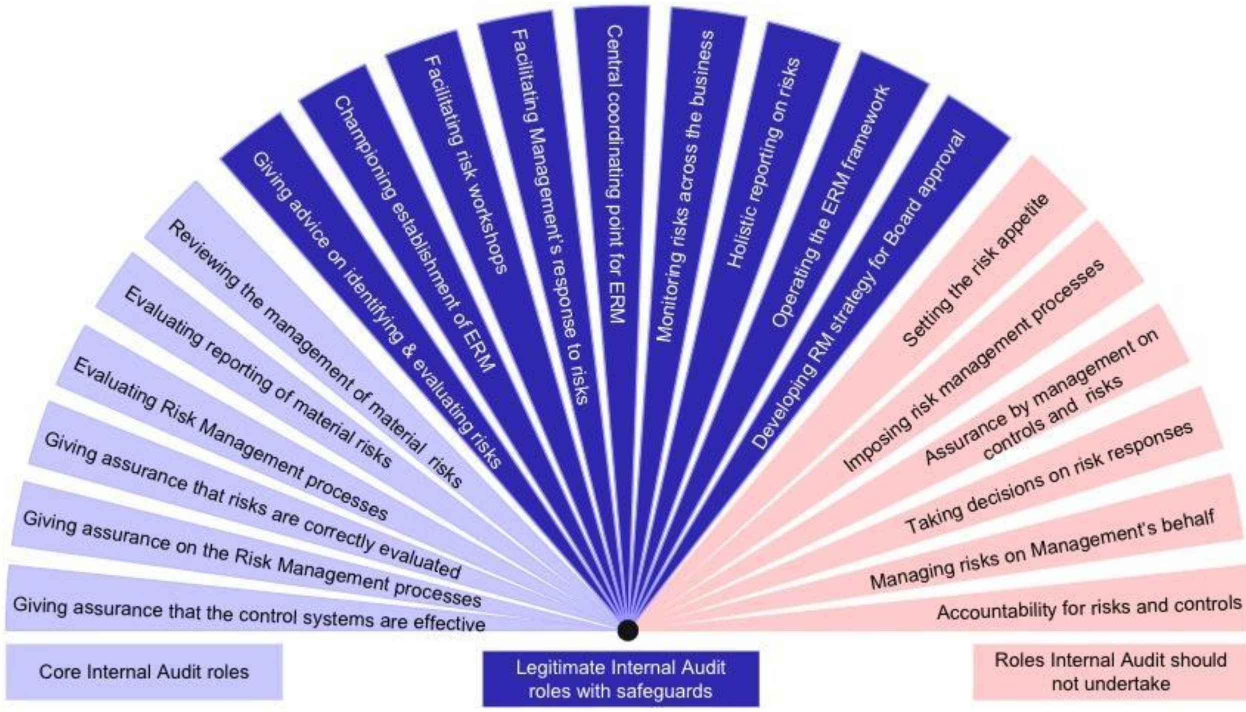


Figure 2.1 internal audit roles

Source: broadleaf.com.au, retrieved on 12/09/2022

The internal auditor is implicated in the risk management of an organization from the progression of the risk management system by offering consultation services, to the assessment of risk management methods employed by management, to assuring about whether the risks are now being managed only within the corporation's risk appetite. This can be seen in the above diagram.

2.6 Risk based internal auditing and its objectives

"Risk based internal auditing" is a technique that guarantees that risks are addressed in accordance with the organization's risk appetite (Griffiths, 2013). Internal auditing is authorized by RBIA to guarantee to the management that risk management procedures successfully manage risks in reference to the risk appetite. According to Boateng and Boateng (2014), there are numerous and diverse manacles that MFIs must overcome in order to succeed. They suggested that the leadership of MFIs was ignorant of the problems that their organizations faced and that their risk management strategies were reactive and inefficient. Accessible at (https://www.micro financegateway.org retrieved on 12/09/2022), the Financial Inclusion and Advocacy Center emphasized that the goal of financial sustainability is the existence of financial institutions. A viable continuation of a MFI depends on the projection and identification of risks that MFIs are vulnerable to. Another study was done on RBIA as a method for improving financial and performance responsibility in the provision of healthcare in underdeveloped nations (Ayagre, 2014). It was discovered that, when used in the health sector, RBIA assists in coordinating a service provider's risk profile with its strategic goals in order to ensure that higher priority is given to high-risk regions.

The aims of RBIA, according to Kolomiyets (2017), are to grant the board independent confidence that:

- The risk management procedures are working properly.
- These risk management procedures were thoughtfully created.
- The remedies to risks are sufficient and effective in bringing those risks down to a level that the board can accept.
- There is a strong system of controls in place to effectively reduce those risks.

There have been numerous studies on risk management in banks and other financial sectors, such as (Akwasi et. al., 2014; Pearl et. al., 2014), but relatively few have focused on risk management in the micro finance industry. For the sustainability of the organization under evaluation, RBIA is crucial because of an increase in the volume of transactions performed, a complex organizational structure, and ongoing changes in the IT environment.

2.7 Role and scope of the risk based internal auditing

The objective of risk-based internal auditing, according to Benli and Celayir (2014), is to support and assist all relevant parties, notably management, in achieving the business objectives by assisting and guiding accurate risk monitoring and risk minimization. Using the results of risk management framework, RBIA chooses a high-risk field as the audit's primary point, enhancing audit efficiency while also saving time (Benes, n.d). According to Chartered Institute of Internal Auditors March, (2014), internal audit may assure the board that risk-management procedures are effectively addressing risks in respect to the risk appetite.

Besides that, RBIA examines the procedures followed by various departments and divisions to recognize and manage risks, as well as the controls implemented to minimize risks. It also examines the inconsistencies between financial performance and business objectives as well as risks connected to all those objectives. The graphic below summarizes the range of risk-based internal auditing.

Figure 2.2 The diagrammatic representation of risk based internal auditing framework.
(Accessed on September 12, 2022, from http://www.azilon.com/products-rba.asp)

2.8 Implementing RBIA

The risk analysis that is carried out at the internal auditing planning stage is the first ship of call for the implementation of risk-based internal auditing (Benes, 2016). He continued by saying that after risks are evaluated, the internal audit team reallocates its time and resources to the most risky sectors. Ayagre (2014) suggested that RBIA mostly entails the execution of an audit plan that is prepared with inputs from risk assessment and strategic analysis in support of this claim. According to the IIA (2018), a company can use the audit universe to help the audit process be explicit about the magnitude of attention being paid to important risks and other risk areas each year in order to execute RBIA efficiently. According to the Chartered Institute of Internal Auditors (2014), only a business with a robust risk management structure may adopt and apply RBIA. The establishment and entire project of RBIA, according to The Chartered Institute of Internal Auditors (2014), are divided into three stages: risk maturity assessment, periodic audit plans, and individual audit assignments.

The internal audit department must incorporate in the internal audit department charter the guarantee that the Board of Directors requires from various roles when adopting RBIA (www.internalaudit.biz retrieved on 12/09/2022). The Institute of Internal Auditors (2014), provided the steps for implementing RBIA as follows:

Step 1: Assessing Risk Maturity

According to Benli and Celayir (2014), risk maturity is the capacity and degree of implementation and adaptation of strong risk management by the company at all business levels for the opportunity and threat identification, assessment, and reporting techniques used against the goals and objectives of the organization. Getting an insight into how the board and management identify, evaluate, manage, and monitor risks is necessary for this. This provides evidence of the risk register's dependability for use in audit planning.

Step 2: Audit planning

According to the Chartered Institute of Internal Audit (2014), the audit plan that is incorporated into organization's risk register and its significance for unbiased assurance are what the RBIA stands for. The audit strategy should be created to address the entity's key risks (www.internalauditor.me, accessed 18:30 on March 20, 2018). the process of identifying and prioritizing all the areas for which the board requires objective assurance, such as the risk management process, the management of key risk, and the recording and reporting of risk, in order to determine the assurance and consulting assignments for a specific period, typically annually.

Step 3: individual audit assignment

Carrying out specific risk-based tasks to provide assurance on the framework's part, including on the risk mitigation of particular or groups of risks.

Furthermore, Benli and Celayir (2014) provided a list of the procedures that must be followed in order to implement RBIA, including "understanding the client's business environment and the general information about the business, assessing risks for the business, creating a risk matrix, assigning a value to the risk for the business, planning the internal audit activities and integrating them into the overall program, reviewing the process, documenting the activities, reviewing functional modules, and evaluating the results."

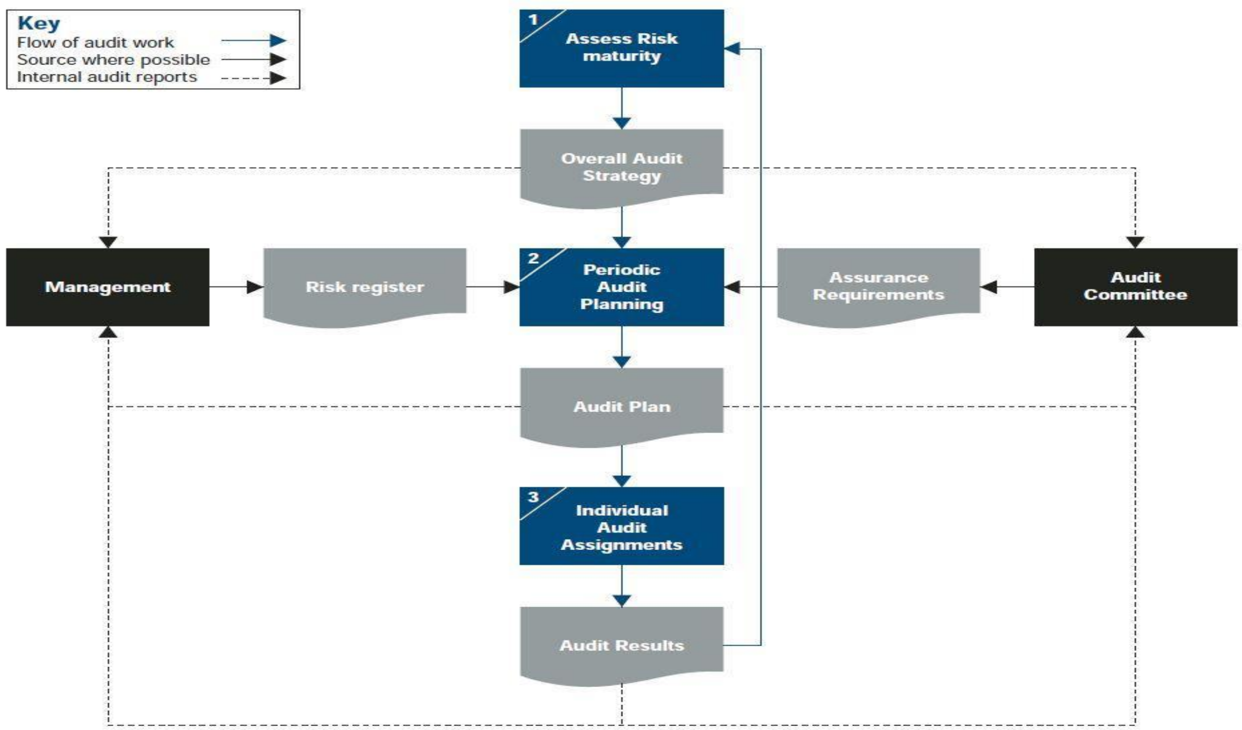


Figure 2.3: the stages in RBIA

Source: global.theiia.org, retrieved on 13 September 2022

According to the literature review, there is consensus among scholars about the application of RBIA. As can be seen, all authors fully agree that the implementation of RBIA consists of three main stages, including the assessment of risk maturity, the assignment of risks to audits, and audit planning. However, Benli and Ceylar (2014) differ from other authors in that they place additional emphasis on the necessity of comprehending the client's business environment and other general information about the company before assessing the risk matrix.

2.9 Empirical evidence

Importance of RBIA on growth of MFIs

Taking chances for higher profits is what drives an MFI's growth. With order to avoid having negative returns, RBIA aids in risk management. RBIA helps internal audit reach its goals, such as developing an audit plan that is in compliance with the audit charter and working under budget, according to The Chartered Institute of Internal Auditors (2014).

Mbira and Tapera (2016) conducted research on the important success factors for MFIs in Zimbabwe and discovered a significant link between an MFI's success and its risk management procedures. A MFI that ignores risk management will have extremely high PAR levels, which will cause losses and the depletion of capital. Manyumbu et al, (2014) came to the conclusion that excessive risk, particularly interest rate risk, was to blame for the MFIs in Zimbabwe's decreased profitability. This demonstrates the need for an MFI to manage its risks in order to boost profitability and shareholder equity.

Muraguri (2016) conducted study on the effects of RBIA on state-owned businesses in Kenya in the context of Africa and came to the conclusion that RBIA, through risk assessment, has a positive impact on state-owned businesses. The RBIA enables businesses to detect risks early, boosting responsibility and transparency, and thereby enhancing the organization's financial performance. The impact of RBIA on the financial sustainability of non-governmental organizations in Kenya was also examined by Ogega et al, (2017), who discovered that RBIA enables efficient planning on the use of financial resources to minimize risks of uncertainty.

