ISBN: 2636-7791

STRATEJİK YÖNETİM ARAŞTIRMALARI DERGİSİ

Ex Oriente Lux...

JOURNAL OF STRATEGIC MANAGEMENT RESEARCH

Cilt / Volume : 1 Sayı / Issue : 2 Yıl / Year : 2018

STRATEJİK YÖNETİM ARAŞTIRMALARI DERGİSİ

JOURNAL OF STRATEGIC MANAGEMENT RESEARCH

Cilt / Volume: 1 Sayı / Issue: 2 Yıl / Year: 2018

Yazışma Adresi / Mail Address

Doç. Dr. Kubilay ÖZYER

Stratejik Yönetim Araştırmaları Dergisi

Gaziosmanpaşa Üniversitesi Taşlıçiftlik Yerleşkesi

İktisadi ve İdari Bilimler Fakültesi İşletme Bölümü

60150 TOKAT

Tel: +90 356 252 16 16 – 2363

Fax: +90 356 252 16 73

E-Posta/E-Mail: stratejidergisi@gmail.com

STRATEJİK YÖNETİM
ARAŞTIRMALARI DERGİSİ

STRATEJİK YÖNETİM ARAŞTIRMALARI DERGİSİ (SYAD)

Stratejik Yönetim Araştırmaları Dergisi **(SYAD)** yılda iki kez yayınlanan hakemli, bilimsel ve uluslararası bir dergidir. SYAD DRJI, Scientific Indexing Services, Rootindexing dizinleri tarafından taranmaktadır. Stratejik yönetime ilişkin teorik ve görgül makalelere, yer verilen dergimizin temel amacı, bu alanlarda akademik bilginin üretimi ve paylaşımına katkı sağlamaktır. Dergimizde "Türkçe" ve "İngilizce" olmak üzere iki dilde makale yayınlanmaktadır. Dergiye yayınlanmak üzere gönderilen yazılar, belirtilen yazım kurallarına uygun olarak hazırlanmalıdır. Dergiye yayınlanmak üzere gönderilen yazılar, daha önce yayınlanmamış ve yayınlanmak üzere gönderilmemiş olmalıdır. Dergide yayınlanan yazılarda belirtilen görüşler, yazarlara ait olup SYAD'ın görüşlerini yansıtmaz. SYAD 'da yayınlanmış yazıların tüm yayın hakları saklı olup, dergimizin adı belirtilmeden hiçbir alıntı yapılamaz.

JOURNAL OF STRATEGIC MANAGEMENT RESEARCH (JOSMR)

The Journal of Strategıc Management Researches (**JOSMR**) is an academic, peer-reviewed, scientific and international journal which is being published biannually. **JOSMR** is cited by DRJI, Scientific Indexing Services, Rootindexing. **JOSMR**, with it's articles essentially aims to contribute to academic development and sharing in the fields of Strategıc Management. In **JOSMR**, Articles are being published both in Turkish and English Languages. Articles which will be sent to **JOSMR** for publishing, should be prepared according to guideline of **JOSMR**. Articles which will be sent to **JOSMR** for publishing, must be not published before or not sent to other journals. The views presented in the **JOSMR** represent opinions of the respective authors. The views presented do not necessarily reflect the opinion of the **JOSMR**. Copyrights for all articles published in **JOSMR** reserved. For quotation, **JOSMR** must be cited

STRATEJİK YÖNETİM
ARAŞTIRMALARI DERGİSİ

Bilim Kurulu

Members of the Science Board

STRATEJİK YÖNETİM
ARAŞTIRMALARI DERGİSİ

Bu Sayıda Katkıda Bulunan Hakemler
Reviewers List of This Issue

Prof. Dr . Berrin Filizöz
Cumhuriyet Üniversitesi

Doç. Dr. Köksal BÜYÜK
Anadolu Üniversitesi

Doç. Dr. Canan ERYİĞİT
Hacettepe Üniversitesi

Doç. Dr. Aysun KANBUR
Kastamonu Üniversitesi

Doç. Dr. Uğur KESKİN
Anadolu Üniversitesi

Doç. Dr. Kubilay ÖZYER
Gaziosmanpaşa Üniversitesi s

Doç. Dr. Sema YİĞİT
Ordu Üniversitesi

Dr. Öğr. Üyesi Müslüme AKYÜZ
Cumhuriyet Üniversitesi

Dr. Öğr. Üyesi Murat ATALAY
Akdeniz Üniversitesi

Dr. Öğr. Üyesi Esra DİL
Sakarya Üniversites

Dr. Öğr. Üyesi Onur DİRLİK
Eskişehir Osmangazi Üniversitesi

Dr. Öğr. Üyesi Ahmet GÜVEN
Tokat Gaziosmanpaşa Üniversitesi

Dr. Öğr. Üyesi Ersin IRK
Gaziosmanpaşa Üniversitesi

Dr. Öğr. Üyesi Engin KANBUR
Kastamonu Üniversitesi

Dr. Öğr. Üyesi Emrah KOPARAN
Amasya Üniversitesi

Dr. Öğr. Üyesi Ufuk ORHAN
Mersin Üniversitesi i

Dr. Öğr. Üyesi Burak ÖZDEMİR,
Kastamonu Üniversitesi

Dr. Öğr. Üyesi Mustafa YILDIRIM
Sakarya Üniversitesi

STRATEJİK YÖNETİM
ARAŞTIRMALARI DERGİSİ

İçindekiler
Table of Contents

Sayfa No. / Page Num.

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

Geliş tarihi/Recieved:20.06.2018 – Kabul tarihi/Accepted:26.09.2018

Yayın tarihi/Published: 30.09.2018

STRATEGIC EXECUTIVE AUDIT CHALLANGES IN ORGANIZATIONS' GOAL ACCOMPLISHMENT

Dr. Tansel ERKMEN[1]

ABSTRACT

Purpose- The objective of this research was to focus on strategic executive auditing literature and discusses corporate executives through the usage of management tools, knowledge and commitment to assess the level of capacity and by aiming on existing strategies.

Methodology- The research methodology of the this paper is based on fundamental form of research, trying to make an analysis of main methods, ideas and beliefs of executives regarding the strategic executive audit's performance trying to identify the next key trends of the research area. Combined with the method of critical reading of several articles, latest publications and findings in international literature, I also used the study of audit reports that described internal audit practices used by the leading international companies more recently.

Findings- In the process of finding, I investigated papers and articles, reports and recommendations, combining the documentation process with the observation process materialized in its two forms; reviews and discussions. The strategic executive audit function is highlighted by a decision on how best to implement strategic executive audits for the benefit of the organization, consider current or recent audits, and adjust the opportunities and objectives of future audits with strategic, operational, financial, compliance and competitive analyzes of management strategies.

Conclusion- A organized approach to strategic executive audit in a strategic framework with help of technology solution has proven to be of significant advantage, for adding in critical corporate initiatives. Conformance with the International Standards for the Professional Practice of Internal Auditing is essential in meeting the goals and responsibilities of the auditing activity. There is also an important relationship between the organization's resources, managerial skills, working processes, organization structure, values and objectives of implementing the strategic audit results.
Keywords: Strategic audit, professional skepticism, executive management, audit analysis.

