

## THESIS' NEW CONTRIBUTIONS

Topic: **Perfecting internal controls in Vietnamese commercial banks.**

Major: **Accounting**

Code: **62.34.03.01**

Ph.D attendant: **Nguyen Bich Lien**

### **New contributions in terms of academic and theoretical aspect**

The thesis systematizes and connects the nature of internal controls under COSO's Internal control Framework with relevant features under Basel Statement in which factors affect the installation of internal controls in commercial banks identified. My thesis launches a complete model appraising the fact of internal controls by assessing the effectiveness of 5 controls' components including control environment, risk assessment, information and communication, control activities, and monitoring activities. The model bases on the internal audit of internal controls that combines the results of internal controls' assessment with suggestions relatively recommended.

### **New contributions in terms of practice**

- i) Thesis wraps up significant characteristics of Vietnamese commercial banks under different categories such as scope, capital mobilizing, credit activities, the issue of bad debts and state policies regulating organizational structure, performance, and corporate governance of those banks.
- ii). The thesis had assessed the actual performance of the banks according to 5 components of the banks. I uncovered as follows: (1) Almost Vietnamese commercial banks surveyed have planned strategies and overall policies that direct their activities towards the congruence risk management in Vietnamese commercial banks. Accordingly, this reaction effectively impacted on the effectiveness of these banks' internal controls. (2) Firstly, a model of bank's structure mainly emphasizes risk management that takes a positive effect on the effectiveness of some banks' controls. (3) Some of these banks have developed the prudent process of risks assessment leading good changes in risk controls. Although there have been discrepancies among banks tested, those banks have mostly built standardized systematic steps relating to identifying, measuring, and evaluating risks in different areas. (4) Control procedures are increasingly better, catch up with general rules and globe integration as well. By using the system of internal credit ranking, the banks are able to face overall risk concerning a given customer. It is not only to address a risk properly and early detect this risk, but it also helps banks to assess any impacts of a risk identified. (5) Issues connecting with all components found should be enhanced following the descending order of priority such as monitoring, information and communication, control activities, control environment, and risk assessment.

iii). Thesis strongly recommended that recommendations for improving the effectiveness of the banks' internal controls should rely on and collaborate with the model of effective risk management firstly launched by Basel.

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