The creation of value is the internal audit's primary goal. Only if the company has a risk management process in place, a risk maturity level, and internal audit can then give control assurance and contribute value to the organization, can this be accomplished (Benli and Celayir, 2014). They divided RBIA's contributions into four categories:

1. Strategic advantages

   Through the creation of a thorough and continuous risk management strategy that enables the management to understand the risks to take for better rewards, it makes sure that the organization is able to react to changing situations with ease.

   It offers an understanding of risk management.

2. Performance

   It helps the management to recognize opportunity risks while also lowering danger risks.

   In addition to providing management and internal control to guarantee the greatest organizational performance, it reveals the risks that must be accurately identified.

3. Allocating resources

   It makes it possible to allocate resources effectively and opens up the possibility of cost savings.

4. Taking care of the unforeseen

    In the event of deviations from targets, it allows management the capacity to appropriately adapt to unforeseen demands and difficulties.

    Understanding potential risks and their real effects is beneficial.

By establishing impartial assurance and supporting management's activities on the risk management framework, RBIA also clearly contributes significantly to the success of the framework. Additionally, managers must participate, even when they have never participated in internal auditing.

In a context far outside Africa, RBIA enables auditors to delve into the root causes of all risks, which, when addressed, allow for major improvements in the institution's operations, generating a more tangible risk profile, and eventually benefit from targeted and solution-oriented audit reports (International Project Consult, 2017). RBIA draws more attention to the inherent shortcomings and flaws in control mechanisms. As opposed to just inspecting outputs, it was claimed that RBIA enables internal audit to address the underlying causes of issues that are brought on by business expansion, such as an increase in staff, branches, and transactions. It is noteworthy that RBIA effectively supports ongoing policy and practice improvement.

The RBIA and TAA, according to Hemmati and Hermatfar (2013), both handle the idea of audit risk, which includes control risk, inherent risk, and detection risk. They do acknowledge that by emphasizing the components of business risks, RBIA goes beyond TAA.

Njeri (2014) conducted a study on the impact of risk-based auditing on the financial performance of DTMFIs in Kenya in the context of Africa and came to a conclusion that through risk assessment, risk management, annual risk-based planning, internal auditing standards, and internal auditing personnel, when improved, risk-based internal auditing enables the company to recognize risks on time, hence improving financial performance. He continued by pointing out that a risk-based audit aids management in identifying risks and recommending corrective actions for improvement and he advises that embracing International Auditing Standards guidelines, internal audit work ethics, and maintaining professional auditing standards are crucial for any risk-based audit to improve the financial performance of DTMFs. Therefore, since they have such a significant impact on DTMFs' financial performance, risk-based audit techniques are crucial, per his findings.

Apreku-Djan et al, (2022) carried out a study on the Effect of Risk-Based Auditing on Value-Based Financial Performance of banks in Ghana in the context of Africa. He concluded that a bank should be able to analyze risks and offer corrective measures for improvement through effective risk management. He also came to the conclusion that key aspects of risk management that affected the shareholder value of banks listed on the Ghana Stock Exchange included auditors' understanding of the corporation's risk, consideration of risk assessment in the detection of errors, recognition of the work environment in risk assessment, involvement of management in the risk evaluation process, and auditors' identification of changes that affect performance. The author concluded that a number of internal auditing capacity initiatives, including the presence of active, independent audit committees, efficient internal audit departments, knowledgeable internal auditors, and management ownership interest, had a significant positive impact on the shareholder value of banks listed on the Ghana Stock Exchange. Therefore, from his study, he demonstrated that risk-based audit procedures and the shareholder value of banks listed on the Ghana Stock Exchange are positively correlated.

Shaghaghi (2022) conducted a research on the role of Risk-Based Audit in Commercial banks of Iran in the context of Asia. She came to the conclusion that risk-based auditing has grown to be of utmost importance to companies, notably microfinance, not merely for their own financial success but also for the safety of the entire financial system. Due to technological improvements and benefits, risk-based auditing is more valuable than traditional auditing in developing countries, thus auditors must adopt it as a regular and accepted practice. According to the author's research and findings, the risk-based audit has been viewed with skepticism, due the lack of skills and knowledge about Risk-based auditing Iranian auditors and management prefers a traditional auditing approach over risk-based internal auditing and she recommended that auditors and management should be equipped with necessary skills and knowledge as the risk-based internal auditing is of greater importance to microfinance.

Koutoupis et al, (2020) carried out a research outside microfinance institutions context on the importance of risk based internal audit at Greek listed shipping companies of New York stock exchange in the context of Europe. They came to the conclusion that solid corporate governance processes are one aspect of effective management, which is crucial for firms. They also noted that the risk-based internal audit methodology is a crucial component of the internal audit function because it aids in achieving the goal of giving management a reasonable level of assurance through risk management and in accordance with recently established and put-into-practice at an international level. They recommended that for business development and sustainability, a sound corporate governance and effective management are of greater importance than Risk-based internal auditing.

The effect of risk-based auditing on financial performance in commercial banks in Kenya was the topic of Mutua's (2012) study project for the University of Nairobi's MBA program. Mutua came to the conclusion that risk-based auditing should be improved through risk assessment, risk management, annual risk-based planning, internal auditing standards, and internal auditing. According to the author, doing so would help the company identify risks early on and concentrate on high-risk areas, increasing transparency and responsibility and improving financial performance. Furthermore, the author contended that careful preparation enhances effectiveness, completeness, timeliness, ease, and clarity. The study discovered that the financial performance of commercial banks in Kenya is influenced by credible audit reports, auditor independence, and adherence to recognized audit standards, efficient internal audit, and independent audit committees. To improve effective and efficient financial performance, the study recommended that management in Kenya's commercial banks embrace effective risk-based audit methods, such as risk assessment and management, annual risk-based planning, and internal auditing standards.

The study on the factors influencing the adoption of risk-based auditing in public sector in Kenya was conducted by Lutta (2012). He came to the conclusion that risk-based audits improved accountability, transparency, and responsiveness to priorities in public expenditure policy, and they effectively covered all aspects of public financial management. The perception of the internal audit function was found to have a significant impact on RBA adoption. It was assumed that the Internal Audit function would make sure that the appropriate audit processes were followed. He encouraged top management to take a significant role in the adoption of RBA by making sure that resources were available for the internal audit function. They were the ones who drove the RBA process, so their backing was crucial.

The impact of the Risk-based Audit Approach on internal control systems in government departments in Kenya was studied by Nyarombe et al. (2015). They concluded that because bank reconciliation statements are current, statements of assets and liabilities reflect the true position and advances are surplus, the Risk-based Audit Approach influences internal control systems in the government departments.

Kasiva (2012) came to the conclusion that risk-based auditing should be improved through risk assessment, risk management, annual risk-based planning, internal auditing standards, and internal auditing in his study on the impact of risk-based auditing on the financial performance of Kenyan banks. According to the author, doing so would help the company identify risks early, focus on high-risk areas, and boost transparency and accountability, all of which would improve financial performance. Furthermore, the author asserted that careful preparation enhances effectiveness, completeness, timeliness, ease, and clarity. The findings revealed that the financial performance of commercial banks is influenced by credible audit reports, auditor independence to recognize and correct audit errors, effective implementation of audit recommendations, financial management and compliance with accepted audit standards, efficient internal audit staff, and independent audit committees. To improve effective and efficient financial performance, the author recommended that management in Kenya's commercial banks use effective risk-based audit methods, such as risk assessment, risk management, annual risk-based planning, internal auditing standards, and internal auditing staffing.

To sum it all up, RBIA provides an audit trail that is strengthened by going from a personal audit report through processes, tests, and risks to the purposes of the audit committee report to determine if the objectives weren't put in jeopardy. Additionally, it unifies all features of internal auditing, including the objectives, risks, and procedures for dealing with risks, as well as tests, reports, and control monitoring.

2.10 The Environment for RBIA Implementation

According to Benli and Celayir (2014), internal auditors must ensure that the RBIA technique is compatible with the nature of the business before putting it into practice.

As a risk-averse organization, Zimbabwe Women's micro finance Bank needs the internal audit to support risk management in order to grow sustainably. Nair (2015) argued further that an organization needs a risk management framework and a predetermined risk appetite level in order to use RBIA successfully

2.11 Research Gap

Many researches were conducted concerning the effect of Risk-based internal auditing on financial performance of Commercial banks. Most of these studies were conducted outside Zimbabwe and targeting microfinance institutions and commercial banks that have adopted RBIA at a level that is different from that of local microfinance institutions. Previous researchers targeted Risk-based internal auditing and financial performance such as Njeri (2014) conducted a study on the impact of risk-based auditing on the financial performance of DTMFIs in Kenya. Risk-based auditing standards and microfinance business environment keeps improving with time thus the results found decades ago may no longer apply appropriately as the auditing environment and microfinance business has improved for the better.

The purpose of this study, however, was to assess the importance of risk-based internal auditing for the growth and sustainability of microfinance institutions. Research on Risk-based internal auditing and the growth and sustainability of microfinance institutions in Zimbabwe was necessary since the level of risk-based internal auditing procedures used in Zimbabwe differed from those used elsewhere. In order to produce current and useful results, the research also aims to close the existing gap between the present year and every year the earlier studies were completed.

2.12 Chapter Summary

This chapter is composed of research and data that have been published by academics and authors from around the world. The researcher used the data to compare and contrast the responsibilities of internal audit in risk management, the dangers faced by micro finance institutions, and the benefits of risk-based internal auditing.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the research approach that was employed. It includes a summary and discussion of the target population, sampling techniques, and research methodology. It also discusses the research tools, the data analysis strategy, the data collection process, as well as the merits and demerits of each.

3.1 Research design

According to Regoniel (2017), a research design is a strategy that directs data collecting toward the accomplishment of the study's goals, which entails analyzing already-existing data to produce fresh data. Apparently, according to The Introduction to Research Design, which can be obtained on (https://apus.libguides.com/research methods guide/research methods design retrieved on 13/09/2022). According to (https://apus.libguides.com/research methods guide/research methods design retrieved on 13/09/2022), the research design is the entire strategy used to bring the many elements of the research together in a way that is understandable, ensuring that the issue statement is properly addressed. The guidelines for data gathering measurement, interpretation, and analysis are established. It can be characterized as a blueprint that shows how a building will seem once it has been built.

There are numerous alternative research methodologies, thus the study assisted the researcher in selecting the best methodology to apply. The descriptive design was chosen by the researcher as the project's design, which was backed by the case study design.

3.1.1 Case study

A case study is a comprehensive examination of a specific circumstance or organization as contrasted to a general statistical survey (Harrison et al, 2017). By choosing a limited geographic area, it enables the researcher to focus and carefully examine the data. In this instance, Zimbabwe Women's micro finance Bank Harare was the sole source of data for the researcher. This design was chosen by the researcher because it lends itself to flexible adaptation to include both qualitative and quantitative research approaches (Raeburn et al, 2015).

Although utilizing a case study can limit the generalizability of the results (Carolan et al, 2015). Additionally, case studies take too much time, are challenging to carry out, and generate a ton of paperwork.

3.1.2 Descriptive research design

Refers to presenting information as it is, allowing for the assessment of current circumstances and highlighting immediate needs in a given context (Ji, 2016). In order to address a certain issue, it aids the researcher to comprehend the features of a particular phenomenon. Since it helped establish the significance of RBIA on the long-term viability and expansion of Zimbabwe Women's micro finance Bank, the researcher used this research strategy in this instance. Additionally, Kakkar (2015) said that the descriptive study approach provides answers to the questions "where," "how," "what," "who," and "when," but not "why." A substantial quantity of rich data was gathered, which prompts a thorough analysis and significant recommendations from the researcher.

Unfortunately, the study was negatively impacted by this research approach. According to Ethridge (2014), the quality of the data may suffer if respondents withhold sensitive information. Salvador (2016) contends that the research design encourages bias on the part of the individual collecting the data and information because (s)he can record the information that (s)he wants to hear, impacting the quality of the data that must be employed to draw any conclusions.

This research design was chosen by the researcher because it enables the application of both qualitative and quantitative research methodologies. When facts were supplied from which inferences can be made, the results were decisive rather than convincing.

Qualitative approach

In order to better understand how the company views the significance of RBIA on its growth and sustainability, the author employed the qualitative technique of research, including interviews and questionnaires. Crossman (2018) claims that the qualitative approach obtains and combines non-numerical data in order to evaluate the meaning of the data, which aids in understanding the significance of RBIA through research on a specific demographic. Through an interactive manner, qualitative research allows the researcher to understand how the management views the RBIA. According to Hughes (retrieved at https://www.google.co.zw/url?sa viewed on 14/09/2022), the qualitative approach was crucial for pointing out potential connections, causes, consequences, and dynamic processes. The researcher acquired an insider's perspective of the pertinent fields because they were participating.