[1] Piri Reis University, Faculty of Economics and Administrative Sciences, Coordinator of Maritime Business Management, Dr. Tansel Erkmen, tanselerkmen@gmail.com

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

INTRODUCTION

This study aims to describe the differences between the strategic executive audit objectives with traditional audit activities in an organization and ensure that new risks and opportunities are taken into account. Audits are an important tool used for the verification of objective processes, to assess how successful processes have been conducted to evaluate the effectiveness of reaching defined goals, to provide clues to reduce and eliminate problem areas. Strategic executive audit can be defined differently, strategic leadership is a set of management choices and actions that determine long-term results of a business. The fundamental difference between strategic executive audit and traditional audit is that strategic executive audit looks at where the organization wants to be for five to ten years while traditional review focuses on financial statements. "The area of strategic management recognizes a separation between strategy design and implementation, although both two ends of a common spectrum include (Feurer & Chaharbaghi, 1995)." The Strategic Executive Audit is a systematic process for defining the requirements of the competition process. A strategy audit also includes testing the real trend of a corporation and relating this course in the direction needed to achieve in a changing environment. The real motivation of the corporation is the sum of what it is doing and how well the business is supported internally to backing the strategy and how it is compared to rewarding strategy linked to external markets, competitors and economic realities. These two categories, internal evaluation and environmental assessment form the essential fundamentals of a strategy audit. The accelerating rate of change around the world raises new demands on the design and implementation of business strategies. A strategic audit answered basic questions about the future of your business, both in the short term and in the extended period. The challenge is to develop a competitive intelligence process that meets the key goals to avoid surprises, identify market opportunities and minimize threats. The intention is to offer a clear idea of the company, how to conduct a strategic audit of corporation organization, without further education or external support consultant required. “All organizations have some form of structure, based on the established pattern of relationships between individuals, groups and departments within it. C.E. Lindblom has claimed that the rational model in the strategy simply does not reflect reality - and rejects the idea of the wording from - managers only make decisions as problems arise and so easily without a plan to penetrate (Lindblom, 1959)”. “Leaders must manage plans and strategies, and formulate support strategies and methods to simultaneously provide the corporation with an opportunity to realize its strategic vision to meet the task of managing risk and presenting responsible financial management (Swanson & Brewer, 2007).”

Whenever a deficiency is detected or the performance of an organization is sub-par, the organization can carry out a strategic audit. Strategic leadership identifies the need for a corporation to adapt its existing business plan and business. A strategic executive audit is a review of a company's business plan and strategies for identifying weaknesses and deficiencies and enables a successful development of the company. A strategic executive audit ensures that all business data for the company's development are included in the business plan, and the administration supports this. A strategic executive review provides an excellent platform for discussing with the director the necessary business measures or changing an existing business plan. There is an important link between organizational resources, organizational knowledge, operational process, management structure and values, and goals with the implementation of the strategic management result. Therefore, the monitoring of exits and start-up audits, which surround the systems used to create these outputs, is an important organizational priority. Strategic executive audits conducted in annual cycles cannot deliver the level of assurance management needs, so the potential for continuous auditing can justify more effective monitoring of the control

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

environment and the resulting production more than the cost and effort. The strategic executive planning process is not static, but develops dynamically to adapt the corporation to a changing environment. It offers a mechanism for planning long-term goals while confirming that day-to-day operations and activities are adapted to the environment. The objective of such a mechanism is the management of three main points, which are elements of strategic audit. The elements are; Where is the corporation at the moment? What was our forecast about today? What can be used to get a timely acquisition? A summary of the company's strategic planning includes an overview of these three points in order to identify the corporation's objectives, the present state of the company, and the use of resources, systems and tools available to the company.

1. Literature Review

There are several studies conducted as to how the strategic management process will take place. "The critics argue that traditional perspectives present an idealistic view of the strategy-making process, far removed from the practical and realistic side of day-to-day management of organizations (Gibbons and O'Connor 2005)." "While conscious positions strategic management deposits, the analysis and comprehensive access to information play a crucial role, has long been regarded as the central premise of strategic management theory to small businesses, their importance now denied (Lumpkin and Dess, 2006)." "Nagel (1984) stated that small organizations are less likely to utilize conventional strategic management models and strategic planning concepts than large organizations. The formal strategic management methods correspond to the conventional wisdom that the strategic management modes using the manager must flow from the prescribed models they have developed the patterns, positions and attitudes they provide, and therefore performance levels that reach them (Menzel and Guenther 2012), Ansoff (1965) Hofer and Schendel (1978) Porter (1985) and more recently Pearce and Robinson (2011)."

“However, some schools think that strategic leadership is considered an informal, unstructured and instinctive decision price that is not rational analytical systems of classical methods that include the classical theorists for small businesses (Caron 1990 Minzberg 1978, 2001, Quinn 1980 Verreynne 2006).” “Probably the most influential article that triggered the debate is Prahalad and Hamel, 1990: 79-93. There is an informative review of the usefulness of resource-based approach to strategy in the Academy of Management Review, 26 (1), 2001: 22-66. The result of the exchange can be seen in the view of the author much with the arguments in the first three sections of chapter 16 See Priem and Butler, 2001a and 2001b and Barney, 2001.” “Michael Porter, another Harvard professor property known with the publication of his 1980 book, Competitive Strategy. Porter defined competition strategy as a broad wording for how a corporation is competitive, which should be its goals and policies needed to implement these goals. (Unlike Andrew Coyle’s definition, Porters are much narrower, focusing also on the basis of competition).” “George Steiner, one of the founders of the California Management Review, and the author of 1979 Strategic Planning; Every boss needs to be aware that there is some consensus about terms or definitions and limited his discussion about the definition of the strategy for a long footnote, but nowhere it defines the strategy direct terms.” “In 1994, Henry Mintzberg, an iconoclastic professor of management at McGill University, took the entire strategic planning establishment to task in his book, The Rise and Fall of Strategic Planning. In effect, Mintzberg declared strategy did indeed have several meanings, all of which were useful. He indicated that strategy is a plan, a pattern, a position, a perspective and, in a footnote, he indicated that it can also be a ploy, a maneuver intended to outwit a competitor (Mintzberg H,1994).”

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

1.1. Strategic Executive Audit Goal

Strategic executive auditing consists of rules and procedures aimed at the accumulation and transfer of relevant financial information for internal and external decision making. How to determine the strategic goals of the company, our key values, discussions about roles and responsibilities, evaluation of managers wisdom and strength, development of teaching and coaching programs, and finally, how will it look when we get there in the future? In other words, agreeing on an official mission and vision reports can greatly facilitate the method of understanding on strategies, intentions and strategies in an organization to achieve. Central to efficient operation of the strategic management control system is the goal of similarity, harmonization of individual and group goals within the organization and goals of the organization as a whole. Target equality is achieved when individuals in the organization try to achieve or require the company's goals. This could happen that the individuals, corporation goals and derivative performance criteria are deliberately created not only by traditional criteria approaches, but also after the strategic executive management report result. Strategies are a way of achieving goals. For this reason, the mission and objectives of the organization have increased from a strategic formulation to an established strategic management. Leading skills such as expression, administrative skills, communication and familiarity with team dynamics, social skills, creativity and conceptual skills have proven to have a strong impact on the achievement of the strategy and ultimate success. “Current views of internal audit’s role and the value it brings to the organization suggest internal auditors must build on the trust they have with stakeholders, and seek out better ways to add value, if they are to remain viable in a rapidly changing world (Van Wyk, Anton,2014).” The company's main task is to monitor the organization of internal and external environments that enable organizations to identify resources and opportunities to conduct industry and competitive trends to identify new business opportunities, identify corporate threats and develop a vision for the future, as the fans believe. It is also a set of decisions and actions that will be used to design and implement in order to achieve a competitive superior fit between the organization and its environmental organizational goals specific strategies. The main issue is management group has the wisdom and strength to assist the CEO and develop appropriate support for the successful implementation of the organization's strategic goals? Strategic goal management is the long-term outcome that will lead an organization for its customers, suppliers, employees, shareholders, governments, activists and other communities. Business goals constitute a clear expression of what needs to be completed. The commitment to organizational goals is achieved when there is a broad participation in goals and benefits that are associated with achieving the goals. Goal theory claims that people achieve better than vague goals or easy to achieve the goals of specific goals. Extending goals are challenging but achievable goals. Objectives are important because they help everyone to focus in the same direction; the goals against which concrete results are compared, strategic supervision creates synergies are the means by which organizations reveal their urgencies and form the basis for efficient planning, organization, management and supervision of operations. Organizations need to take the time to recognize smart targets (i.e. quantifiable, precise, achievable, performance-oriented and time-specific).

