

The Relationship between Audit Committee's Characteristics and Risk Management in Kuwait

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Abstract: The purpose of the current study is to extend prior audit research on the relationship between Audit Committee's (AC) characteristics and risk management by performing empirical examination about this relationship in the context of the Kuwaiti market. In particular, this study uses data related to a sample of Kuwaiti listed firms to examine whether AC characteristics have an impact on the establishment of a separate risk management committee within firms. This research endeavor is motivated by the scarcity of empirical evidence about this relationship in the context of developing countries' markets. The results reported in the current study provide evidence of a significantly positive relationship between firms' formation of a standalone risk committee and certain AC characteristics, namely size and financial expertise.

Introduction

For the last two decades, public policy makers around the globe showed greater attention to the enhancement of corporate governance and controls in an effort to enhance firms' ability to minimize the amount of risks they can be exposed to (Walker et al., 2002). The 2008 financial crisis has resulted in a further attention to the need for adequate and apposite risk management procedures within firms' structures and operations. The disastrous corporate failures resulting from the financial crisis have made investors as well as regulators more concerned about risk reporting and control within firms (Linsely et al., 2008). The pre-crisis serious deficiencies and inadequacies of corporate risk management and disclosure deprived investors from important information and left them unable to adequately assessing the risk profiles of firms, and hence made them unable to make sound venture decisions (Linsely et al., 2008). The focus of an appropriate risk management system lied on improving the identification, management, and communication of information about the different kinds of risk the firm is exposed to (Aebi et al., 2011).

Corporate governance issues have been of much interest to audit researchers during recent years. In addition, a great deal of audit research has been conducted to investigate issues related to the Audit Committee (AC) within firms, as. Yet, very little

research have been carried out to study the linkage between AC characteristics and corporate risk-related aspects. This shortage of research is surprising since AC's are anticipated to closely oversee firm's risk management activities, and hence are expected to have an impact on how risk management activities are handled within firms.

Although the impact of corporate governance on firm's management of risk exposures has been an interesting issue for policy makers and regulating bodies and policy maker around the globe, only limited research has empirically tested the relationship between corporate governance and firm's risk management (Aebi et al., 2011). Moreover, the existing limited research studying the linkage between some aspects of corporate governance and corporate risk management (e.g., Beltratti and Stulz, 2012; Erkens et al., 2010; Fahlenbrach and Stulz, 2011) suffers from a dearth in empirical research investigating the relationship between risk management and AC characteristics, as AC's are considered an integral part of any sound corporate governance. Hence, empirical results reported about this issue are rare. Moreover, existing empirical evidence about the relationship between risk management and AC characteristics stems almost exclusively from only one market, the Malaysian market, and pertains to that reported in Yatim's (2009) paper. It is intuitive to think that

evidence derived from one market may not be generalizable to other countries' markets where the regulatory settings, structure of the market, and corporate ownership are significantly different. The current study, therefore, aims at filling the shortage in the international accounting literature by carrying out an empirical investigation of the relationship between AC characteristics and corporate risk management in a developing market settings. In particular, the current study uses data related to a sample of companies listed in the Kuwait Stock Exchange to examine whether firms management of their risk exposures is influenced by AC characteristics. To the authors' knowledge, the current study is the first to explore the relationship between AC characteristics and risk management not only in the Kuwaiti market, but also in the whole Middle Eastern region. The current study uses a unique set of corporate governance data related to a period of time when no mandatory corporate governance rules were in effect in the Kuwaiti market. Hence, the data used in the current study offer an ephemeral chance for examining the relationship between AC characteristics and risk management in a voluntary corporate governance setting, which can be of value for future post-regulations empirical comparisons.

The empirical results reported in the current study show a positive relationship between AC size and AC financial expertise and firm's risk management. The results, however, do not show evidence of a significant relationship between firm's risk management and either AC independence nor AC diligence. The results reported in this study are of particular importance to local Kuwaiti policy makers in light of the recent developments in the corporate governance environment in the Kuwaiti market, where regulators are interested in exploring issues of and areas where further supervision is needed.

LITERATURE REVIEW & HYPOTHESES DEVELOPMENT:

Corporations in today's business environment face numerous types of risk exposures pertaining to almost all of its operations and activities. Risks related to firms' operating, investing, and finance decisions need to be fully understood and well managed in order for firms to mitigate their possible negative impacts on their economic value (Simkins and Ramirez, 2008). Hence, corporate risk management is a process that "includes the company-wide measurement and supervision of all business risk" (Wolke, 2017, p. 1). Information

resulting from the process of risk management are expected to be of value not only to firms in improving and enhancing the way they operate, but also to capital markets for better allocation of investments in capital markets (Simkins and Ramirez, 2008). For example, the 2007 financial crises arose principally from one of the "worst miscalculations... of risk management." (Tully, 2007).