However, this method's main drawback was that it takes a long time to gather the data and was more subject to prejudice. Due to time constraints, the respondents can neglect to answer crucial questions, which would impair the accuracy of the data utilized to derive conclusions. Due to the subjective character of the research and the limited sample size, the results are not always generalizable (LUMS Effective Learning, 2016). Salvador (2016) asserts that there is a chance of data manipulation at the data interpretation step since the researcher may stress or under accentuate the responses, changing their intended meaning.

To address the research objectives and research topics, such as the opinions of the Zimbabwe Women's Microfinance Bank staff regarding risks impacting the company and their effects on growth, the researcher, despite the criticism mentioned above, selected the qualitative approach.

Quantitative Approach

The fundamental focus of quantitative data was quantity. Typically, data was collected in numerical form, and data analysis involved counting and quantifying the numbers in order to draw inferences (Hughe, n.d). As suggested by the reference, information about a study can be generated and data was given in a numerical format (Kapoulas and Matic, 2016). They also implied that the method can be used to describe and look at cause-and-effect relationships between variables and that it presents the findings in a statistically sound way. According to Locke et al. (2015), the presence of something should be supported by some form of measurement, hence data collection should be able to support knowledge claims through statistical analysis. Salvador (2016) argues that the requirement to investigate the relationships between variables, in this case the connections between RBIA and sustainability and growth, made this technique of utmost importance.

In order to ensure the accuracy of the data on which to base conclusions and boost morale in the research findings, the author has integrated both qualitative and quantitative approaches in his discussion of the significance of RBIA on the development and sustainability of the company under review.

3.2 Study population

According to Qureshi (2016), a population is an entire group of people, things, or other objects chosen for the research that all have certain characteristics. The main demographic and the accessible population are the two categories that makeup that, he continued. The target population, according to Asiamah et al. (2017), is the entire set of people for whom the study's findings are intended to be generalized. The persons that can serve as study participants are often referred to as the accessible population. The staff from the front office department, back office and collections department, internal audit department, finance department, and administration department were selected as the study's target group.

Table 3.1: Target population and accessible population

Population Identity	Target population	Accessible population
Front office department	23	19
Back Office and collections	12	10
Internal Audit department	7	6
Finance department	10	9
Administration department	5	4
Executive department	3	2
Total	60 (100%)	50 (83%)

Source: Primary data 2022

3.3 Sampling

According to Mugo (n.d.), retrieved at (http://www.indiana.edu/educy520/sec5982/week 2/mugo02sampling.pdf retrieved on 14/09/2022), sampling is the process, technique, or act of choosing an appropriate sample that represents the population in order to determine the characteristics of the entire population. According to Hajimia (2014), sampling is the process of choosing a representative sample of people to use in a study. Sampling was done to collect information that was used to draw conclusions about the population as a whole. The target audience was broken down into various categories using detailed information that clearly distinguished the population's features (strata). To prevent sampling bias, a random sample was taken from each stratum.

3.3.1 Sampling techniques

Sampling techniques are procedures or approaches that are used to create a sample that is representative of the intended population and allows the researcher to make an assumption. Hajimia (2014) classifies these techniques into two groups: probability sampling techniques and non-probability sampling techniques. The researcher employed stratified random sampling and probability sampling methods for sampling.

Probability sampling

Each person or unit within a population has an equal chance of being chosen to represent the entire population when using probability sampling (Etikan and Bala, 2017). To improve levels of trust by removing prejudice, all members at Zimbabwe Women's Micro Finance Bank Harare were given an equal opportunity to represent the department relevant to the study. The sampling method was chosen because it decreases systematic mistakes and the generalizability of the inferences drawn from the sample (Alvi, 2016). Probability sampling, however, was costly and time-consuming.

Stratified random sampling

Wilson (2014) asserts that stratified random sampling is a method that guarantees that each particular stratum (group) is appropriately represented. According to Etikan and Bala (2017), population units are divided up into different, recognizable categories, and one unit is chosen at random from each stratum (category). There was an equal probability for each respondent from each category to be chosen, ensuring that each stratum was equally represented. In order to have a realistic picture and reliable study results, the approach makes sure that all population groups were fairly represented in the sample.

Judgmental sampling

In this case, the researcher will use their own discretion to identify components they believe to be representative of the overall population (Wilson, 2014). Judgmental sampling wad used for this study's purposes because, among other things, it can be used in situations when there are few persons with in-depth subject knowledge. A more representative sample can be chosen using judgmental sampling, which can produce findings that are more accurate than those obtained by using other probability techniques. The researcher's method involved carefully selecting people from the relevant departments and branches in accordance with the researcher's expertise.

3.3.2 Sample size

Omair (2014) further states that a sample size should be adequate to represent the entire population of a strata and that having a big sample group improves the accuracy of the data and information gathered. The larger sample size does not, according to Tella (2015), guarantee the veracity of the data and information gathered. According to the general guideline for sample size, the sample size should be as large as feasible in order to increase the sample's representativeness retrieved at (https://www.umsl.edu/lindquists/sample.html on 15/09/2022)

In order to guarantee the accuracy of the results, the researcher used a sample size of 80%.

Table 3.2: Accessible population and sample size

Strata	**Accessible population**	**Sample size**	**Sample size (%)**
Head of internal Auditors	1	1	100
Assistant Internal Auditors	3	2	67
Internal Audit Interns	2	2	100
Executive Managers	2	1	50
Branch Managers	2	2	100
Supervisors	5	4	80
Loans Officers	12	9	75

Back Office and Collection Department	10	8	80
Finance Department	9	8	89
Administration Department	4	3	75
Total	50(100%)	40(100%)	80

Source: Primary data 2022

All other departments received 30 questionnaires, with the exception of the Assistant and Head of Internal Audit, Assistant Internal Auditor Branch, Executive managers, and Supervisors, where interview techniques were employed instead of questionnaires.

3.4 Sources of data

The procedure of collecting data for a study is extremely important (Surbhi, 2016). Different techniques were used to gather data, and they all fall into one of two categories: primary data or secondary data. Only the primary data was used by the researcher to gather data.

3.4.1 Primary data

Primary data, as the name implies, is information that the researcher has obtained directly from sources (Akrani, 2014). Primary data are recent, up-to-date facts that the researcher has gathered from their original sources in an effort to address the study's goals. Primary data loses its originality as it is presented or used up, turning it into secondary data. According to Marston (2014), the main benefit of primary data is that it is more credible, trustworthy, dependable, and relevant because the researcher eliminates extraneous data throughout the collection process.

However, Surbhi (2016) emphasized that collecting primary data required a lot of the researcher's time and money. The proximity to the primary source of data in this example, which was Zimbabwe Women's Micro Finance Bank Harare offices located distance from where the researcher was performing the research, should be taken into consideration as it turned out to be more expensive than secondary data.

Given its authenticity and lack of human manipulation, the researcher concluded that adopting primary data was worthwhile after weighing its benefits and drawbacks. The information was gathered using questionnaires and interviews with employees of Zimbabwe Women's micro finance Bank.

3.4.2 Secondary data

Data that was acquired by other researchers for purposes aside from those of the current research project is referred to as secondary data. Secondary data, according to Lowry (2015), is information that has already been assembled, arranged, collated, and published. As opposed to primary data, this form of data was more affordable because it requires less time to collect the data and was instantly available. In secondary data, there was no potential of bias because the information was not chosen with bias in mind. According to Akrani (2015), the author was able to appreciate what other researchers had said regarding risk-based internal audits because to the availability of secondary data from reliable sources.

However, in order to fulfill the unique demands of the researcher, data from secondary sources must be adjusted (Wolf, 2016).

In consideration of the criticisms raised above, the researcher used primary data. This was due to the fact that secondary data did not offer accurate information on the significance of RBIA to the long-term viability and growth of Zimbabwe Women's micro finance Bank.

3.5 Research Instruments

A research instrument, according to Wright et al. (2016), is a device used to gather data. Research instruments are so devices used to gather information that is pertinent and useful in achieving the goals of the study. Interviews and questionnaires were the main tools employed. The fact that each technique was used for a distinct objective was the main benefit of combining various research instruments (Pradis et al, 2016). Before beginning the questionnaire in this situation, interviews were done to acquire a sense of the important topics. The entire set of crucial data were gathered using the questionnaire.

3.5.1 Interviews

Pradis et al. (2016) claim that conducting an interview involves two-way communication. It includes a question-and-answer period where the interviewer's concerns are addressed. They also mentioned the many methods of interviewing, including telephone, in-person, and email.

Interviews provide for flexibility because candidates are permitted to ask questions again or in a different way to ensure that they are understood. The flexibility of the interviews made them a far better method for examining topics where it was difficult to know what questions to ask or how to frame them. Jamshed (2014) claims that an interview provides a greater opportunity than a questionnaire to evaluate the veracity of provided information. In order to get additional information and receive satisfying answers, the researcher was able to rephrase unclear questions. This saved time and ensures prompt responses, allowing management to respond to their busy schedules without forgoing helping with the research (Alshenqeeti, 2014). Both partners were interviewed using the same pre-set questions.

According to the argument made in (http://www.bbamantra.com/methods-of-data-collection-primary-and-secondary-data/, viewed on 15/09/2022), a good interviewer must have good communication skills in order for an interview to be successful. Since there was no anonymity during interviews, some information was concealed, preventing the research from moving forward. In light of the researcher's travel expenses, it was expensive.

Since they were the ones most in charge of risk management and RBIA implementation, the researcher interviewed the Head of Internal Audit, Assistant Internal Auditor Branch, Executive managers, and Supervisors. As a result, their comments were more important to the study's findings.

3.5.2: Questionnaires

A questionnaire, according to Rowley (2014), is a set of well-crafted questions intended to elicit responses that are directly related to the research under consideration. In comparison to interviews, the questionnaire was less expensive, superficial tool with a much larger sample size. Open-ended and closed-ended questions were the two types of questions found in questionnaires (Allery, 2016).

According to McKee (2015), when respondents were given the time and opportunity to freely answer without any pressure, accuracy is maintained. They were also user-friendly and simple to administer. Because the questions were thoroughly thought out and constructed, the questionnaire offers responses that were strategic and forward-looking. Respondents were more at ease expressing themselves in private, under minimal pressure, maintaining high degrees of openness.

Rowley (2014) further stated that as questions are more meticulously structured and include instructions on how to react, consistency in terms of the findings was guaranteed.

On the contrary side, Zohrabi (2013) stated that the researcher loses control over the questions once the questionnaires are circulated. Additionally, a lot of questionnaires are received with excessive information on them, and missing responses were possible.

3.5.2.1 The Likert scale

The Likert scale is a research questionnaire instrument used to gather respondents' opinions about the questions and statements that the researcher has provided to them. After their preferences have been rated, Moore and Mellor (2014). From Kumar (2011), a five-point scale that spanned from strongly agree to strongly disagree was modified for this study. This scale was more effective when used in conjunction with closed-ended questions since it guarantees that a choice on the matter at hand was made. Respondents were eager to help because this method doesn't take much time, which enabled efficient data collecting. According to Nemoto and Beglar (2014), the scale ensures the effectiveness and efficiency of data collecting.

Table 3.3 The Likert Scale

Attitude	**Strongly Agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**
Point scale	5	**4**	**3**	**2**	**1**

3.6 Validity and reliability of research instruments

3.6.1 Validity

The study objectives and questions must be addressed for the research data to be considered credible, Bolarinwa (2015). (2015). Validity measures how well the tools can capture the subject matter of the investigation. By trying to make sure that each and every question on the questionnaire and during the interviews addressed every need of the research objectives, the researcher in this study made sure that the data was accurate. According to Boddy (2016), ambiguous questions might undermine the validity of research instruments. To avoid this, the researcher made sure all questions was short and clear before distributing surveys.

3.6.2 Reliability

Additionally, study data should be trustworthy, meaning that they should be worthy of relying upon in order to draw inferences. According to Yasar and Cogenli (2014), dependability is correlated with a fair representation of the target population that removes a component of bias. According to Mohajan (2017), this research's data were reliable because all respondents were asked the same questions on both research instruments, which eliminated bias and inaccuracies. According to Mohamad et al. (2014), unreliable study data has no worth and lost dependability. The researcher chose Zimbabwe Women's micro finance Bank's experienced employees to improve the dependability of survey replies in order to ensure data reliability.

3.7: Data presentation and analysis

In order for data to be relevant, it must be presented well so that readers can see, understand, and draw valid conclusions about the subject being discussed. Kraus (2014). To assure understanding, the data was presented both qualitatively and quantitatively, utilizing graphs, charts, and tables. In order to portray the data in line with respondents' responses and make it obvious how conclusions were reached, percentage analysis was also used. Through appropriate data display, information was delivered to be meaningful. The analysis and conclusions for data gathered through interviews were skewed toward the most frequent answers.

A technique of analyzing data collected that incorporates logical reasoning to assure its validity in the research project is data analysis.

3.8 Chapter summary

The primary focus of this chapter was research methodology; it discussed the research design chosen and the justifications used in this study. Various sampling approaches were used to define the target population and determine the sample size. Research tools were selected to help with data collecting after sources of information underwent a careful evaluation. In order to safeguard the research study, good research practices, that is, ethical concerns, were observed before the validity and reliability of the data acquired were examined and appraised. The display of data and its interpretation will be covered in the following chapter.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

Data collection methods in this chapter included interviews and questionnaires. In order to provide relevant information, the information collected from the field study conducted at Zimbabwe Women's Microfinance Bank in accordance with the research questions and objectives will be interpreted, presented, analyzed, and discussed. Tables, pie charts, and graphs will all be used to systematically convey the information that was collected.