1.2. Process Of Strategic Executive Audit

Strategic executive audit also includes testing the actual direction of the corporation as needed for success in a variable environment. The real emphasis of society is the sum of what it does and not how well the organization supports the strategy and how to compare the feasible strategy in comparison with external markets, competitors and economic reality. These two types, external or environmental assessment and internal evaluation form the essential elements of a

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

strategy review. Once the strategic goals of a business are determined, the most important business processes can be identified that are essential to achieving these goals. “A business process is the key if his failure prevents the organization from achieving its strategic goal as it is connected. Operational units, such as manufacturing, sales and distribution should be checked at the process level (Pickett & Pickett 2005).” Support management functions should also be investigated, such as finance, compliance, governance and human resources. The strategy of the audit process focuses on key issues to ensure that the corporation effectively develops the vision. The strategy executing the audit process through six steps.

1.2.1. Review Of Existing Material

The existing business plans and other available policy documents are reviewed to clarify which parts are carefully documented for future development of the company. Deficiencies and weaknesses in existing material to be identified.

1.2.2. Interviews With The Management Team

Individual interviews with leaders determine the differences in opinions and priorities for future development. Written business plan versus management groups in individual opinions. New ideas and concepts that are not documented in the business plan are known for any updates to the business plan. Individual interviews are conducted with confidence and the results are presented in anonymous form.

1.2.3. Analyze The Business Logic

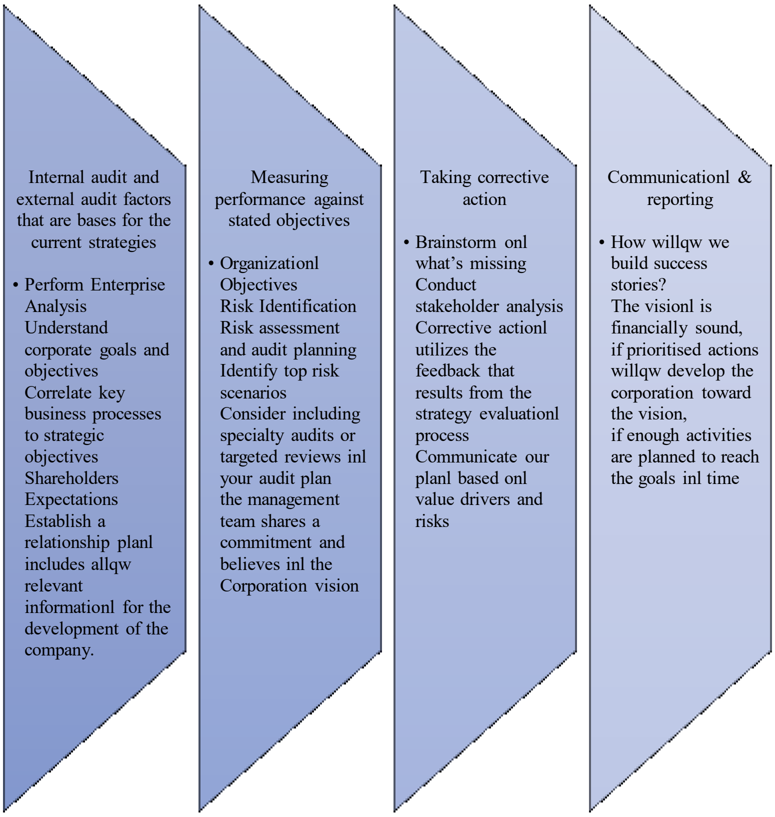
The written documentation and the existing opinions are analyzed to detect defects, such as priority actions do not lead to the established vision, just a few activities to achieve the goals in time, or a small game between the future customer needs and the supply of the company. “Organizations need a good understanding of market needs, product or service technology and market geography to gain a competitive edge (Ansoff 1987)”.

1.2.4. Implementation & Management Seminar

Finally presented and discussed conclusions of the strategic executive management audit at a seminar management. The seminar aims to achieve a joint commitment from management to vision and priority strategies for the future development of the company. The strategic executive audit does not only require implementation, it requires a process for performance assessment and control. Develop a measurable efficiency plan to determine if implementation works as intended. Also, set a time frame for when your strategy will be evaluated in the light of these data. Without regular strategic executive audits cannot know that the environment has shifted and that you are now going the wrong way down until it's too late. A strategic management audit helps entrepreneurs to evaluate whether the internal practices that move the needle towards the strategic objectives. The risk assessment procedure for the strategic management test should include the following leading practices:

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

Figure 1- The risk assessment process of strategic executive audit



1.2.5. Resource Adjustment

A strategic executive audit allows corporation to identify its goals for its resources and see where the differences are. If the two do not match, the goals have changed or resources are changed. For example, if your strategic vision says you come up with innovative products on the market regularly and you have not specified the funding for research and development there is no chance of success. When two new department to be added in the next calendar year, but are a negative cash flow from the current location, you must wonder if it is affordable and realistic.

1.2.6. Identify Strategic Risks

Companies go under because they cannot predict strategic risks. These are factors that rarely occur in a traditional audit, but have a big impact when they occur. Risks a decreased demand for your core offer or critical boss, leaving for a competitor, among other things.

1.2.7. Strategic Foundation

A strong leadership is one of the key tools considered for successful implementation of the strategy. It outlines how the strategic management objectives distinguish them from the internal audit activities of the organization and ensures that new opportunities and risks are taken into account. Strategy formulation states the strategies for achieving the aims of the corporation. Achievement of the strategy takes place through the basic structural architecture that causes things to happen. The final stage, the evaluation of the strategy means comparing the expected results with the actual results after the implementation phase. Implementing the strategy requires at all levels of the organization employees and executives to implement galvanizing strategies to put into action. Cooperative excellent strategy is badly the same bad results as a bad strategy will offer implemented. Another factor that makes the implementation of the strategy is a difficult process that involves many components that need to be integrated into a chosen strategy. Choices on key issues, such as relevant annual goals, structure, culture, payroll or compensation, distribution and organizational rules, procedures and policies, determine the achievement or failure of the strategy. Choices in these areas must meet the requirements of the company's selected strategy, mission and goals. With this information and incorporation into control and risk assessments that often require internal control, strategic auditors simply switch to a continuous audit, without reinventing employees in the company, but are aware that the most critical controls are vigilant. Frequency obtained with an approved risk assessment.

1.2.8. Strategic Risk Overview

Strategic executive audit tends to encounter four punches with strategic risk; each stumbling block comes from a lack of orientation with the

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

strategy and creation execution process. Traditional revision planning tools are missing to capture the wide range of audit activities, and fields and reporting tools are too rigid to adapt to the different needs of strategic audit work. For this reason, internal auditing groups cannot establish audit plans of the company's goals and so that they cannot properly examine the same business goals. The five downsides and tips for overcoming are: A) The Risk Model; Risk factors generally include all priorities and goals of the risk assessment process. Instead, traditional insurance prioritizes through its importance in achieving the company's goals. B) The Audit Formation; The use of a forms of audit defines a number of activities and is usually squeezed in the traditional Assurance Processes or functional based obligations. To solve this, deconstruct your company's goal of determining where the internal audit department should create non-traditional engagement. C) Management Interviews; Auditors rely on the potentially insufficient view of risks and priorities for identifying non-traditional insurance. The effort to no longer offer a "life cycle of a business idea" to improve accuracy. D) Risk Formation; Typical risk formations define the principle of strategic risks or put them out of context so it is difficult to find a good starting point for an audit assignment. Instead, you must ensure that the internal audit team provides context for each risk they reviewed by showing how it affects the achievement of business goals in the company. E) Business Risk Overview; Industry / sector components are usually divided into: competitors, customers and stakeholders. Leading parties also assist as a basis of new models and regularly work with their providers to promote innovation. “Firms need a good understanding of the needs of the market, product or service technology and market geography in order to gain competitive advantage (Ansoff 1987).”