The importance of risk management in corporations was also evident in the sudden collapse of huge corporations, like Enron and WorldCom, to name a few, during the first decade of the 21st century. The Enron collapse, in particular, which have resulted from one of the most shocking accounting scandals in history, lead to major changes in corporate regulations aimed at improving firms' corporate governance. The US Sarbanes-Oxley Act of 2002 is perhaps one of the early and most prominent example of such regulations. This legislation was followed by similar legislations worldwide, including the 2008 Basel Committee on Banking Supervision and the 2008 Financial Services Authority standards and principles on liquidity. All these recent market-related policy documents have included thorough risk management frameworks for firms to adopt (Aebi et al., 2011). One common component of almost all these documents is the call for a proper incorporation of risk management processes in the firm's structure and operations. This would involve the creation of a separate and dedicated risk management committee or division within the firm's organizational structure (Mongiardino and Plath, 2010; Sabato, 2010).

Under recent capital market regulations, firms are required to periodically report the internal control procedures they perform to mitigate different types of risks they are vulnerable to (Yatim, 2009). In its 2004 *Enterprise Risk Management – Integrated Framework* document, the Committee of Sponsoring Organizations (COSO), for example, offered a model for risk management processes for firms to adopt. This framework aimed at helping firms in assessing and enhancing their internal controls, and has since been incorporated in much of subsequent corporate governance policies and regulations (COSO, 2004). Risk management has increasingly become a focus of firm's board committees, including the audit committee, which are now required to consider in their decision making the various risks arising from firm's activities and operations (Yatim, 2009).

The effect of AC characteristics on firms' risk management has been an interesting issue not only

for audit researchers but also for capital markets' regulators as well. Market regulating bodies have typically been interested in having a better understanding of how effective corporate governance rules and guidance, including AC formation and composition, in enhancing firms minimizing and dealing with their risk exposures.

As indicated earlier, the audit profession has long regarded AC's as a critical and important component of sound control and governance over firm's operations and activities (e.g., Blue Ribbon Committee, 1999)¹. The audit literature is replete with studies examining the impact of AC on several firm-related activities. Yet, research examining the relationship between AC characteristics and firm's risk management activities has been very limited. Moreover, the limited existing research about this relationship has been largely conducted in the context of Western or East Asian markets, with almost no research examining this issue in other parts of the world (Liebenberg and Hoyt, 2003; Beasley et al., 2005). Yatim (2009) study is among the earlier studies examining the relationship between AC characterizes and firms' risk management activities. Yatim's paper used a sample of 690 listed firms in Malaysia, and found evidence of a positive association between firm's establishment of risk management committee and AC independence, size, and meeting frequency.

In sum, despite the growing awareness about the importance of risk management within firms in recent years, research studying risk management issues has been limited, especially in the accounting and auditing literature (Beasley et al., 2005). Moreover, extant empirical research examining the relationship between firm's AC characteristics and risk management is very little and still unsatisfying.

Hypotheses development:

AC's are responsible for overseeing the firm's financial performance and ensuring the reliability of its financial reporting (Yatim, 2009). The presence of a dedicated and stand-alone risk management function within the firm can lead to an improved control of firm's exposures to risk, and hence to enhancing the firm's overall performance (Florio and Leoni, 2017). In addition, a better understanding of risks related to firm's different activities and operations can also be helpful in reducing firm's information asymmetry costs

[DeMarzo and Duffie, 1991; Breeden and Viswanathan, 1998] as well as costs of financing [Froot et al., 1993; Morellec and Smith, 2002]. It follows, therefore, that an effective AC would call for the establishment of a dedicated stand-alone risk management function within the firm as that would be helpful in achieving its primary task of overseeing firm's performance and enhancing its financial reporting. Hence, and as suggested in prior research (Yatim, 2009), we would expect factors contributing to the effectiveness of AC's to be positively related to the establishment of a separate risk management function within the firm.

Empirical research in auditing and corporate governance has long discussed factors related to AC effectiveness. Although several factors have been suggested by prior related research as influential in determining AC effectiveness, AC size, independence, diligence, and financial expertise were typically the primary suggested determinants of AC effectiveness.