4.1 Questionnaire Responses

4.1.2 Questionnaire response rate

The employees of Zimbabwe Women's Microfinance Bank Harare were given a total of 30 questionnaires; 27 of them were completed and returned, yielding a favorable response rate of 90%.

Table 4.1: Questionnaire response rate

Respondents	Questionnaires distributed	Questionnaires returned	Responds rate (%)
Internal auditors interns	2	2	100
Loan officers	9	8	89
Back offices and collection department	8	8	100
Finance departments	9	7	88
Administration department	2	2	100
TOTAL	**30**	**27**	**90**

Source: Primary data 2022

Table 4.1 hinted at the fact that the 90% response rate for the questionnaires issued is thought to be favorable. According to Okafor and Otalo (2013), a response rate of 65% is realistic and acceptable, and they offer a good foundation from which to derive conclusions and suggestions.

4.2 DATA PRESENTATION AND ANALYSIS

4.2.2 Respondents' personal details

a) Position held

To make sure that the data gathered is accurate and valid, the researcher focused on particular groups. Since different people have varied perspectives on the research study and occupy diverse positions, this was done since it is important to have a variety of possibilities in the research.

Table 4.2: Position statistics

Position	Number of respondents	Relative percentage (%)
Intern internal auditor	2	7.41
Loans Officer	8	29.63
Back office and collection department officer	8	29.63
Finance officer	7	25.92
Administration Officer	2	7.41
Total	**27**	**100**

Source: Primary data 2022

b) Qualifications

It was necessary to know each respondent's professional credentials because the research required that respondents have an understanding of auditing and risk assessment. For the purpose of maintaining the authenticity and trustworthiness of the data, the table and graph below illustrates the educational and professional backgrounds of the Zimbabwe Women's Microfinance Bank employees.

Table 4.3 Qualifications distribution

Qualification	Number	Percentage (%)
Under Grad Risk and Insurance	5	18.52
Under Grad Banking and Finance	6	22.22
B.ACC	5	18.52
CTA	4	14.82
ACCA	2	7.41
CA	3	11.11
CIMA	1	3.70
CIA	1	3.70
Total	**27**	**100**

Source: Primary data 2022

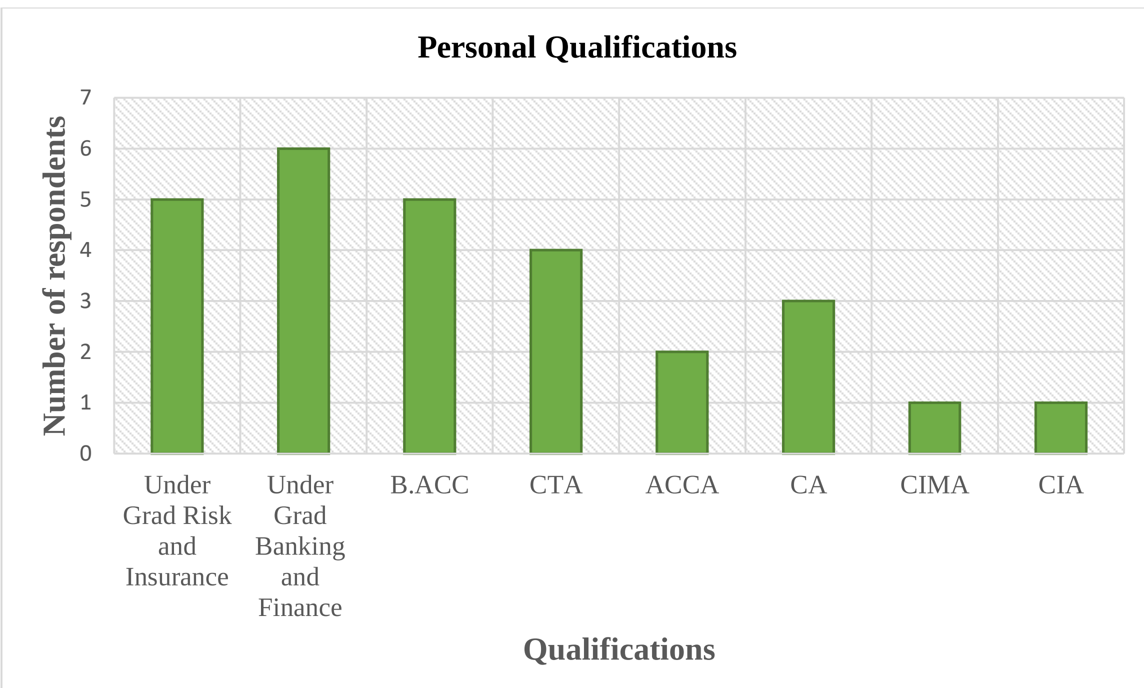


Figure 4.1 Qualifications distribution

Source: Primary data 2022

Figure 4.1 demonstrates that among the respondents, 22.22% (6/27) have a first degree in banking and finance and 18.52% (5/27) have a first degree in risk and insurance, 18.52% (5/27) B.ACC, 14.82% (4/27) CTA, 7.41% (2/27) ACCA, 11.11% (3/27) CA, 3.70% (1/27) CIMA and 3.70% (1/27) CIA were among the responders.

This implies that all respondents were suitably qualified, and their ability to comprehend and react to the questionnaire's questions renders the information collected accurate and dependable.

c) **Work experience**

Table 4.4: Respondents work experience

Years	Below 1 year	1-<5 years	5-<10 years	Over 10 years
Number of respondents	3	7	9	8
Relative percentage (%)	11.11	25.93	33.33	29.63

Source: Primary data 2022

The respondents' views and perceptions of risk management and internal auditing are significantly influenced by their work experience. Since the majority of them have employment histories spanning more than a year, the Zimbabwe Women's Microfinance Bank staff is experienced in risk management and internal audits. The majority of the respondents, as shown in Table 4.4, had work histories ranging from five to more than ten years, suggesting that they have the necessary experience to supply the research with relevant and trustworthy data.

4.3 RESPONDS RELATED TO RESEARCH STUDY

4.3.1 What are major risks affecting Zimbabwe Women's Microfinance Bank?

The purpose of the question is to explain the main risks that the Zimbabwe Women's Microfinance Bank's activities are subjected to.

Table 4.5: Major risks Zimbabwe Women's Microfinance Bank exposed to

Response	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	Total
i) Credit risk	16	9	0	2	0	27
Response rate %	59.26	33.33	0	7.41	0	100
ii) Liquidity risk	10	12	0	3	2	27
Response rate %	37.04	44.44	0	11.11	7.41	100
iii) Interest rate risk	11	13	0	2	1	27
Response rate %	40.74	48.15	0	7.41	3.70	100
iv) Operational risk	12	11	0	2	2	27
Response rate %	44.44	40.74	0	7.41	7.41	100

Source: Primary data 2022

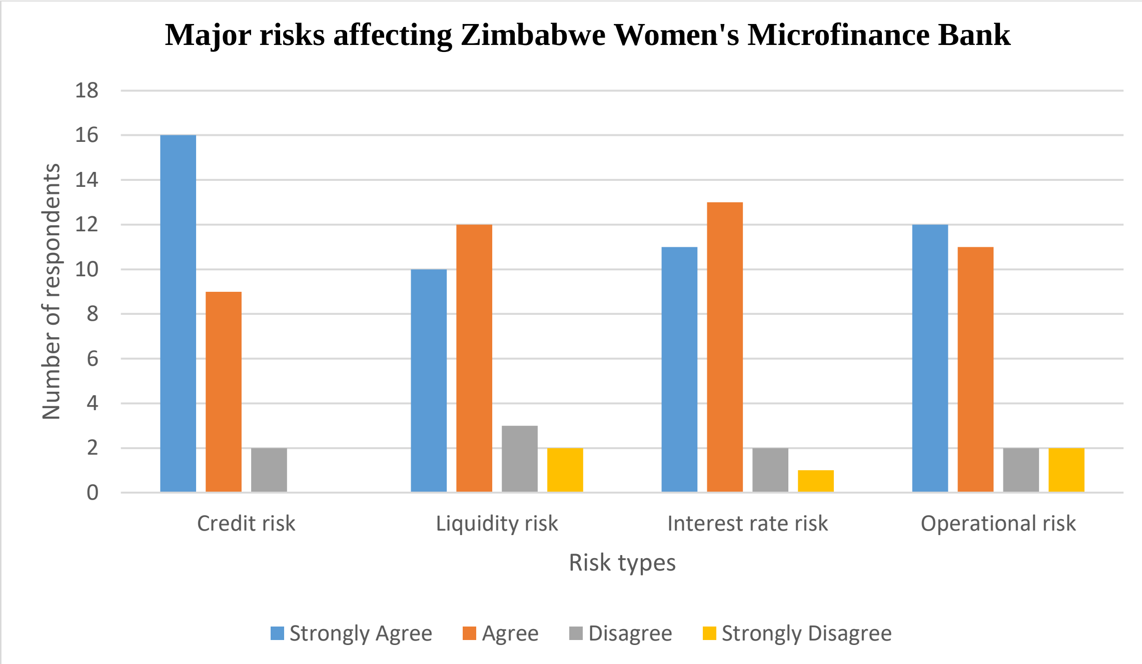


Figure 4.2 Major risks affecting Zimbabwe Women's Microfinance Bank

Source: Primary data

Table 4.5 demonstrates that regarding the statement that Zimbabwe Women's Microfinance Bank is vulnerable to credit risk, 59.26% strongly agreed, 33.33% agreed, 7.41 disagreed, 0% strongly disagreed, and 0% were neutral. According to the respondents, the Zimbabwe Women's Microfinance Bank is exposed to liquidity risk in proportions of 37.04% strongly agreeing, 44.44% agreeing, 0% neutral, 11.11% disagreeing, and 7.41% very disagreeing. This implies that the firm is always exposed to various sorts of risks, which have an impact on its growth and viability, given the nature of the business and the present economic climate.

Table 4.5 further demonstrates that 81.48% believe that Zimbabwe Women's Microfinance Bank is vulnerable to liquidity risk, with 37.04% strongly agreeing, 44.44% Agreeing, 11.11% disagreeing, 7.41% strongly disagreeing, and 0% neutral.

The following percentages of respondents agreed or strongly agreed that Zimbabwe Women's Microfinance Bank is experiencing interest rate risk: 40.74% strongly agreed, 48.15% agreed, 7.41% disagreed, 3.70% strongly disagreed, and 0 neither agreed nor disagreed. Likewise displayed are the percentages of respondents who strongly agreed, agreed, disagreed, and strongly disagreed that the

Zimbabwe Women's Microfinance Bank is also subject to operational risk: 44.44%, 40.74%, 7.41%, and 7.41%.

This was confirmed by the answers to interview question 1 which claimed that Zimbabwe Women's Microfinance Bank is a risk naïve company so it is subject to operational risk, interest rate risk, liquidity risk, and credit risk. A number of authors, including Dube and Matanda (2015), Asongo and Nyor (2014), and Gietzen (2017), acknowledge that an MFI is subject to a variety of risks as a result of the nature of its operations.

4.3.2 How best can the internal audit assist in risk management?

Participants were questioned about their expectations for the internal audit's role in risk management.

Table 4.6: Roles of the internal audit in risk management

Response	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
a) Imposing risk management processes	4	3	2	8	10	27
Response rate %	14.81	11.11	7.41	29.63	37.04	100
b) Taking decisions on risk responses	2	5	1	5	14	27
Response rate %	7.41	18.52	3.70	18.52	51.85	100
c) Setting risk appetite	2	0	3	9	13	27
Response rate %	7.41	0	11.11	33.33	48.15	100

d) Giving assurance	18	6	0	2	1	27
Response rate %	66.67	22.22	0	7.41	3.70	100
e) Reviewing management of risks	12	10	1	2	2	27
Response rate %	44.44	37.04	3.70	7.41	7.41	100

Source: Primary Data 2022

a) Imposing risk management processes

According to the responses, 66.67% of respondents disagree that it is the role of the internal audit to enforce risk management systems, with 37.04% (10/28) strongly disagreeing, 29.63% (8/28) disagreeing, and 7.41% indifferent. Only 25.92% of respondents in total concur that risk management procedures should be mandated by the internal audit function. The Institute of Internal Auditors (2014) emphasized in the literature that management, not internal auditors, establishes risk management practices. This runs counter to the respondents' answers to interview question three, which said that controlling risks is the responsibility of the internal audit.

b) Taking decisions on risk responses

25.93% of respondents believe that this task is one of the responsibilities of internal audit in risk management, 3.70% are indifferent, and 70.37% disagree. Therefore, as stated by (Matenhese, 2014) in the literature, it is not the responsibility of the internal audit function to decide on risk responses.

c) Setting risk appetite

According to the above table, 7.41% strongly agree and 0% agree that internal audit is in charge of determining risk appetite. 48.15% strongly disagree, 33.33% disagree, and 11.11% are neutral about the internal audit setting the risk appetite.