1.2.9. Strategic executive audit planning

The audit of the company's management begins with investigating the basis for the organization of the strategic audit. “Strategic executive audit planning identified the objectives of the organization should achieve and decide how it should achieve the goal. The audit plan is based on an ongoing risk assessment without a predefined audit frequency (Moeller & Witt, 2005)." Strategic planning of the audit provides an insight into the company's overall goals and expectations, and then compares the current plan for the objectives of the plans.

1.2.10.Why implement a business strategy revision?

Almost all the important initiatives taken by managers for managers now called 'strategic'. Everything that has a high strategic significance; It becomes gradually difficult to separate between many priorities and requirements initiated in organizations. In the end, strategically nothing is clearly strategic. If all this is called high priority, there is no real priority in reality. "But if the overall strategic direction is clearly understood by everyone in an organization, the following benefits arise; Organizational skills are in line to support the achievement of your strategic resources, will be awarded / commercial sector in different business processes in priority order according to the importance of this process and its contribution to the competitive advantage of your corporation or organization local in the market or in its business. The purpose of a strategic executive audit is to assess managers with tools, information and a commitment to the level of benefits and focus on evaluating in line with their current strategies. A strategic executive audit review provides the information needed to decide whether the change in internal policy is necessary and what modifications will be made."

1.2.11.Auditing Projection Plan

Strategic executive audit projection decides how to achieve objectives and move the corporation to the desired direction. A strategic plan for audit plans is an official document explaining the action plan and the key tasks to meet the overall objectives of the organization and provide opportunities for further growth and development of the organization.

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

The document is the result of the strategic planning process, which provides a good picture of the activities that must be taken to move the corporation to success. The plan shows how the corporation is to be placed on the market as efficiently as possible. A thorough analysis of both the corporation and the market required to develop the plan. The list of current strategies is analysis of companies in the market, market trends, competitors, customers, products, marketing and sales. SWOT analyzes the current position in the corporation profile and brand recognition. It might be able to search for professionals and professional work by setting up instructions that can increase your brand profile. Marketing and sales; Introduction of control over the continuous course of marketing in the sale for the process of dealing with the situation with a view to the development of civil society.

1.2.12.Organization Risk Overview

When the results of customer analysis, competition analysis and stakeholder analysis were collected, team colleagues should combine and integrate data. The integration of the various sections will help the team understand the overall environment in which the corporation functions. “Strategic management involves external monitoring (both external and internal), strategic formulation (strategic or long-term planning), implementation strategy and evaluation and governance (Wheelen & Hunger 2006, 3).” This integration should take place at two levels, assess where the business is moving and the likely effect of the direction on the corporation and combine an organization's assessment with an environmental assessment. Estimation in which the business is targeted and the likely effect of the company's direction and the organization's assessment with an environmental impact assessment. The audit of the business strategy provides a detailed framework for the analysis of these data. In brief, the customers should be marked by significant changes in the environment and the effects of these changes on the competitiveness of the corporation in the industry. It should address the primary question of how the corporation can affect its environment in the future and how the corporation will consider flowering in the future. The analysis should emphasize the requirements and opportunities that a corporation must meet with external requirements.” These requirements and needs should then be compared to the current capacity as described in the organization's assessment. This allows the team to define the overall direction of the corporation's approach in the environment.

1.3. The Strategic Executive Audit Model

A conventional business idea is to offer customers unique products and services that are better than competitors. Without a strategy, valuable resources are diluted, a work of employees is out of focus and distinctive ability is not achieved. The external environmental report provides companies with a critical external connection between their customers, competitors and products / services offered. Feedback is important for the strategic executive audit model. Changes may occur that affect all executive activities. The strategy evaluation stage makes it possible to identify these changes and make adjustments. Feedback resulting from the strategy estimation procedure that promotes the creation of a two-way communication climate throughout the organization. A conventional business idea is to offer customers unique products and services that are better than competitors. “The basic foundation for studying the environment in the environment in the process of clarifying strategy can be summarized as follows; Make sure the corporation meets the visible environmental needs. Prevent others from meeting these needs better; Create or find ways to meet future or new needs. The success or failure of a corporation often depends on its ability to monitor changes in the environment and to meet the needs of its customers and potential customers. The business environment of the occasion is never static. What is considered unique or distinctive as new competitors enter the industry or change the environment by changing the rules by which companies compete. As a result, evidently

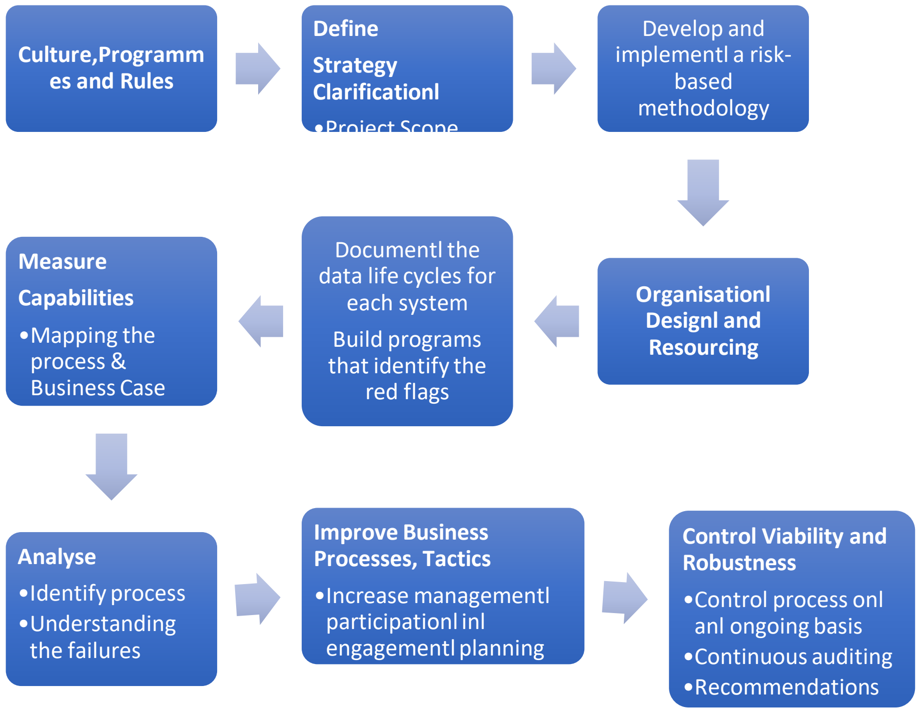
Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

an effective strategy helps you keep track of the game more than one company. It will help them to establish new rules for the game that prefer this company. Successful companies will understand more than their surroundings. They also affect and shape the circumstances around them. Companies that do not affect their environments automatically give you the opportunity to do it on their competitors."

1.4. Strategic Executive Audit Framework

When the corporation environment has been investigated and examined, executives should think the nature and qualities of the organization, which can influence what can be achieved in the strategies. The steps here provide insights from the current strategy and provide guidance to the corporation to provide greater strategic effectiveness in delivering efficacy. After performing all these assessments off must be the integration of the audit team. Deposits of this practice, the executive team should try to answer a fundamental question; Is our strategy focused on the outside environment? Strategy description l helps the management to decide which corporation they are in, business direction and framework or criteria for strategic decisions in the future. Measuring the profitability and robustness support strategies and ideas for the management team in the future scenarios to determine whether strategies can be achieved and maintained. With regard to both marketability and robustness in different scenarios, you will find a management that creates value in the future and the most important measures that need to be undertaken for monitoring changes in business conditions. A good process analysis will help to guide what needs to be done in the company's strategy and how to improve these processes. Chances are bundles of individual skills required to deliver the products and services that give a corporation a competitive advantage.

Figure 2- Strategic Executive Audit Life Cycle



There are two parts of an assessment capability. Primary, the structure required to implement the strategy must be determined. This means that the current organizational boundaries and structures cannot decide the choice of a reasonable strategy. Rather, the organizational and environmental reviews you've just made should decide the choice of senior management strategy. Secondly, the current level of competence this knowledge should be assessed. In other words, you start with basic business procedures "choose low hanging fruit" first; you make these changes that will make the most visible difference. Unless systems in line within a corporation in order to improve efficiency or efficiency, strategy reports are just paintings on the wall that rarely realizes. Culture indicates to the amount of common values that guidance behavior and direction over time.