AC Size:

In an effort to empower firms AC's with sufficient human resources, listing requirements as well as corporate governance rules in most of stock markets around the world (e.g., NYSE), typically set a minimum number of AC members (e.g., three members) in listed firms. Theoretically, we would expect larger AC's to be more capable and active in monitoring as they enjoy auxiliary human efforts and talents. Prior audit research (e.g., Yang and Krishnan, 2005) suggests a positive relationship between AC size the quality of financial reporting. As indicated, AC's are expected to have an interest in overseeing corporate risk management activities. The increased monitoring imposed by larger AC's would call for better handling of corporate risk-related aspects which in turn is expected to encourage the establishment of a separate risk management function. In this case, we would anticipate corporate establishment of a risk management function to be positively related to AC size. The study's first hypothesis is stated as follows: H1: firm's establishment of a separate risk management function is positively related to firm's AC size.

AC Independence:

Principles of agency theory imply that control and monitoring over firm's performance is enhanced as monitors are more independent from firm's management. Much of current corporate governance regulations around the globe (e.g., Sarbanes-Oxley

¹ Some audit researchers (Al-Adeem, 2015; Nelson et al., 2002; Fogarty, 2003), however, have raised some doubts about the effectiveness of AC in controlling management behaviors.

Act, 2002; Blue Ribbon Committee, 1999) assert the importance of preserving AC independence by requiring that AC's be comprised of non-employee members as that would enhance AC's monitoring of firm's management (Yatim, 2009). Audit research suggests a direct relationship between AC independence and the quality of monitoring and control over firm's financial reporting (Beasley, 1996; Dechow et al., 1996; Abbott et al., 2003; Carcello and Neal, 2003; Bedard et al., 2004). As AC independence leads to enhancing AC effectiveness, we would expect more independent AC's to be positively associated with the establishment of risk management functions. Hence, the study's next hypothesis is:

H2: firm's establishment of a separate risk management function is positively related to firm's AC independence.

AC Diligence:

AC's are expected to carry out their responsibilities in a diligent manner (Blue Ribbon Committee, 1999; Horton et al., 2000; Australian Stock Exchange, 2003). Audit research (e.g., Allegrini and Greco, 2013) shows that firm's information transparency is enhanced in the presence of diligent corporate monitoring activities. The audit literature has typically used the frequency of AC meetings per year as a measure of AC diligence (Al-Hajri, 2018; Yin et al., 2012; Greco, 2011; Sharma et al., 2009; Lin et al., 2006). Prior audit research suggests that AC's that meet more frequently are associated with an enhanced quality of financial reporting (Abbot et al., 2004; Saleh et al., 2007), and better understanding of firm's financial and risk issues (Yatim, 2009). More frequent meetings and discussions with management and audit functions enables AC's to be informed about accounting as well as firm-related risk issues (Raghunandan, et al., 1998). It is anticipated, therefore, that diligent AC's that meet more frequently would be more likely to demand the establishment of a standalone risk management function within the firm. The study's next hypothesis therefore is:

H3: firm's establishment of a separate risk management function is positively related to firm's AC meeting frequency.

AC financial Expertise:

Prior audit research (e.g., Abbot et al., 2002; Agrawal and Chadha, 2005; Bedard et al., 2004; Krishnan and Visvanathan, 2008; Naiker and Sharma, 2009) suggests a positive association

between AC's financial expertise and the quality of firm's financial reporting. Other studies (e.g., Defond et al., 2004; Davidson et al., 2004) show that markets respond positively to the inclusion of a financial expert to firm's AC. In addition, AC members with financial expertise are expected to show more vigilance when monitoring firm's activities as they are concerned about preserving their professional reputation (Sharma et al., 2009). Vigilant monitoring would call for the delivery of adequate and structured information about firm's activities and settings, including risk exposures. We would expect, therefore, that AC's including members with financial expertise to call for firm's establishment of a separate risk management function. Therefore, the study's next hypothesis is:

H4: firm's establishment of a separate risk management function is positively related to the presence of financial experts among the firm's AC members.

RESEARCH METHOD

Study Sample:

To gather data related to the current study's research questions, firms listed on Kuwait Stock Exchange (KSE) were contacted in 2012 and were asked to reply to a data gathering instrument developed for research purposes. Data gathering instruments were sent to a certain individuals in listed firms with some managerial position. The data requested are information pertinent to firm's board of directors, audit committee, as well as some corporate organizational characteristics. Follow up reminder phone calls were made to promote firms' response. In addition to data collected via the sent survey, financial statement information needed for the study's analyses was hand collected from firm's annual report. The initial data gathered related to 122 listed firms. This number of observations was reduced though as a result of some missing data. The final study sample consisted of observations related to 52 firms.