Generally, 81.48% disagreed and 7.41% agreed.

This demonstrates that internal auditors are not in charge of determining risk appetite, as shown by interview question number seven, which found that respondents believed management was in charge of determining risk appetite. The website www.broadleaf.com.au, retrieved on September 12, 2022, likewise supports this.

d) Giving assurance

According to the table above, 18/27 respondents (66.67%) strongly agreed, 6/27 respondents (22.22%) agreed, 0% of respondents were neither in agreement nor disagreement, 2/27 respondents (7.41%) disagreed, and 1/27 respondents (3.70%) strongly disagreed that the internal audit function's role is to provide assurance.

Entirely, a total of 88.89% (24/27) agreed and 11.11% (3/27) disagreed.

This demonstrates that internal auditors are accountable for assuring the board of directors that risks are appropriately assessed and that the risk management mechanisms are in place (IIA, 2014).

e) Reviewing of management of risk

The table indicates that 44.44% (12/27) of the respondents strongly agreed, 37.04% (10/27) agreed, 3.70% (1/27) were neutral, 7.41% (2/27) disagreed and 7.41% (2/27) strongly disagreed to the point that reviewing management of risks is a role of the internal audit.

Overally, a total of 81.48% (22/27) agreed and 14.82% (4/27) disagreed.

Thus, it follows that one of the internal audit's responsibilities is to examine risk management, as backed by (Williams, 2017). This is supported by answers to interview question seven, where respondents said that internal audits should examine the risk management procedures put in place by management to make sure that they are properly managing risks to stay within the organization's risk appetite.

4.3.3 How does RBIA affect the growth of the company?

Table 4.7: RBIA affect the growth of the company in the following ways:

Response	**Strongly Agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**	**Total**
Enhanced priority ratings	7	12	5	0	3	**27**

Response rate %	25.93	44.44	18.52	0	11.11	**100**
Effective use of audit resources	15	5	0	3	4	**27**
Response rate %	55.56	18.52	0	11.11	14.81	**100**
Optimal level of assurance	19	3	2	3	0	**27**
Response rate %	70.37	11.11	7.41	11.11	0	**100**
Improved risk mitigation	20	5	0	0	2	**27**
Response rate %	74.07	18.52	0	0	7.41	**100**

Source: Primary Data 2022

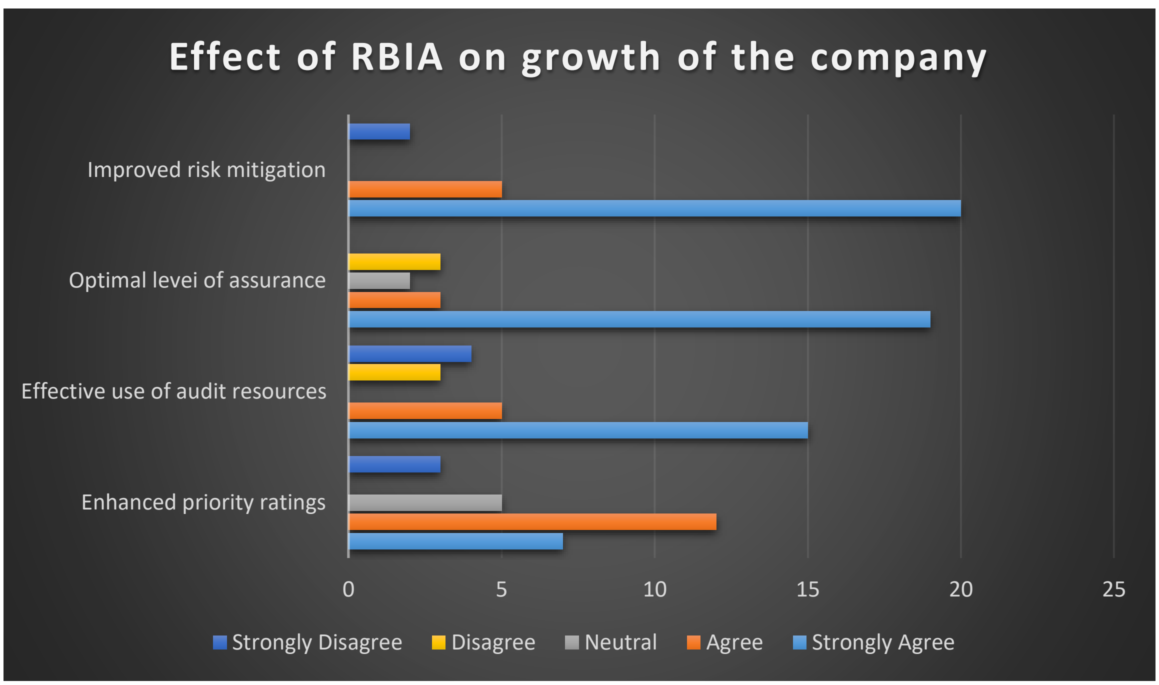


Figure 4.3 RBIA affect the growth of the company in the following ways

Source: Primary Data 2022

i Enhanced priority ratings

From the table 4.7 above, it was shown that 7/27 (25.93%) strongly agreed and 12/27 (44.44%) agreed that RBIA has an effect on the growth of Zimbabwe Women's Microfinance Bank through providing an enhanced priority ratings of observations and recommendations. 5/27 (18.52%) neutral, none disagree and 3/27 (11.11%) strongly disagree that RBIA has an effect on the growth of the Zimbabwe Women's Microfinance Bank.
Overall, 70.37% agreed whilst only 11.11% disagreed.

The observations and recommendations, which can be rated to provide the best value added in terms of the risks minimized linked to the attainment of business objectives, led many respondents to agree as supported by Njeri (2014) as he argued that the RBIA enhances the priority ratings when it comes to the observations and recommendations in terms of risks linked to the attainment of business objectives.

ii Effective use of audit resources

From the table 4.7 above, it was shown that 15/27 (5.56%) strongly agreed and 5/27 (18.52%) agreed that RBIA has an effect on the growth of Zimbabwe Women's Microfinance Bank through promoting effective use of audit resources. None were neutral, 3/27 (11.11%) disagree and 4/27 (14.81%) strongly disagree that RBIA has an effect on the growth of the Zimbabwe Women's Microfinance Bank.
Overall, 74.08% agreed whilst only 25.92% disagreed.
The questionnaire respondents have agreed that employing RBIA will have a positive effect on the growth of Zimbabwe Women's Microfinance Bank as it promotes effective use of audit resources. This is due to the fact that the audit plan for risk-based auditing is based on the types and numbers of risks for which the audit committee needs assurance. It contrasts from the alternative strategy, where the audits that may be undertaken depend on the resources that are available. Additionally, it makes sure that resources are focused on auditing the major risks. The respondents results were in line with the study conducted by Ogega et al. (2017) discovered that RBIA

enable efficient planning and allocation of financial resources, allowing for more funding to be directed toward potentially profitable and risky areas, supports this.

iii Optimal level of assurance

From the table 4.7 above, it was shown that 70.37% strongly agreed and 11.11% agreed that RBIA has an effect on the growth of Zimbabwe Women's Microfinance Bank through providing an optimal level of assurance. 7.14% is neutral, 11.11%% disagree and 0% strongly disagree that RBIA has an effect on the growth of the Zimbabwe Women's Microfinance Bank.

Overall, 81.48% agreed whilst only 11.11% disagreed.

Majority of the participants agreed because by focusing audits on high-risk sections rather than just rotating through mostly financial ones, which might not pose the major risks, RBIA is more effective. Risk-based auditing makes sure that the risks that are most important to the business are audited and that management is responsible for the continuing monitoring and mitigation of these high-risk areas. According to the research cited by the Institute of Internal Auditors (2014), management should establish the risk management procedures. Nyarombe (2015) supported this, he argued that RBIA improves the financial reporting assurance and the process of financial statements presentations and reporting.

iv Improving risk mitigation

It is indicated by table 4.7 that 20 out of 27 (74.07%) strongly agreed, 5 out of 27 (18.52%) agreed, none were neutral, none disagreed and 2 out of 27 (7.41%) strongly disagreed that RBIA affect the growth of the company.

Generally, 70.37% agreed and 11.11% disagreed.

This implies that Zimbabwe Women's Microfinance Bank's growth is greatly affected by RBIA through improved risk mitigation and overall business efficiency. This is because RBIA reduces the impacts of risks which are currently affecting the growth of the clientele base and the global loan book as supported by the literature of Mbira and Tapera (2016) who argued that implementing RBIA will reduce the PAR levels. Interview question eight responses also reinforces this.

4.3.4Adequate attention is being given to the risks

The question sought to determine whether risks are successfully managed within the organization.

Table 4.8: Attention given to the risks

Respondents	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
Number of respondents	7	1	4	10	5	27
Percentage %	25.93	3.70	14.81	37.04	18.52	100

Source: Primary data

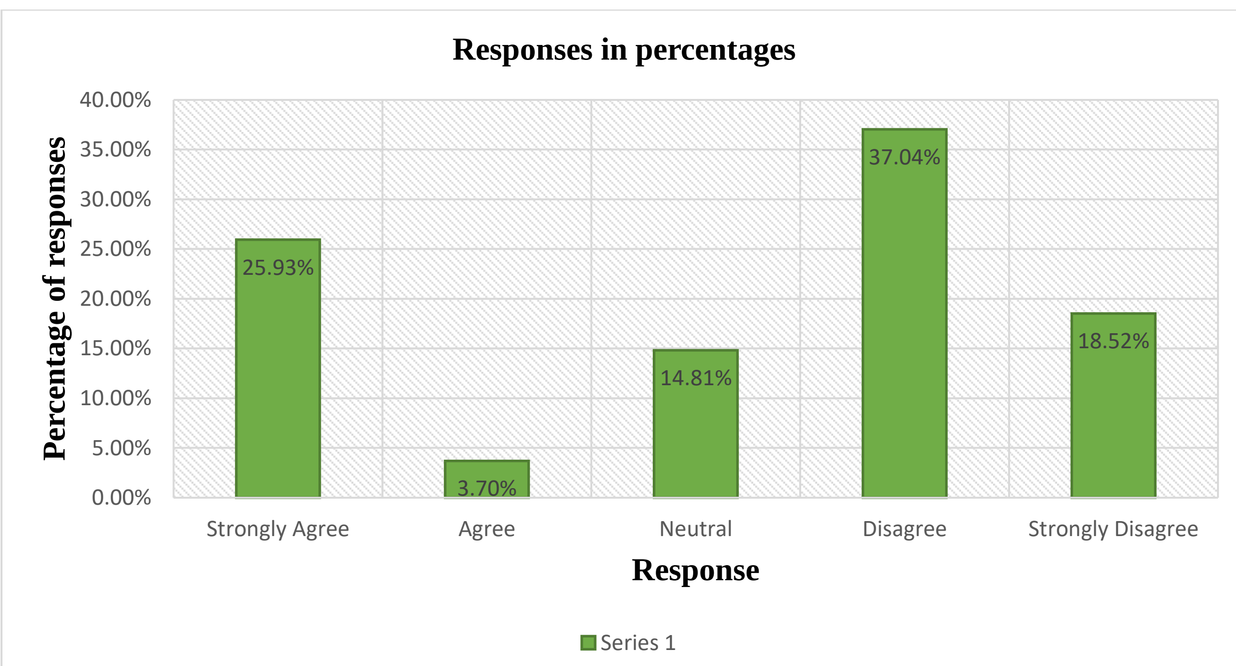


Figure 4.4: Attention given to risks identified

Source: Primary data 2022

According to Fig. 4.4, 25.93% strongly agreed, 3.70 % agreed, 14.81 % were neutral, 37.04 % disagreed, and 18.5 % strongly disagreed that the risks indicated are receiving appropriate attention.

Overall, 55.56% were opposed to 29.63% agreed.

Most of the interviewees who responded to question number two of the interview agreed that efforts are being made to mitigate risks and their impacts. But questionnaire results, which indicate that risks are not being appropriately addressed, do not support this. The Microfinance Industry Report (2015) claims that MFIs have poor portfolio quality as seen by worsened PAR because of credit risk.

4.3.3 The internal audit function audits the financial statements and compliance

Participants were questioned about whether the internal audit function includes undertaking compliance checks and auditing financial statements. This inquiry aims to validate the internal audit function's current strategy currently employed by the internal audit function.

Table 4.8: Internal audit function audits financial statements and compliance

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
Respondents	14	10	2	1	0	27
Percentage (%)	51.85	37.04	7.41	3.70	0	100

Source: Primary data 2022

Table 4.8 reveals that 51.85% strongly agree and 37.04% agree that the internal audit function is currently doing compliance checks and auditing financial statements. 3.70% of respondents disagree, 0% strongly disagree, and 7.41% are unsure.

Overall, 88.89% of respondents agree that the internal audit primarily examines financial accounts and determines whether employees of the Zimbabwe Women's Microfinance Bank are abiding by its code of conduct and internal controls.