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

1.5. Method of Creating Framework

Setting a template should include a definition of your ideas for the forthcoming; A self-assessment where you are now and what time is talent and other resources needed to get there. Strategic executive auditor is found on the same problem, but on opposite sides of the fence. "The test of audit is based on the ability to engage in the areas that have the highest risk and opportunities to add the most value. The strategic accountants need to succeed at the beginning of a continuous review program (Michael Delikat, Renee Phillips, page 10)." Strategic Management Audit can perform its status as strategic leader in the management of call meetings, budget and planning as well as other regulatory compliance, staff and resource issues throughout the company. Continuous auditing is the best way to manage risk management. Strategic executive audit process and strategic framework executive template should produce and it is worth looking at the template the sixteen issues. Many executives do not follow a systematic process to test all the relevant errors. The strategic executive audit should be effective in reducing these risks, but not eliminating them. This approach reminds and makes application of the guidance automatically. It cannot eliminate errors, but it improves the ability to prevent and capture them. The definition of redundancy in the accounting directives may be unclear how often the cause of the failure should be addressed. Correct use of financial structure analysis and guidelines contains known and logical common financial mistakes.

Strategic executive audit requires a multidisciplinary team appropriate coverage economy, management and technology. Lack of a team is clearly shown and documented it is not wrong. Financial audit mainly refers to financial failure. Management and technology are excluded from the definition of industrial performance. It does not handle multiple configurations and operations unless specifically requested. There is little use of site-specific risk analysis of the device class to choose. The strategic executive audit defined the limits of each class, but the choice of the operating class tends to be specific to clients or companies. The quality of the strategic leadership test is based on the expertise of the staff assigned to them. Study expertise usually not documented. The submission contains clear criteria for expert knowledge participants and requires documentation of participants, their qualifications, professional experience, training. No serious single point failures can occur, there is a risk that failures may be unnoticed. This risk is managed and reduced by examining all expected failures policy and methodology forces to ensure control over the quality of the practitioner, process, information and availability. It is known that any financial analysis is not carried out in the way it is approved in its audit results. The report of the Strategic Executive members requires the definition of redundant administrative configurations and redundant processing configurations and levels, considering the validity and possible correction of the worst cases of mishandling bases and clear statement of the worst case of redundant envelope boundaries for clarity. The strategic accountants are often too late to influence the business. The template encourages early control of the redundancy concept and the requirements required to achieve it, but it cannot force it. Checking the financial audit of the leadership is sometimes not accurate. They often have no reports early enough and cannot be delayed trying to justify. Procedural controls are designed to help ensure that the information and a dedicated team of analysts are available and at the same time and define an expiration date that should avoid this common problem.

1.6. Method of Strategic Assessment

The purpose of the strategic executive audit is to evaluate its directors using tools, knowledge and commitment to assess the level of utility and focus on existing strategies. The audit provides the necessary information to determine whether internal policies need to be changed and which changes need to be made. A common business idea is to

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

offer customers unique products and services that are better than their competitors. The main phase in environmental evaluation is to improve a simple understanding of the trends and subjects that affect, change and influence the business. General industrial understanding is a result of the treatment of the factors affecting the environment. These elements are; Capital markets, social factors, technical factors of industrial capacity, pressure of substitution, danger of competitors, political factors, regulatory factors, geographical factors, economic factors. A useful framework for understanding these issues is based on the following issues. When used in an interview, it should be handled directly and indirectly in the analysis of the data. What is the long-term profitability of the sector as a whole and how will capital markets react to new events? What trends can I change the rules of the game? Who are the leading companies in the sector? What are you doing? What are the main success factors in the sector? What do you do? What are the key success factors in the industry? What developments can enable companies to change the rules? Five to ten years from now, what will be the winner in the industry to look for and act? What is the wage (and / or cost) a winner / loser in the industry? Where did the industry come from? Industry / sector components are usually broken down as follows; customers, stakeholders and competitors. Issues are normally set by each main competitor,

BUSINESS AUDIT	Future Expectations: • Determine audit strategy, planning and audit approach • Identify significant financial statement account requireing audit focus • Evaluate the design and implementation of selected controls • Are there any niches or global actors?
	Competition: • Development of opinions, recommendations and decisions. What are they doing better than anyone else? • Development of framework for competition
	Business goals: • Plan substantive procedures • Perform substantive procedures • Finalisation procedures in relation to various compliance engagements • Perform overall evaluation
ORGANISATIONAL AUDIT	Executive management: • Evaluate the design and implementation of selected controls • Effectiveness and efficiency of operations
	Human ResorcesIs The corporation over /under-employed? How many people are employed? Did people succeed in achieving business goals, human goals or any of the two? How is this corporation affected?
	Culture: • Is the culture results-oriented? • Administrative? • Adaptable?

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

FINANCIAL AUDIT	Internal Financial Analysis • Trustworthiness and integrity of operational and financial information • Assess key controls over significant financial statement accounts • How can they allocate money? • How rapidly they grow and in what areas?
	Strength as Observed by Investment and Capital Markets • Are there coordinated competitors or solid business support? • Is this view steady with the internal examination? • Since the corporation has taken place in the financial markets? • What restrictions / opportunities do they have in relation to the financial markets? Why?

When the results of customer analysis, competition analysis and stakeholder analysis (above) were collected, group members' audits should resign and integrate data. The integration of the various sections will help the team understand the overall environment in which the corporation operates. This integration should take place on two levels: industry assessment and the likely impact of this direction of the corporation and a combination of the environmental assessment of the organizational assessment. The audit of strategic executive management provides a detailed framework for the analysis of these data. In brief, the public should be marked by important changes in the environment and the effects of these changes on the competitiveness of the corporation in the industry. The basic reason for studying the environment to ensure that the corporation meets the environmental impact. Avoid others to better meet these needs, create or find ways to meet future or new needs. The failure or success of a corporation is often due to the ability to monitor changes in the environment and meet the needs of its customers and potential customers. The business environment on this occasion is never static. It is now considered to be unique or typical tomorrow as a new competitor in the industry or changing the environment by changing the rules for which companies compete. As a result, it is clear that an effective strategy helps you monitor the game of more than one company. It should address the major problem of how the corporation can affect its environment in the future and how the corporation will consider flowering in the future. When the business environment is investigated and analyzed, managers must take into account the nature and characteristics of the organization that can influence what can be achieved in strategies. The steps here provide an insight into the current strategy and provide guidelines for certifying greater strategic efficiency.

1. Explanation of the Strategy; "Strategy description helps the management to decide which corporation they are in, business direction and outline or principles for strategic decisions in the future. If people at any level, if any of these three areas are unclear, it is difficult for them to focus their attention, cooperate with other teams and organize their efforts to gain a competitive advantage in the market."
2. Vitality and Strength; Calculating the profitability and strength support strategies and ideas for the management team in the future developments to determine whether strategies can be achieved and maintained. With regard to both marketability and robustness in different scenarios, you will find a management that creates value in the future and the most important measures that need to be undertaken for monitoring changes in business surroundings.
3. Commercial Practises; "The business process involves the entire workflow within the corporation and includes elements such as product design, production and delivery. A good analysis of the process will help you guide what needs to be done in the company's strategy and how to improve those processes.
4. Skills; Chances are individual skill packages needed to deliver products and services that give the corporation competitive advantage. There are two parts capacity assessment. First, there are possibilities to implement the strategy. Second, the current skill level must be assessed in terms of these capabilities. It will be difficult to

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

gain competitive advantage without knowing which capabilities need to be focused and developed.