Model:

To investigate the research questions of interest, and based on research models used in prior related research (e.g., Yatim, 2009), the following logistic regression equation is used:

$$\text{RISK} = \beta_0 + \beta_1 \text{AC_SIZE} + \beta_2 \text{AC_INDP} + \beta_3 \text{AC_MEET} + \beta_4 \text{AC_EXP} + \beta_5 \text{SIZE} + \beta_6 \text{LEV} + \beta_7 \text{CONCENT} + \beta_9 \text{INDUST} + \varepsilon$$

Where:

RISK	= dummy variable taking the value of 1 if the firm has a separate risk management committee, and 0 otherwise
AC_SIZE	= number of audit committee members.
AC_INDP	= dummy variable taking the value of 1 if most of the audit committee members are independent from the company, and 0 otherwise.
AC_MEET	= number of audit committee meetings during the year.
AC_EXP	= dummy variable taking the value of 1 if any of the audit committee members have accounting expertise, and 0 otherwise.
SIZE	= natural log of the firm's total assets.
LEV	= firm's long-term debt to total assets ratio.
ε	= error term.

The explanatory variable in the regression equation (RISK) is a dummy variable taking the value of one if the firm has a standalone risk committee. This variable is used in the current study as a proxy for firm's risk management activity. The AC_SIZE variable is included in the regression model as a proxy for the firm's AC size and is measured as the total number of the firm's AC members. This variable is included to the model to test H1. As indicated earlier, AC size and firm's risk management is expected to be positive. Hence, this variable is expected to have a positive regression coefficient sign. To test H2, the AC_INDP variable is added to the regression model as a proxy for AC independence. This variable is anticipated to have a positive regression coefficient sign. The AC_MEET variable is used as a measure of AC diligence, and is included in the regression equation to test H3. Since this research hypothesis anticipates a positive relationship between AC diligence and firm's risk management, this variable's regression coefficient is predicted to be positive. The AC_EXP variable is added to the regression model as a proxy of AC's financial expertise. As indicated, H4 predicts a positive relationship between AC financial expertise and the establishment of a separate risk management committee. Hence, the coefficient of the AC_EXP variable is predicted to have a positive sign.

Prior research (e.g., Liebenberg and Hoyt, 2003) suggests that firms with high financial leverage have a higher incentive to demonstrate their commitment to better handling and disclosure of their firms' risk exposures. Similarly, previous research (e.g., Wallace and Kreutzfeldt, 1991) suggests that firm's decision to establish an internal control mechanism is influenced by firm's size. Hence, and similar to earlier research (e.g., Yatim, 2009), proxies for firm's size (SIZE) and financial leverage (LEV) are added to the regression model to control for their possible impact on firm's formation of a separate risk management committee.

RESULTS

Panel A in Table 1 demonstrates some descriptive statistics related to the current study's continuous variables. As Panel A shows, the sample of firms has a mean total assets of about KD 259 million ranging from a minimum of KD 4.6 million to a maximum total assets of about KD 6 billion². Table 1 also shows that the mean financial leverage ratio for the sampled firms is approximately 0.39. As shown from Table 1, the mean AC size is about 4 with a range from zero for firms that did not establish an AC in their firms to 9 members³. The results in Table 1 also show that for the sampled firms, the mean AC meetings per year is about 3 times, ranging from zero to 8 meetings during the year, with a standard deviation of 1.485. This average AC meetings per year is somehow lower than that for well developed markets, such as Italy (about 4.6 meeting per year as reported in Greco, 2011) and Spain (about 4.8 meetings per year as in Mendez and Garcia, 2007). This disparity reflects the regulatory differences between the Kuwaiti market and markets where prior related research was conducted. Panel B in Table 1 shows the some statistics about the categorical variables of the current study. As shown, about 76 percent of firms included in the study's sample have a separate risk management committee, and most of the members in AC are independent in about half (53 percent) of the sample of firms. The results in Panel B also show that most of the AC's in the sampled firms (89 percent) have at least one member with a financial expertise.

² Using the prevailing exchange rate at the time of analysis; KD1 = \$3.3.

³ At the time this study was conducted, no rules requiring for firms to establish an AC were present in the Kuwaiti market.