4.3.4 Zimbabwe Women's Microfinance Bank has a risk management framework

To find out if Zimbabwe Women's Microfinance Bank has a risk management framework in place, the question was posed.

Table 4.9: Availability of risk management framework

Responses	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Respondents	3	2	3	6	13	27
Percentage %	11.11	7.41	11.11	22.22	48.15	100

Source: Primary Data 2022

Table 4.9 indicates that, overall, 70.37% (19/27) of respondents disagree that Zimbabwe Women's Microfinance Bank has a risk management framework in place while 18.52% (5/27) do. 11.11 percent of the respondents (3/27) are unsure whether Zimbabwe Women's Microfinance Bank has a risk management framework in place or not.

Overall, 70.37% objected and 18.52% approved of the risk management approach used by Zimbabwe Women's Microfinance Bank.

A risk management framework should be present within an organization, according to Dugguh and Diggi's (2015) research.

4.3.5 Traditional techniques are no longer adequate for Zimbabwe Women's Microfinance Bank.

Table 4.10: Traditional Auditing Techniques

Response	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Total
a. Systems Based	11	9	2	2	3	27
Response rate %	40.74	33.33	7.41	7.41	11.11	100
b. Operational Based	14	7	1	3	2	27
Response rate %	51.85	25.93	3.70	11.11	7.41	100
c. Compliance Based	9	2	1	13	2	27
Response rate %	33.33	7.41	3.70	48.15	7.41	100

Source: Primary data 2022

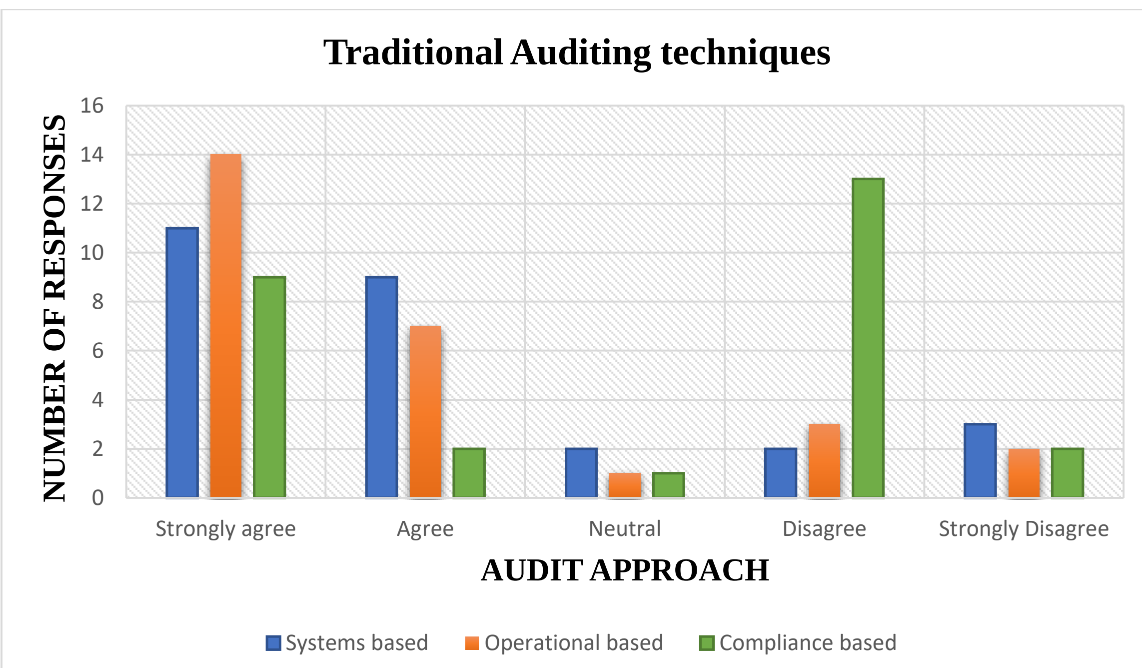


Figure 4.5: Traditional auditing techniques

Source: primary Data 2022

a. Systems based

According to the graph above, a total of 20/27 (74.07%) respondents agreed that systems-based approaches are no longer suitable for the Zimbabwe Women's Microfinance Bank, while 5/27 (18.52%) disagreed and 2/27 (7.41%) were neutral.

As evidenced by the conclusion that systems-based auditing procedures are no longer sufficient for the Zimbabwe Women's Microfinance Bank (Grant Thornton and Internal Audit, 2011)

b. Operational Based

According to the graph, operational auditing procedures are no longer suitable for the organization, with 14/27 (51.85%) highly agreeing, 7/27 (25.93%) agreeing, 1/27 (3.70%) neither agreeing nor disagreeing, 3/27 (11.11%) disagreeing, and 2/27 (7.41%) strongly disagreeing.

In all, 77.78% of respondents agreed and 18.52% disagreed.

Therefore, it may be said that Zimbabwe Women's Microfinance Bank's operational auditing methodologies are no longer suitable. This is supported by responses to interview question 8 which said that RBIA focuses on poorly or excessively regulated risks as opposed to operational and compliance focused approaches.

c. Compliance Based

According to figure 4.5, 9/27 respondents (33.33%) strongly agreed, 2/27 respondents (7.41%) agreed, 1/27 respondents (3.70%) were neutral, 13/27 respondents (48.15%) disagreed, and 2/27 respondents (7.41%) strongly disagreed that compliance-based is no longer sufficient for the Zimbabwe Women's Microfinance Bank.

In total, 40.74% of respondents agreed and 55.56% disapproved.

This demonstrates that compliance-based systems are still sufficient. As Vasvári (2015) argues, they should be employed in internal audit to increase RBIA's effectiveness because a compliance-based approach guarantees that risk management procedures are followed.

4.3.6 Implementing RBIA improve the loan book quality

Table 4.11: Implementing RBIA improves loan book quality

Response	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Response rate	14	8	0	3	2	27
Percentage %	51.85	29.63	0	11.11	7.41	100

Source: Primary Data 2022

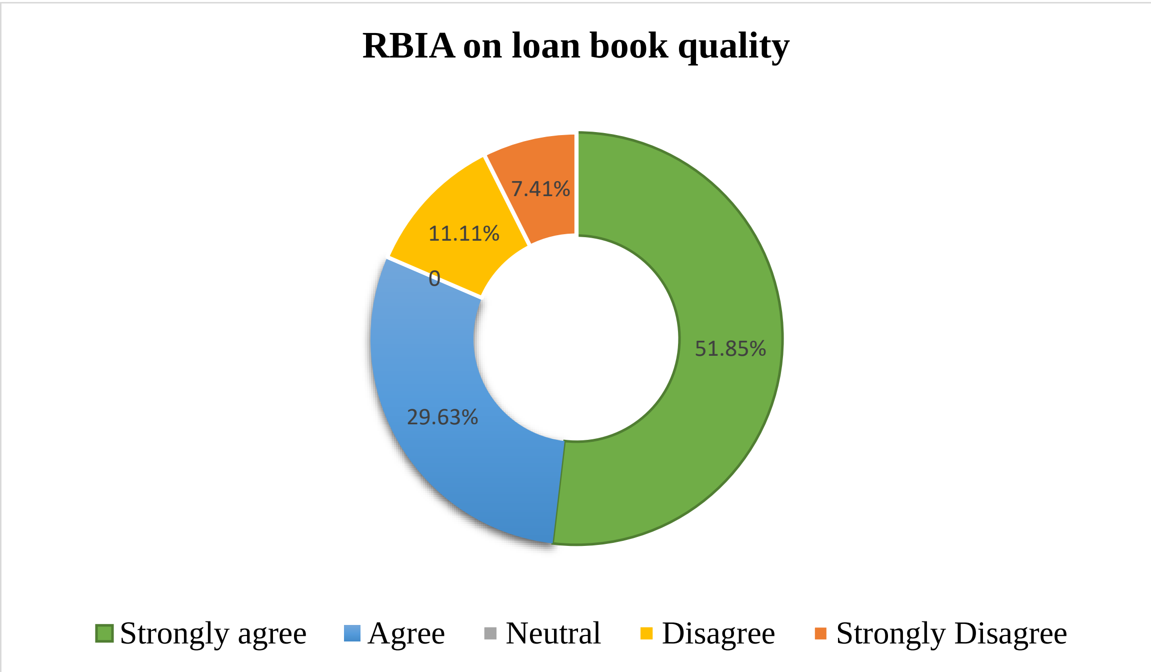


Figure 4.6: Implementing RBIA improves the loan book quality

Source: Primary data

According to the study's findings, RBIA implementation by Zimbabwe Women's Microfinance Bank enhances the loan book's quality. This is demonstrated by the fact that the RBIA approach increases the quality of the loan book, as indicated by 51.85% of respondents strongly agreeing, 29.63% agreeing, 11.11% disagreeing, and 7.41% strongly disapproving. This is backed up by Mbira and Tapera (2016), who noted that the implementation of RBIA will lower PAR levels.

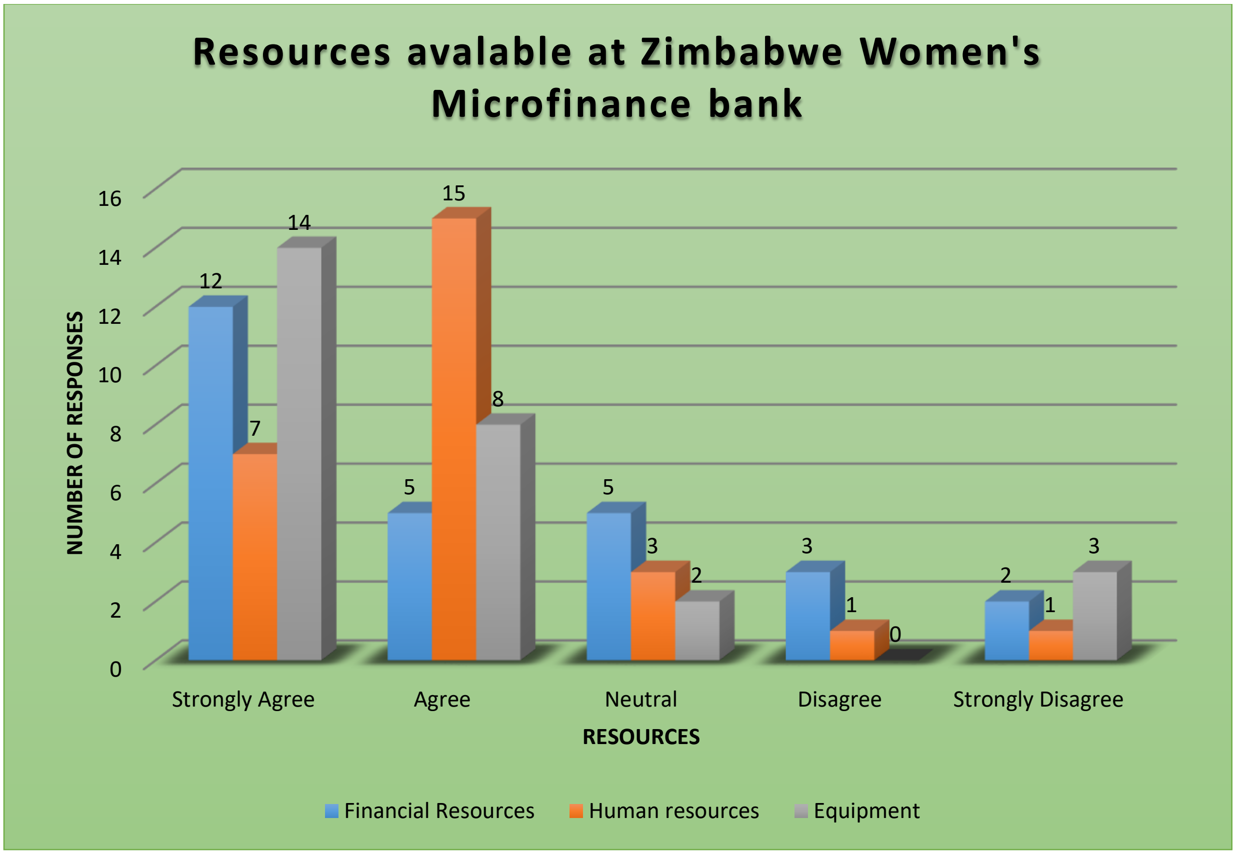
4.3.7 Zimbabwe Women's Microfinance bank has the following resources for implementing RBIA.

The purpose of the question is to determine if Zimbabwe Women's Microfinance Bank has the resources to execute RBIA.

Table 4.12: Availability of resources for implementing RBIA

Respond	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Financial resources	12	5	5	3	2	**27**
Response rate %	44.44	18.52	18.52	11.11	7.41	**100**
Human resources	7	15	3	1	1	**27**
Response rate %	25.93	55.56	11.11	3.70	3.70	**100**
Equipment	14	8	2	0	3	**27**
Response rate %	51.85	29.63	7.41	0	11.11	**100**

Source: Primary Data 2022



Source: Primary Data 2022

Figure 4.7 Resources for implementing RBIA at Zimbabwe Women's Microfinance Bank

a) Financial resources

Figure 4.7 demonstrates that 12 of the 27 respondents (44.44%) strongly agreed, 5 of the 27 respondents (18.52%) agreed, 5 of the 27 respondents (18.52%) were neutral, 3 of the 27 respondents (11.11%) disagreed, and 2 of the 27 respondents (7.41%) strongly disagreed that financial resources are available for the implementation of RBIA at Zimbabwe Women's Microfinance Bank.