5. Organizational Design and Resourcing; this part of the analysis deals with the adaptation problems between the environment, the strategy, the necessary skills to achieve the strategy and organizational structure. During this step, a management team to design an organization that adapts the system in a way that enables it to implement a strategy for implementation. If no systems are concentrated within a corporation to improve efficiency or effectiveness, strategic statements plaques only on the wall, which rarely materialize.
6. Culture; Culture refers to the set of common values that influence behaviour and direction over time. The leadership style and the beliefs and assumptions are often held by people in the organization, the direction and implementation of the strategy must be determined."
7. Environment; After completing all these audits, executives must be integrated by the audit team and answer a basic question such as; Is our approach in accordance with the external environment? Operation should begin with what is the core to achievement advantage start.
8. Furthermore, it may be good to know that the following are the most common mistaken act, the implementation of business strategy revisions; Assume all data is equally useful; Doing nothing with the test results; Unable to link other support systems (prizes, management, etc.) with the strategy, we do not think strategic about it, to keep those processes and skills in their own right and to overlay; It is not possible to prioritize the important processes that must be world-class. Adapting to internal skills with customer requirements; The failure examination and policy changes for people throughout the organization to communicate a clear and simple language.

1.7. Implementing Continuous Auditing

The implementation will initially increase the workload until analysts meet the method of use. Some potential participants disagree with the interpretation or methods used in this document that generate acceptance and adjustment costs. There is no doubt that the adoption of this or the process leading to greater use of existing guidelines leads to a more expensive audit strategy. Public and official attention was devoted to industrial problems and procedures are a useful initial tool for those who want to perform their duty of care. Following the self-assessment and internal audit of the willingness to set up lasting tests, the following five steps lead to successful implementation;

1.7.1. Specification of Assess risks

The rating of each area is based on the management and the obligation to monitor its checks on a continuous or regular basis. If the area represents a high risk and controls are not continuous, you have identified a gap that would be a good candidate for continuous audit. You will document the level of goals and motives in order to choose the technology of continuous audit. If management has performed effective monitoring, but their system offers many "false positive effects" or it seems that the exemptions are not timely resolved, you can offer advisory services to analyze the alarm guides generated by the control system. Strategic executive audit analysis has developed a method for:

• Identify and understand the potential failure modes and their causes and consequences of not the system or end user for a particular product or process.

• Evaluate the risk -effects with the identified malfunctions and causes, link and prioritize corrective actions.

• identify and implement corrective actions to address the serious concerns.

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

You can promote the use of incident and analysis modes following the Strategic Executive Audit Model and the lessons learned are included in it to ensure that they are not needed to be repeated and rethought as commercial or industrial practices. The core definition and purpose of strategic executive audit is unique. The diagram below highlights potential areas of value provided by strategic executive audit.

Figure 3 - The potential areas of value provided by strategic executive audit

Catastrophic failures in the management of financial risks are rarely caused by a single, larger failure point. Rather, they are the cumulative effect of small and interrelated failures. Through the use of modern tools like Failure Mode and Effects Analysis is the best way to solve tactical, strategic or business complex operational risk failures at all levels of the organization. It works in all types of organizations.

1.7.2. Data Collection

Determine which data is available and arrange automatic transfer to an independent platform. Ideally, the systems have been documented and data were obtained in previous audits, where the data analysis was performed on the examination. Information technology departments often resist requests for tasks because they interrupt workflow processes. Communicate with them the benefits of setting up automatic transfers to reduce future periodic requests should help you pass this potential roadblock. For example, an automatic extract of all journal entries that are not generated is transmitted daily to a revision data store. An independent platform can a server or high-performance workstation.

1.7.3. Develop audit program steps and test routines

Developing audit program steps and test routines Use scripts or help from IT, considering the frequency for automated testing, for a continuous audit in an area where the data analysis has already been used, you can easily develop a manuscript from the log file of earlier audits. For new areas, tests are recorded as they are performed in the software. Deposits of the prepared management reports, determine how and when the results of the audit are communicated. If possible, build warnings in the reporting process.

1.7.4. Strategy, Planning and Continuous improvement process to the tests,

For each test, analyze deviations and adjust parameters and criteria to eliminate false positives. For example, a continuous audit process, originally used by an internal audit of the major energy company, handed over to the seller, may be more demanding than the user learned their system, which conditions were usually performed in dual payments.

1.7.5. Practice continuous forecasting,

Monitor the change of internal processes to ensure continuous audit activity and maintain the maximum benefit. Use success in marketing internal audit services in other areas. This and the previous stage can be achieved within the framework of the execution of the yearly examination plan. As each of the scheduled audits is completed, it is

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

worth checking to include your continuous auditing. A key success factor is the ratio of management; There must be a degree of mutual trust. In the declaration of the individual auditors in the implementation of the strategy process audits co-operative skills are mentioned several times during the interview. Deposits related to strategic importance, the company's strategy and process organization is the key, followed by strategic themes, themes, decisions and areas derived from corporate strategy. As such, strategic risk assessments are seen as a first step towards strategy process audits. Strategic business audits will focus on risks that are the result of striving for some strategic corporate objectives. Strategy process audits, on the other hand, keep the formulation, implementation, assessment and monitoring of the strategy management process or the content of the formulated strategy itself. During the strategic executive audit allocated more / less audit resources to business policy, more / less likely misunderstood. If the auditor does not foresee the strategic risks that arise when executives provide auditors with risk-based resource allocations, unrecognized errors among the seemingly low-risk strategies will be more likely to suggest than the traditional risk assessment procedures. Once you have completed a strategic executive management audit, you should have a better understanding of how your business works and what steps you need to take to achieve your goals.

1.8. Evaluation Of Strategic Executive Audit Risk

The role of strategic executive evaluation plays a key role in assessing and reporting risk management, achieving financial targets, internal controls and information management systems. Companies with the ability to manage strategic inspections should have a general knowledge of their roles and contributions to the Board of Directors. Furthermore, the members of the Management Board must confirm that the strategic audit function is adequately structured in order to have the necessary resources and work professionally. The members of the committee must ensure that the responses are appropriate and that the strategic audit function is effective. The committee members audit the answers to their personal comments, experience, general knowledge and good business skills. They also deference their "feelings" - their intuition based on experience, points out that something is wrong or requires further explanation. Only intuition is not enough to challenge the answers, but it is valuable if people are aware of it and are asked to ask questions about more research or finding independent counseling.

Evaluation of Strategic Executive Audit Risk refers to the likelihood that physical misstatement of the balance sheet, income statements and cash flow statement cannot be prevented or detected and corrected by the entity's internal control. The following questions are designed to help directors understand the contributions to strategic leadership and provide managers with guidance on what their leaders should ask. For each question, there is a short discussion, giving the background a reason for asking the question and, if appropriate, some recommended methods. To assess strategic executive audit, board of corporation recommends achieving answers to sixteen questions based on four categories, namely;

1.8.1. Business Risk:

The corporation strategy becomes less effective and the corporation strives to achieve its goals as a result. This may be due to technical changes, a strong new competitor in the market, changes in customer demand, cost savings or some other major changes. The reputation risk can be a form of a big process, an unpleasant product recall, a negative notice to you or your staff, or a critical critique of your products or services.

1. A special reference to areas such as fraud, security, environment, technology, etc. What could be necessary to clarify? Fraud, theft,

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

inappropriate conflicts of interest or serious waste of company resources.

2. Assess risks related to reputation, customer service, environment, privacy, etc.?
3. Advice and consultancy services on risk management, controls and related matters.
4. Does the condition jeopardize the reputation of the Company?

1.8.2. Control Risk:

Operational risk indicates an unexpected failure in the company's daily business. This can be a technical malfunction, such as a server error, or it can be difficult for people.

1. Are the operations effective, efficient and aligned with the strategy? There is a great opportunity for real gains in efficiency management.
2. Protection of activities? Poor control of costs or potential for savings and / or income generation.
3. Reporting of functional relationships? financial and management information is reliable, complete and timely;
4. Role and responsibility of the internal audit function? The lack of internal controls or ineffective checks and procedures.
5. An independent and objective guarantee that internal control is sufficient for someone other than the CEO or CFO?