Table (1): Descriptive Statistics

<u>Panel A: Continuous variables:</u>					
	<u>N</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Mean</u>	<u>Std. Deviat.</u>
Total_Asset (KD)	52	4,600,717	5,976,684,000	259,192,896	853,259,765
AC_SIZE	52	.00	9.00	3.9231	1.84546
AC_MEET	52	.00	8.00	3.0962	1.48535
LEV	52	.01	0.86	0.3863	0.23528

<u>Panel B: Categorical variables:</u>			
	<u>Value</u>	<u>Frequency</u>	<u>%</u>
RISK	0	12	22.5
	1	40	75.5
AC_INDP	0	24	45.3
	1	28	52.8
AC_EXP	0	5	9.4
	1	47	88.6

Table 2 shows the Pearson correlations among the current study's variables. As shown, the correlations among the different independent variables are generally insignificant, with the exception of the correlation between the SIZE and

the LEV variables of about 0.58 (p -value $< .05$). The results also show that the dependent variable (RISK) is significantly correlated with only the AC_SIZE and AC_EXP, the proxies for AC size and AC financial expertise, respectively.

Table (2): Correlation Matrix of study's variables:

	RISK	AC_SIZE	AC_INDP	AC_EXP	AC_MEET	SIZE	LEV
RISK	1.000						
AC_SIZE	.302*	1.000					
AC_INDP	0.225	-0.039	1.000				
AC_EXP	.286*	0.272	0.091	1.000			
AC_MEET	-0.057	0.046	0.218	0.154	1.000		
SIZE	0.239	-0.142	0.083	-0.07	0.006	1.000	
LEV	0.197	-0.053	-0.064	-0.268	-0.109	.587**	1.000

Table 3 shows the results of the logistic regression. As shown in Table 3, the model's overall percentage of correct classification is around 87 percent, and the regression model is significant with Chi-square of 17.681 (p -value $< .007$). The Wald test is used to show the goodness of fit for the logistic model, and is significant with a value of 13.380 (p -value $< .000$). This test shows the goodness of fit for the model. As Table 3 shows, the regression coefficient of the AC_SIZE variable, the proxy for AC size, is statistically significant (p -value $< .051$) and has the predicted positive sign. This result provides support for H1 of a positive relationship between AC size and firm's formation of a risk management committee. This result is similar to empirical findings documented in Yatim's

(2009) paper of a positive relation between the establishment of a risk committee and AC size. The regression results in Table 3 also show that the regression coefficients of the AC_EXP variable is statistically significant (p -value $< .088$) and has the anticipated positive sign, providing support to H3. Therefore, the current study provides empirical evidence of a statistically significant and positive relationship between firm's establishment of a risk management committee and AC's financial expertise. The regression results, however, do not provide support to neither H2 nor H4. In particular, the regression coefficients of the AC_INDP and AC_MEET variables are both statistically insignificant, suggesting that firm's establishment of a risk management committee is not influenced by

AC independence nor AC diligence. The results in Table 3 also show that the coefficients of the SIZE and LEV control variables are insignificant. One possible explanation for these insignificant results is that, due to the difficulty of comprehensively identifying and supervising risk exposures

associated with their vast and risky operations, larger and more leveraged firms are depending on risk management mechanisms other than the establishment of a risk committee.

Table (3): Logistic Regression Results

	B	Wald	Sig.
AC_SIZE	0.659	3.804	0.051*
AC_INDP	1.089	1.565	0.211
AC_EXP	2.262	2.912	0.088*
AC_MEET	-0.308	1.378	0.240
SIZE	1.122	1.367	0.242
LEV	2.659	1.179	0.277
Constant	-12.245	2.736	0.098

Regression summary statistics:

Model Chi-square	17.681	(sig. < .007)
Wald test	13.380	(sig. < .000)
-2 log likelihood	38.500	
Overall correct classification percentage	86.5%	
Cox & Snell R-square	.288	
Nagelkerke R-square	.436	
Number of observations	52	

* p-value of statistical significance at the 0.10 level.

CONCLUSION

The objective of the current study is to examine the relationship between AC characteristics and firm's risk management in the context of the Kuwaiti small and still emerging market, where corporate governance rules are new and still not fully formed. The study's reported results show that firms' risk management is positively related to AC effectiveness factors. In particular, the results show that firms' formation of a standalone risk management committee is positively related to AC size and AC financial expertise. The study's results, however, do not provide evidence of a significant relationship between firm's establishment of a separate risk management committee and measures of AC independence and AC diligence.