Overall, 62.96% of respondents agreed, and 18.52% disagreed.

Therefore, it may be determined that Zimbabwe Women's Microfinance Bank can execute RBIA as far as financial resources are concerned. RBIA is cost-saving, according to Grant Thornton and Internal Audit (2011), because more resources are directed toward riskier regions.

b) Human resources

Figure 4.7 shows that 7 of the 27 respondents (25.93%) strongly agreed, 15 of the 27 respondents (55.56%) agreed, 3 of the 27 respondents (11.11%) were neutral, 1 of the 27 respondents (3.70%) disagreed, and 1 of the 27 respondents (3.70%) strongly disagreed that the Zimbabwe Women's Microfinance Bank has the human resources necessary to implement the RBIA.

81.49% of respondents agreed and 7.40% disagreed in general.

This suggests that the Zimbabwe Women's Microfinance Bank has the human resources necessary to carry out the RBIA. The qualifications of the questionnaire respondents, which demonstrate that there are several staff members with pertinent professional qualifications and work experience who can implement RBIA, provide additional support for this. Responses to interview question five support this as well.

c) Equipment

As shown in fig. 4.7, 14 out of the 27 respondents (51.85%) strongly agreed, 8 out of the 27 respondents (29.63%) agreed, 2 out of the 27 respondents (7.41%) were neutral, 0% disagreed, and 3 out of the 27 respondents (11.11%) strongly disagreed that the Zimbabwe Women's Microfinance Bank has the necessary equipment to implement the RBIA.

81.48% of people agreed overall, while 11.11% disagreed.

The Zimbabwe Women's Microfinance Bank has the appropriate equipment to carry out the RBIA.

Overall, it can be said that Zimbabwe Women's Microfinance Bank can execute RBIA since it possesses enough equipment, finances, and human resources that are necessary for the implementation to be effective.

Overall, the Zimbabwe Women's Microfinance Bank has sufficient resources to implement RBIA, as evidenced by interview question number seven, in which the interviewees said that the bank can implement RBIA since it has all the resources needed for a successful implementation.

4.3.8 RBIA enables effective and efficient use of internal audit resources

Table 4.13: RBIA enables effective and efficient use of internal audit resources

Response	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Number of respondents	13	7	2	4	1	**27**
Response rate %	48.15	25.93	7.41	14.81	3.70	**100**

Source: Primary Data 2022

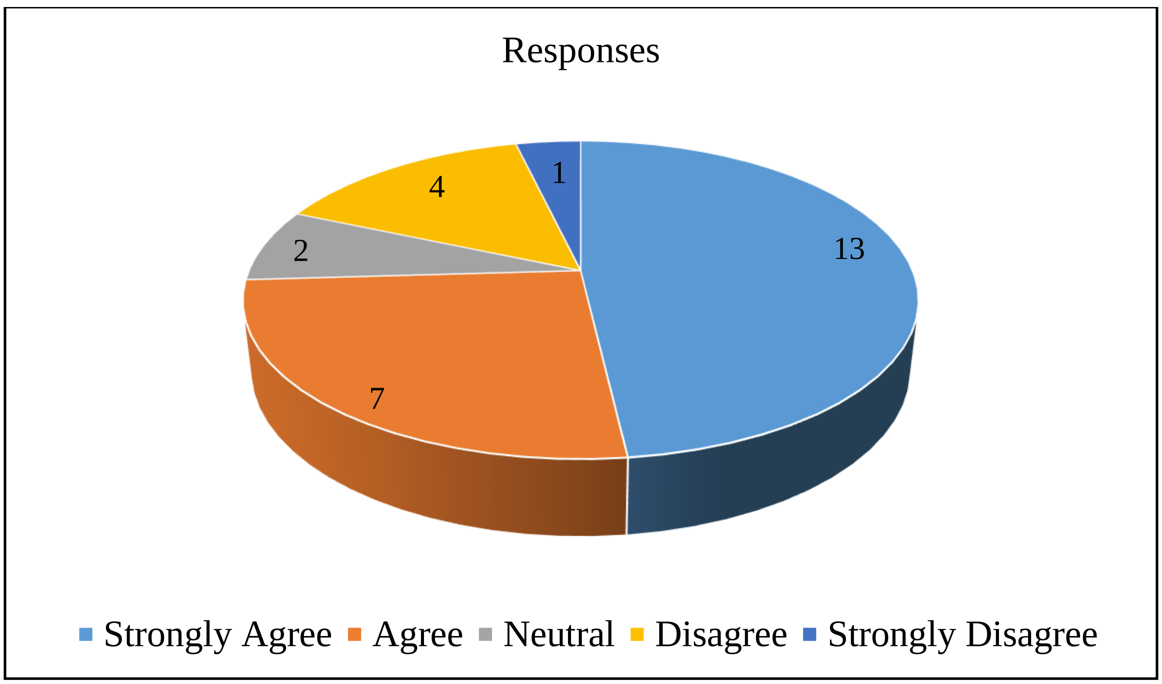


Figure 4.8: RBIA enables effective and efficient use of internal audit resources

Source: Primary Data 2022

The findings on the effective use of internal audit resources are shown in Fig. 4.8. Of all 27 respondents, 13 respondents strongly agreed, 7 agreed, 2 neither agreed nor disagreed, 4 disagreed, and 1 disputed that implementing the RBIA into action will allow for more effective use of internal audit resources.

Overall, 20 of the 27 respondents (74.08%) agreed, while 5 respondents (18.51%) disagreed.

This leads to the conclusion that putting RBIA into practice permits more effective use of internal audit resources. High-risk areas typically recognized during the planning stage, and additional resources are subsequently directed towards the risky areas, enhancing the organization's financial performance (Muraguri, 2016).

4.3.9 Implementing RBIA will enable the sustainability of Zimbabwe Women's Microfinance Bank

Table 4.14: RBIA enables sustainability of Zimbabwe Women's Microfinance Bank

Responses	Strongly Agree	Agree	Disagree	Neutral	Strongly Disagree	Total
Number of responses	15	5	3	1	3	**27**
Response rate %	55.56	18.52	11.11	3.70	11.11	**100**

Source: Primary data 2022

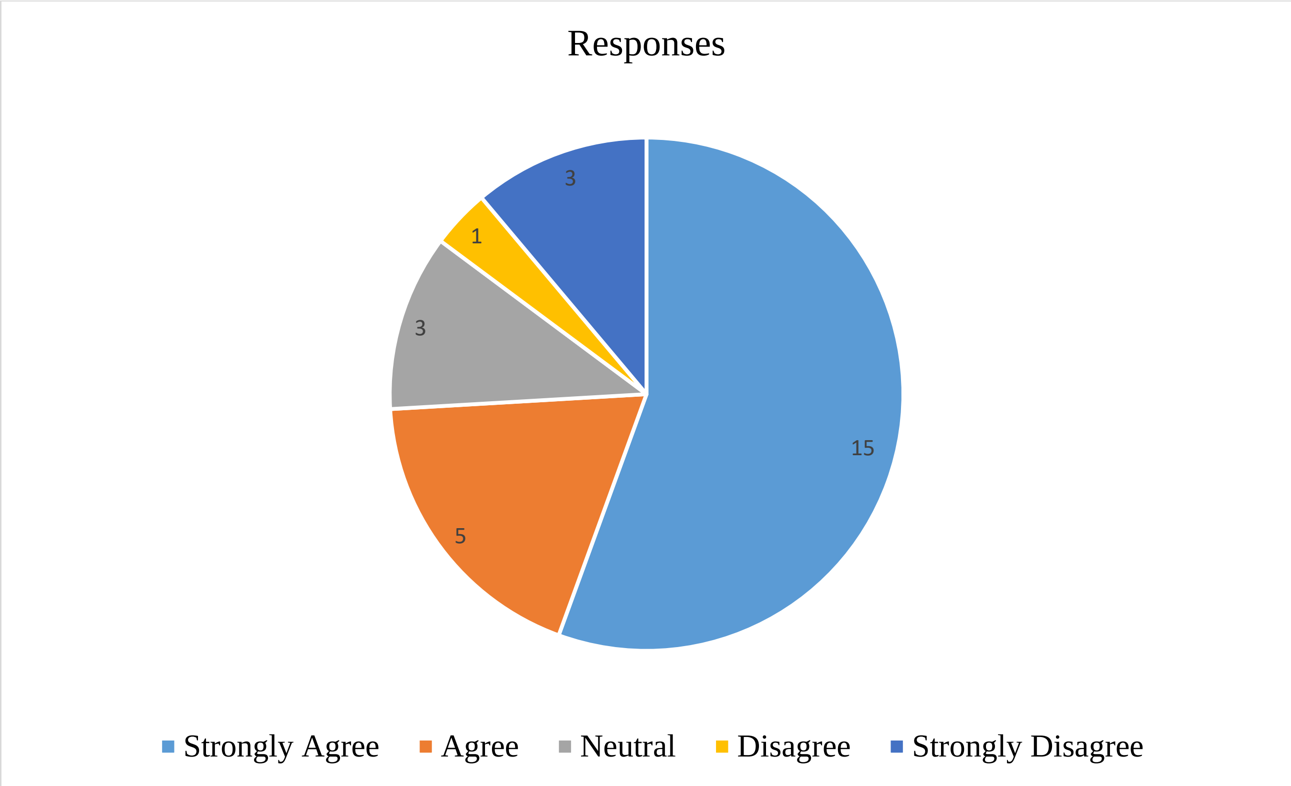


Figure 4.9 RBIA enables sustainability of Zimbabwe Women's Microfinance Bank

Source: Primary data 2022

The implementation of RBIA will enable the sustainability of the company under review, according to Table 4.11, which shows that 28.57% strongly agreed, 32.14% agreed, 7.14% disagreed, 14.29% strongly disagreed, and 17.86 neither agreed nor disagreed.

39.29% of respondents disagreed, while 60.17% agreed.

This leads to the conclusion that putting RBIA into practice can also enable sustainability. High returns come from taking risks given the type of industry Zimbabwe Women's Microfinance Bank is in and the economic climate in which it operates, but these risks must be closely controlled to ensure the survival of the business. Ogega, Kibati, and Koima's (2017) assertion that RBIA will enable efficient planning and allocation of financial resources, allowing for more funding to be directed toward potentially profitable and risky areas, supports this.

4.4 Interviews response rates

The branch and executive managers, the head and assistant auditors, and other more prominent and busy employees were all interviewed. Since 8 out of 10 planned interviews were done, the response rate was respectable and reasonable at 80%.

Table 4.15: Interviews response rates

Respondents	Selected sample	Interviews conducted	Response rate %
Head of Internal Audit	1	1	100
Assistant Internal Auditors	2	2	100
Branch Managers	1	1	100
Executive Managers	2	1	50
Supervisors	4	3	75
Total	10	8	80

Source: Primary data 2022

4.5 Responses from interview

Qn1: What are the significant risks affecting Zimbabwe Women's Microfinance Bank?

The interviewees acknowledged that the Zimbabwe Women's Microfinance Bank is vulnerable to a wide range of risks since it is a risk-averse organization. They stated that because of the organization's complexity, operational risk is having an impact on it. Interest rate risk, which results in losses when interest rates vary in Zimbabwe, is another factor that affects it. They went on to say that one of the main risks impeding the organization's expansion is credit risk. It has been claimed that credit risk is the mother of liquidity risk because, if a company cannot collect the principal and interest due, it will likely experience liquidity issues that would negatively impact its performance. That was backed up by Asongo and Nyor's (2014) literature review. The respondents also mentioned that the market risk required extra attention because of the three years of escalating competition. This is consistent with answers to questionnaire question 5, which emphasized that the Zimbabwe Women's Microfinance Bank is subject to operational, interest rate, liquidity, and credit risks.

Q2: How effective are the risk management processes within the organization?

The internal audit department, according to interviewees, efficiently manages risks within the company. They said that for efficient audit performance, the internal audit executes the risk assessment procedure during the planning stage and allocates audit resources to high-risk areas. The answers to the question number 3 responses contradict this.

Qn3: Who is responsible for risks management between management and internal audit?

The interviewees suggested that the internal auditor should oversee risks within the organization. Additionally, they noted that the internal audit oversees locating risky areas, assessing risks, and keeping an eye on risks for the firm. It was further mentioned that management's role in determining the organization's risk appetite is limited. In contrast, Williams (2017) observed in the literature review that internal audit analyzes the risk management procedures while management addresses risks.

Qn4: What does RBIA mean to you?

The interview subjects described RBIA as a process that offers assurance that risks are being managed to the organization's risk tolerance. According to Griffiths (2013), RBIA gives the board assurance that risk management procedures are effectively controlling risks.