1.8.3. Financial Reporting Risk:

Financial risk specifically refers to cash flowing into and out of your business, and the possibility of sudden financial loss.

1. Trustworthiness and integrity of financial and operational information? Level of financial impact
2. Relationship of administrative reports? The ineffective structure of reports and / or communication generates financial risks and / or inefficient transactions.

3. Liability management, protection against exchange rate risk,
4. Global forecasts and budgets are prepared by the reporting and forecast program

1.9. Compliance Risk:

In order to ensure compliance with all applicable rules, regulations, internal documents and moral values, including sustainability,

1. Compliance with laws, regulations, and contracts? The corporation complies with applicable rules and regulations, as well as corporation policies and moral values including sustainability.
2. Relationship with external auditors?
3. Follow up of recommendations of external audit reports? Post audit accomplishment shows little or no effort to implement an action plan in response to a previous audit finding.

These sixteen questions focus on what are the main error areas? Based on questionnaire directors suggested, the directors determine the response for each section or area significantly. After examining the answers to these questions, the strategic executive audit risk falls into one of the highest, highest, medium, low or very low categories.

Table 1- Evaluation of Strategic Executive Audit Risk

	LEVEL				
Number of SEAR	Very Low	Low	Medium	High	Highest
between 1 and 3	20%	30%	50%	75%	100%
between 4 and 6	30%	50%	75%	100%	100%
between 7 and 10	50%	75%	90%	100%	100%
between 11 and 16	75%	90%	100%	100%	100%

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

This risk is measured by the strategic executive auditor responsible for strategic review after gaining an understanding of the company's evaluation on environmental impact assessment and after obtaining evidence of the usefulness of internal controls with control checks.

The strategic executive auditor usually responds to a high level of control risk, even 100%, as confidence in risk assessment of risk management audit is low. However, there are exceptions, such as; defining an auditor's internal control, which is well designed and effective, or if the auditor plans to conduct tests to support extended oversight, so that the risk assessment is lower. But one thing is over; the risk is greater; The volume of evidence must be greater to support this risky audit risk.

It is "important to note that assessment of strategic executive audit risk is introduced into the business risk equation only when the directors assigns a degree of control of trust and as a consequence, reduce the extent of substantive analytical procedures. Conversely, when the corporation board does not intend to rely on the effectiveness of internal control, risk control will be assessed at 100%, and the corporation board is forced to extend substantive procedures to reduce Assessment of strategic executive audit risk. The seriousness of strategic executive audit findings varies significantly. In order to provide consistency in reporting audit findings to different agencies, the significance of each" finding should be rated;

Table-2 Strategic executive audit findings

Rating	Seriousness of Audit Results	Executive Level Approach	Board of Directors
Major	Highest	Chief Executive Officer and Chief Financial Officer should be personally involved.	They were notified in due time, given the nature of the decision. If there is a conflict of interest reporting, the internal auditor may report directly to the committee.
Significant	High	Chief Executive Officer and Chief Financial Officer may be personally involved.	The regular reports of the internal auditor shall be communicated to the committee.
Notable	Average	Director or manager level should resolve.	The regular reports of the internal auditor shall be communicated to the committee.
Nominal	Low	Corporation department staff should address.	Not direct communicated to the board,

1.10. Strategic Executive Audit Risk Model

The strategic executive audit risk has three components: control risk, informative risk and inherent risk.

1. Inherent risk “represents the susceptibility of an account balance or a transaction category to inaccurate information that could be significant individually or cumulated with erroneous information from other balances or transactions, assuming there were no additional internal controls. Inherent risk is generally considered to be higher where a high degree of judgment and estimation is

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

involved or where transactions of the entity are highly complex. Inherent risk factors are nature of activities, regulatory nature, degree of estimates, competency and training of auditing the financial statements, previous history with entity, preliminary analysis testing."

2. Control risk "represents the risk that an inaccurate statement, which could be found in an account balance or in a category of transactions that could be significant individually or cumulated with erroneous information from other balances or transactions, can't be prevented or detected and researched in due time by the accounting system and the internal control. Organizations must have adequate internal controls in place to prevent and detect instances of fraud and error. Control risk is considered to be high where the audit entity does not have adequate internal controls to prevent and detect instances of fraud and error in the financial statements."
3. Informative risk "represents risk that a procedure will not detect an inaccurate information that exists in an account balance or in a category of transactions that could be significant individually or cumulated with erroneous information from other balances or transactions."

Internal audit risk "that auditor issues unqualified opinion when statements are materially misstated, audit risk and detection risk exactly related. Informative Risk/Control Risk and detection risk inversely related. An auditor must apply audit procedures to detect material misstatements in the financial statements whether due to fraud or error. Misapplication or omission of critical audit procedures may result in a material misstatement remaining undetected by the auditor."

In order to evaluate strategic executive audit risk, one of the usual approaches is the individual calculus of the values attributed to the audit risk components, followed by their accumulation based on the following formula:

Strategic Executive Audit-Risk (SEAR)= (Inherent-Risk (INR)) ^{2} (1)
Control-Risk (CR)) ^{2} * (Informative-Risk (IR)) ^{2} / Audit Risk (AR)^{2}

"If EAR risk is low than the more evidence you have to collect,
If EAR risk high than the less evidence you have to collect,"

The Confidence Level (CLR) = 100 – Strategic Executive Audit Risk (SEAR)

The Confidence Level (CLR) of the strategic executive audit is described as the difference between 100% and the strategic executive audit risk result. So, the lower the executive audit risk, the higher the confidence level of the audit. For example; "ABC is an audit corporation that has recently accepted the end of year audit of XYZ. XYZ is a listed corporation operating in the retail sector. XYZ has some network of subsidiaries, subsidiaries and branches.

The corporation does have its own an internal audit committee, it does have some member with experience in the field of audit, as proposed in the corporate governance guidelines. The company's policy is to keep the overall audit risk below 10%. The risk in the audit of the XYZs of the financial statements is particularly high since the corporation operates in a highly regulated sector and has a complex network of related entities that can be incorrectly represented in the financial statements in the absence of appropriate financial controls. The first audit assignment is also inherently risky as the firm has relatively less understanding of the entity and its environment at this stage. The inherent risk for the audit may therefore be considered as high. Risk management, which is included in the audit, also appears to be average because the corporation does have the suitable control of a qualified financial department for the financial sides of the organization. The corporation is an internal audit service, especially in a highly regulated environment. Therefore, the audit risk for the audit can be considered as moderate." If inherent risk is assumed to be 30%, control risk is assumed to be 40% and informative risk has to be set at 30% in order to

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

prevent the overall audit risk from exceeding 10%. The executive audit risk calculation will be based on formula (1);

"Strategic Executive Audit Risk (SEAR)= (Inherent-Risk' (INR)) ^{2} *Control-Risk (CR)) ^{2} * (Informative-Risk (IR)) ^{2} / Audit-Risk (AR)^2"

Executive Audit Risk (EAR)= 0.302 *0.402*0.302/0.102= 13%
The Confidence Level (CLR) = 100 – Strategic Executive Audit Risk (SEAR)
= 100 – 13 = 87

1.11. Audit Reporting

The Strategic executive audit has a strong commitment to improving the quality of its own structure and work processes and functioning early intelligence. Initial executive audit examined the causes of lower satisfaction ratings in specific areas. The initial executive intends to respond to this through planned training and development meetings for stable executive audits, where a period focused on refining audit methods such as questionnaire design and data analysis.

Strategic plans; "the corporation needs a strategic plan that includes short-term and long-term goals. Long-term goals for the corporation can be leading in the market for the category of niche business roads. Short-term goals that support the goal can offer customization services and increase the number of different models stored in the store in the product category. Creating a strategic plan is to manage the company's base for their work. Implementation of the plan; With the strategic plan of the internal auditor market, business functions and evaluation of each function to see if it works, it contributes to the plan."