The current study extends the already limited international research about the relationship between AC characteristics and risk management, and offers for the first time some empirical evidence about this relationship in the context of the Kuwaiti emerging market, where the regulatory settings are quite different from those of markets where prior related research has been carried out. The empirical results

reported by the current study should be of value to international audit researchers as well as market regulators, especially in Kuwait.

It is worth noting that the current study's findings should be viewed in light of some limitation. First, data used in the study relates to a one year observations and to a relatively small number of firms. This is due to the lack of publically available data in the Kuwaiti market about the study's variables. This has inevitably limited the statistical power of the study's findings. It may be worth noting, however, that since corporate governance rules in Kuwait were not in effect until 2016, the data used in the current study represent a unique set of data and a passing opportunity for investigating the research questions of interest in the context of a voluntary corporate governance setting. The empirical results reported in the current study shed the light on the relationship examined under the pre-regulations settings and hence is expected to be of value for future comparisons to identify the effect of the newly implemented rules of corporate governance on companies' post-regulations risk management activities. Future research interested in

extending this investigation, however, should use a larger sample size. Another limitation of the current study is the possibility that the study's analyses have left out some relevant variables as theoretical underpinnings about the relationship examined is still evolving. Hence, more research is needed to explore factors of relevance to the research questions of interest. In addition, the current study uses a one-year cross-sectional data pertaining to the 2012 fiscal year. This does not allow the assessment of change in firm's risk management activities over time. Future research can overcome this kind of limitation by carrying out similar examination using larger and multiple year data sets.

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Appendix

Data Gathering Form

Name of the company: _____

Please provide the information requested below for your 2012 fiscal year.

1. The industry to which your company belong:
 Banking Investment Real Estate Services Insurance Industry Food
 Other (specify) _____
2. What is the number of foreign subsidiaries of your company, if any? _____
3. What is the number of business segments of your company? _____
4. Does your company have an internal audit function (unit)? Yes No
5. What is the number of staff of your company's own internal audit unit? _____
6. If the internal audit function is outsourced? If yes, please specify: Totally outsourced
 partially outsourced; % _____
7. Is there an audit committee in your company? Yes No If yes, what is the number of audit committee members? _____
8. Are most of the audit committee members independent of the company? Yes No
9. Is any of the audit committee members a member of the company's board of directors? Yes No
10. Does the audit committee have members with accounting /auditing expertise? Yes No
11. What is the number of audit committee meetings during the 2012 fiscal year? _____
12. Does the audit committee review the internal audit budget? Yes No
13. Is there a separate risk management committee in your company? Yes No
14. Is there a risk manager in your company? Yes No
15. Is the company's Chairman or CEO a member of the audit committee? Yes No
16. Does the board of directors' shareholdings equal or exceed 5% of the company's total shares outstanding? Yes No
17. What is the number of board members of your company? _____
18. What is the number of board members who are independent from your company? _____
19. Is your company currently audited by Ernst & Young, Deloitte Touche, KPMG, or Price waterhouse? Yes No
20. What is the percentage of share ownership of the largest individual shareholder? % _____

Plus: variables from the company's 2012 fiscal year annual report.

العلاقة بين خصائص لجنة المراجعة وإدارة المخاطر في السوق الكويتي

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(قدم للنشر في ٥/٣/٢٠١٨م، وقبل للنشر في ٢/٥/٢٠١٨)

الكلمات الافتتاحية: المراجعة، ادارة المخاطر، لجنة المراجعة، حوكمة الشركات، الكويت
ملخص البحث: تهدف هذه الدراسة إلى اختبار العلاقة بين سمات لجان المراجعة وإدارة المخاطر في السوق الكويتي، وبشكل خاص تستخدم هذه الدراسة بيانات خاصة بعدد من الشركات المدرجة في سوق الكويت للأوراق المالية لاختبار ما إذا كان لسمات لجان المراجعة أثر على تشكيل لجان إدارة المخاطر لدى الشركات، إن من أهم ما دفع الباحث للقيام بهذه الدراسة هو ندرة الأبحاث بخصوص العلاقة بين سمات لجان المراجعة وممارسات إدارة المخاطر لدى الشركات في الأسواق الناشئة، ولقد أظهرت نتائج البحث أن هناك علاقة مباشرة وذات أهمية بين انشاء الشركات لجان لإدارة المخاطر وبين عدد من الخصائص المتعلقة بلجان المراجعة لديها، وعلى وجه الخصوص حجم لجنة المراجعة و وجود خبراء في شؤون المحاسبة ضمن أعضائها.