Qn5: Is it possible for Zimbabwe Women's Microfinance bank to implement RBIA? Inspire your answer.

The Zimbabwe Women's Microfinance Bank was informed that RBIA might be implemented. The Zimbabwe Women's Microfinance Bank has all the tools needed to implement RBIA successfully. This is corroborated by the responses to question 11 of the questionnaire, where the respondents stated that Zimbabwe Women's Microfinance Bank has the resources, funding, and personnel necessary for successful implementation. However, research suggests that for the implementation to be successful and efficient, the organization must first set up a risk management framework. This was backed up by Nair (2015), who looked at how an organization needs a risk management framework and risk appetite to execute RBIA successfully.

Qn6: What are the benefits of implementing RBIA especially on the sustainability of the organization?

According to the respondents, implementing RBIA will help the sustainability of the Zimbabwe Women's Microfinance Bank. By putting RBIA into practice, risks can be quickly identified before they have an impact on the business, and mitigation strategies can be devised. Some believed that RBIA offered pro-active risk management, particularly for risks like credit and liquidity that affect funding for new loans, to keep customers from switching to competitors. The answers to question 13 of the questionnaire, which show that RBIA supports the sustainability of the organization under examination, provide evidence in support of this. Others believed that taking risks paid off, therefore the RBIA will help management comprehend potential risks and their potential repercussions as evidenced by (Muraguri, 2014). This is supported by most respondents who agreed that implementing RBIA will enhance the loan book quality in question 10 of the survey.

Qn7: What is the role of role of internal audit function if the RBIA is implemented?

The interviewees said that managing risks was the internal audit's primary responsibility in risk management. They declared that the internal audit should measure, monitor, and identify risks. This contrasts with the responses to question 8 of the survey, when the majority of respondents openly disclaimed that internal audit functions were responsible for identifying, measuring, and monitoring risks.

Additionally, they stated that the internal audit was there to support management as much as possible and provide guidance on risk response choices. According to Coetzee and Lubbe, this is true (2014).

Qn8: What is the contribution of RBIA towards the growth of Zimbabwe Women's Microfinance Bank?

The respondents' response was that RBIA helps the Zimbabwe Women's Microfinance Bank succeed. They stated that RBIA minimizes the effects of risks that are currently negatively affecting the expansion of the customer base and the worldwide loan book. Additionally, they noted that by concentrating on risky areas and enhancing the company's financial performance, RBIA helps the internal audit function to save funds and time. The expansion of Zimbabwe Women's Microfinance Bank, given its nature and the economic climate it operates in, is allegedly based on risk-taking, hence those risks need to be consistently controlled, according to interviewees. This answer was confirmed by Mbira and Tapera's assertion in their literature review that failing to capitalize on risk management will result in excessively high PAR levels resulting in losses and the erosion of the capital base for disbursements.

4.5 Chapter summary

The presentation and analysis of the data gathered for the research study using the questionnaires and interviews that served as the research instruments were covered in chapter four. On the data's findings, a quick conversation was had. The results and recommendations based on the research data are provided in the following chapter.

CHAPTER FIVE

SUMMARY, CONCLUSSIONS AND RECOMMENDATIONS

5.0 Introduction

Condensed versions of the entire research study on the impact of risk-based internal audit on the growth and sustainability of microfinance institutions will be presented by the researcher. This chapter will include a summary of the chapters, a summary of the findings, conclusions, and recommendations.

5.1 Chapter summaries

The emphasis of the entire study was on how important risk-based internal audit is to the growth and sustainability of microfinance institutions. The context of the study, the research objectives, the sub-research questions, and the problem statement were all outlined in chapter one. These included amendments to the loan book, clientele, identification of current auditing procedures (traditional auditing methodology) and the success of such approaches, and the significance of RBIA for the sustainability and growth of microfinance organizations. A case study of the Zimbabwe Women's Microfinance Bank was used in this study. In addition, the study's importance as well as its limitations and presumptions were laid out.

In chapter two, the review of the research topic's findings and the literature from leading researchers was completed. The researcher conducted a critical analysis of the findings and contributions of other researchers using books, scholarly journals, websites, and articles. The researcher gained insight into the significance of risk-based internal audit for the growth and sustainability of the Zimbabwe Women's Microfinance Bank from reading works by other researchers and authors. RBIA is a process that offers assurance that risks are being managed to within the organization's risk appetite, according to the definition given by the Chartered Institute of Internal Auditors. To accomplish this, the internal audit examines the risk management procedures put in place by the management to determine whether they are sufficient to significantly lessen the effects of risks (Benli and Celayir, 2014). Additionally, Mbira and Tapera (2016) implied that an MFI's likelihood of success increases as it invests more in risk management techniques. The number of active clients, PAR, the loan book, and profitability are all indicators of an MFI's performance.

In chapter three, a methodical assessment of the research technique and how it was conducted in the field was presented. To gather information that is pertinent to the study's research questions, the researcher combined a descriptive research design with a case study research design. The Finance department, Back Office and Collections department, Internal Audit department, Administration Department, and Front office department were chosen as the targeted and accessible population. There were forty (40) participants in the sample. The sample was chosen via discretionary sampling. Interviews and questionnaires were employed as research tools to collect data.

In chapter four, the data that had been collected had been presented and examined to provide valuable knowledge. 90% of the available population replied, returning questionnaires with all required information, and 80% of the interviews (8 out of 10) were performed. Data was displayed using graphs, pie charts, and tables. The data was also analyzed using percentages.

5.2 Summary of major findings

5.2.1 Significant risks affecting Zimbabwe Women's Microfinance Bank

It was discovered that the Zimbabwe Women's Microfinance Bank is vulnerable to operational, market, interest rate, liquidity, and credit risk. These risks must be managed appropriately because they are having an impact on the operations of the Zimbabwe Women's Microfinance Bank.

5.2.2 Non-existence of risk management framework

The internal audit department at Zimbabwe Women's Microfinance Bank manages risks because there is no formalized risk management framework in place there. As a result, there is a high likelihood of uncertainties occurring and having a negative effect. Therefore, this suggests that MFIs are ineffective in managing risks. Considering this, it may be said that Zimbabwe Women's Microfinance Bank does not address risks.

A decline in the gross loan book, as was highlighted in chapter one, serves as conclusive evidence of this.

5.2.3 The role of the internal audit in risk management

It was discovered that the function of internal audit is to manage risks by their identification, measurement, and oversight. This is different from the literature that IIA (2014) and Williams (2017) evaluated. The internal audit provides the board with reassurance that the risk management guidelines are sufficient to manage risks efficiently and within the organization's risk appetite. Additionally, it was discovered that the management should make determinations and establish the organization's risk appetite, and that the internal audit should not.

5.2.4 The importance of RBIA on growth and sustainability of Zimbabwe Women's Microfinance Bank.

Since more resources are allocated towards riskier areas rather than focusing on internal controls and compliance checks, RBIA enables more effective use of internal audit resources. To mitigate the effects of the risks, it also helps to identify the key risks that are likely to arise along the road. Additionally, it was discovered that Zimbabwe Women's Microfinance Bank takes risks in exchange for better rewards. As a result, these risks must be managed to enable the organization to grow sustainably; as a result, RBIA can be implemented to lessen unforeseen future losses that impede organizational growth.

5.2.5 Adequate attention is being given to risks

It was discovered that Zimbabwe Women's Microfinance Bank does not appropriately address risks. This is demonstrated by the responses to questionnaire question 6, where most respondents disagreed that risks are given appropriate attention. This runs counter to the interviewers' responses to question two, which demonstrate that the company has a strong risk management program. Since there is no risk management framework within the organization and internal audit oversees managing risks and giving assurance that they are being managed to within the organization's risk appetite, it can therefore be concluded that risks are not being managed effectively, which compromises its objectivity.

5.3 Conclusion to the research

The research was successful, according to the results of the findings. Even though the Zimbabwe Women's Microfinance Bank lacked a risk management framework, the results clearly highlight the key risks affecting the organization. As a result, it can use the internal audit function to implement RBIA, which can undertake risk-driven audits and support the accomplishment of the company's goals to enable the sustainability of the organization.

5.4 Recommendations

- To ensure that risks are being managed effectively, the board should develop a strategy that will create a framework for risk management and a team for risk management that will maintain a risk register. The risk management team should be closely monitored by the board to make sure that risks are kept within the organization's risk tolerance.
- Additionally, the researcher recommends internal audit to abandon the traditional audit approach and switch to a risk-based internal audit approach because it uses fewer resources and benefits the firm (Benli and Celayir, 2014).
- The internal audit function must be extremely important in managing every aspect of risk management.
- All internal auditors and management should receive RBIA training from Zimbabwe Women's Microfinance Bank so they can understand how the audit technique may be applied within the company.
- To verify that all risks are incorporated into risk management and are being managed successfully, the internal audit should undertake its risk assessment at the planning stage rather than relying on risk assessment completed by management. Therefore, to make sure that internal audit is assisting the corporate strategy, the board should continually evaluate the internal audit reports.

5.5 Areas of further research

Not every aspect of RBIA was covered by the research. The researcher suggests conducting additional research on how the RBIA has affected the financial performance of MFIs in Zimbabwe.

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APPENDIX A

BINDURA UNIVERSITY OF SCIENCE EDUCATION

BINDURA UNIVERSITY OF SCIENCE EDUCATION

P. Bag 741

CHIMURENGA ROAD, BINDURA

10 MARCH 2022

Dear Sir/ Madam

RE: REQUEST TO CARRY OUT A SURVEY RESEARCH IN YOUR ORGANISATION

I am a final year student at Bindura University of Science Education studying for a Bachelor of Accountancy Honors Degree. I am doing a research project on the Importance of Risk Based Internal Auditing on the Growth and Sustainability of Zimbabwe Women's Microfinance Bank, Harare. To make the research a success, I kindly request for your permission to gather research data from your organization. The data will be only used for academic purposes and confidentiality will be maintained over the data.

Your contribution towards the research is greatly appreciated.

Yours sincerely

Name: FERDNANCE CHEKAYI

Reg No: B1953366 Cell No: 0785597138

APPENDIX B

BINDURA UNIVERSITY OF SCIENCE EDUCATION

QUESTIONNIARE

Ferdnance Chekayi registration number B1953366, a student at Bindura University of Science Education, administered this questionnaire. The student must evaluate the significance of Risk-Based Internal Auditing to the organization's growth and sustainability. The data obtained will be used solely for academic purposes, and strict confidentiality will be maintained.

Your cooperation is highly appreciated.

Instructions

1. Do not write your name on the questionnaire
2. Show response by ticking the respective answer box where applicable and or filling in the spaces provided
3. If not certain of your response omit the question

PART A

1. Position……………………………………………………………………………….

2. Work experience

a) Below 1 year ☐ b) 1-<5yrs ☐ c) 5-<10yrs ☐ d) over 10yrs ☐

3. Academic Qualifications

B.ACC ☐ ACCA ☐ CIA ☐ CA ☐ Other ☐

Specify………………………………………………………………………….

PART B

4. The internal audit function audits the financial statements and compliance

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

5. Zimbabwe Women's Micro Finance Bank is exposed to the following major risks

i. Credit Risk

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

ii. Liquidity Risk

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

iii. Interest rate risk

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

iv. Operational Risk

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

6. How does RBIA affect the growth of the company?

i. Enhanced priority rankings

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

ii. Effective use of audit resources

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

iii. Optimal level of assurance

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

iv. Improved risk mitigation

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

7. Adequate attention is being given to the risks

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

8. Zimbabwe Women's Micro Finance Bank has a risk management framework

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

9. Your expectation regarding the role of the internal audit in risk management is:

i. Risk assessment

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

ii. Taking decisions on risk responses

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

iii. Setting risk appetite

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

iv. Giving assurance that risks are being managed within the risk appetite

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

v. Reviewing the management of risks

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

10. The following Traditional Auditing Techniques are no longer adequate for Zimbabwe Women's Micro Finance Bank

i. Systems based

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

ii. Operational based

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

iii. Compliance based

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

11. Implementing risk based internal auditing improves the loan book quality

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

12. Zimbabwe Women's Micro Finance Bank has the following resources for implementing RBIA

i. Financial Resources

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

ii. Human Resources

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

iii. Equipment (Hardware and Software)

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

13. RBIA enables more efficient use of Internal Audit resources

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

14. Implementing RBIA will enable the sustainability of Zimbabwe Women's Micro Finance Bank.

Agree ☐ Strongly agree ☐ Neutral ☐ Disagree ☐ Strongly disagree ☐

APPENDIX C

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

Interview question guide

Qn1: What are the significant risks affecting Zimbabwe Women's Microfinance Bank?

Qn2: How effective are the risk management processes within the organization?

Qn3: Who is responsible for risks management between management and internal audit?

Qn4: What does RBIA mean to you?

Qn5: Is it possible for Zimbabwe Women's Microfinance bank to implement RBIA? Inspire your answer.

Qn6: What are the benefits of implementing RBIA especially on the sustainability of the organization?

Qn7: What is the role of role of internal audit function if the RBIA is implemented?

Qn8: What is the contribution of RBIA towards the growth of Zimbabwe Women's Microfinance Bank?