The Audit report; the strategic audit compares the state of a corporation that exists to the state of the corporation on the day of the audit as it appeared and pursued once it has achieved its goals. The auditor prepares a written report, which evaluated each functional unit of the corporation and is valued as adjusted to the goals.

The Audit cycle; "the strategic audit is an ongoing process. An entrepreneur conducts changes based on the audit report and the auditor's team regularly to evaluate the performance of each unit again.

Since the corporation will achieve its goals, management updated the strategic plan and the audit period begins again.”

Strategic audit checklist; finally, the strategic audit can be described as a series of actions to investigate the goals of the company, business plan and SWOT model top level. Below we propose a checklist for strategic business planning. A fixed can used checklist 'Existing Condition'. If she thinks something is missing, copy the current checklist into a new document and change and revise what they want.”

1. Mission Statement; Is there a well-written and unique mission statement for your company? In other words, you know what kind of business you are in? Goals at the highest level; Do you have a written account of strategic goals that are crucial to the company's results?
2. Target Market; Do you know where your products and services should have? Is there a written description of your business target audience?
3. Customers; Do you know what your customers are, what their characteristics and whether they want to buy from you?
4. Competitors; Do you have a thorough strategy to keep your business ahead of competitors? You know what makes the corporation competitive? In other words, what are the strengths and weaknesses in the company? You should define competitive advantage and identify possible ways to maintain through effective planning.
5. Guiding Policies; Are there written policies and guidelines that can benefit from management staff and strategic / tactical decisions and problem solving? Can you prove that your employees are following the rules?
6. Business Opportunities; Can you say there is a strategy to identify potential opportunities and exploit them? For example, there are opportunities for increased sales and profits, development of new products, entering new markets, others. Is your corporation ready to take advantage of such opportunities?

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

7. Threats; Is there a clearly defined and approved planning of measures to address problems or risks associated with the existence of the company? Can you say that your best-level staff use the action plan to effectively respond to threats and uncertainties?

8. Forecasting; Do you plan to forecast future business data and forecasts? Use forecast as a method of strategic business planning? Do your managers have surprise tools and avoid unforeseen changes in the work environment? It is important that the strategic auditor reviews the operation of the company's product / trademark after the implementation of management, marketing and financial plans. A careful audit of its plans and actual performance will improve not only future planning, but also techniques for analysing market share. In the case of monitoring, it is not enough to investigate whether the market shares were an accurate forecast. Market shares and real volume of sales differ from the forecast values for three basic reasons.

9. Auditors judgement; The auditor must express an unfavourable opinion when the auditor, having obtained sufficient and adequate audit evidence, concludes that the incorrect statements, individually or jointly, are physical and general of the financial statements.

Conclusion

There is a significant link between the organization's resources, organizational skills, operational processes, management structure, and values and objectives of implementing the strategic leading audit results. The purpose of strategic leadership testing the organization is to have financial objectives to ensure operational objectives and production are produced or offered by the organization according to their needs and expectations. Deposits add the most value when strategic management of audit implementation required to provide a broader approach and implementation knowledge. Strategic management audits focus on the risks that are the result of striving for some strategic corporate objectives. Strategic executive review consists of rules and procedures should be used when accumulating and communicating relevant financial information for internal and external decision-making. Strategic Management Audit is an audit procedure to predict, anticipate, maintain agility, strategically think and work with others to initiate change that create a viable future for the organization. It is a process to create the direction and inspiration that can be used to create and implement a corporation vision, mission, and strategies to achieve organizational goals. Effective implementation of the strategy means that goals have a better chance of meeting and then leading to better performance. The implementation of the strategy was described as the most important and difficult part of the strategy management process. Strategy execution is considered the most difficult level because it includes dealing with people who come with variable levels of motivation, commitment, and dedication.

These differences often result in human conflicts, as if they are left unresolved, implementation and results can significantly affect. Strategic Executive Audit results begin with the vision of CEO. The successful strategic audit should perform four main tasks; a) intellectualize vision, mission, core values and overall performance of the company; If you created your business social strategy, you would have your programs identified goals and your benchmarks or CPI (key ratios) set and Increased brand awareness b) to monitor the design of goals, strategies, rules and structures that explain vision, mission and value in business decisions; c) create the environment and culture for organizational learning and mutual exchanges between individuals and groups; and d) work as a manager and model for the rest.

A strategy-executive audit also includes testing the actual direction of a corporation and comparing this course in the direction required to succeed in a changing environment. The actual direction of a corporation is the sum of what it does and does not do so well internally in line to support the strategy and how viable strategy is in comparison with the external market, competitors and economic realities. These

Stratejik Yönetim Araştırmaları Dergisi
Journal Of Strategic Management Research
Cilt / Vol.: 1, Sayı / Is.: 2, Yıl / Year: 2018, Sayfa / Pages: 21-60

two categories, internal evaluation and external or environmental assessment form the essential elements of a strategy audit.

REFERENCES

Ansoff, H. I. (1987). "Strategic Management of Technology". The Journal of Business Strategy. 7: 28-39.

Ansoff, HI. (1965). Corporate strategy. New York: Wiley

Barney JB. 2001a. Resource-based theories of competitive advantage: a ten-year retrospective on the resource-based view. Journal of Management 27: 643 – 650.

Coyle, A. (2003). Humanity in prison: questions of definition and audit. London: International Centre for Prison Studies.

Feurer, R., and Chaharbaghi, K. (1995). "Strategy Development: Past, Present and Future." Management Decision 33(6): 11-21.

Gibbons PT, O'Connor T (2005). Influences on §strategic planning processes among Irish SMEs. Journal of Small Business Management, 43(2). (http://www.questia.com/library/journal/1G1-13287076).

Hofer, W. C. & Schendel, D. (1978). Strategy Formulation: Analytical Concepts, West Pub.Company, Amazon.com

Hunger D.J, Wheelenl T.L, 2006- Concepts in Strategic Management and Business Policy. 10th ed. Pearson Education, Inc. New Jersey

Lindblom, C. E. (1959). e Science of Muddling rough. Public Administration Review, 79-88.

Lumpkin, GT, & Dess, GG. (2006). The effect of simplicity on the strategy-performance relationship: a note. Journal of Management Studies, 43(7), 1583–1604.

Menzel, D, & Günther, L. (2012). Formal and informal strategizing in a SME. Proceedings of the International Symposium on Innovation Methods and Innovation Management, Chemnitz, Germany, 29–30 March, 2012.

Mintzberg Henry (1994) e Rise and Fall of Strategic Planning Hemel Hempstead: Prentice Hall

Moeller, R. & Witt, H. (2005). Brinks' modern internal auditing, 6th edition, p292, Wiley Publishing.

Nagel, A. (1984). Organizing for strategic management. Long Range Planning, 17(5), 71–78.

Pearce, JA, II, & Robinson, RB, Jr. (2011). Strategic management: strategy formulation, implementation, and control (12th ed.). Chicago, IL: R. D. Irwin, Inc.

Pickett, K.S. & Pickett, J.M., 2005. Auditing for Managers the Ultimate Risk, England.

Porter, EM. (1985). Competitive advantage: creating and sustaining superior performance. New York: Free Press.

Porter, Michael (1986). Competitive Strategy. Harvard Business School Press.

Priem RL, Butler JE. 2001. Is the resource-based 'view' a useful perspective for strategic management research? Academy of Management Review 26(1): 22–40.

Quinn, J. B. (1980). Strategies for change: logical incrementalism. Burr Ridge: Richard D, Irwin.

Steiner, George (1979). Strategic Planning. Free Press.

The Institute of Internal Auditors (IIA), International Standards for the professional practice of internal auditing (standards), standard 2120.A1, October 2012.

Van Wyk, Anton, global board chairman IIA, Mind the Gap, https://iaonline.theiia.org/mind-the-gap, 26 August 2014.

Wheelen, Thomas L. & Hunger, David J. Strategic Management and business policy, Upper Saddle River, N.J Prentice Hall 2002