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**A Proposed Framework for Integrating the Economic Value Added Approach
and the Balanced Performance Model For Improving The Internal Auditing
In Enhancing Risk Management In Commercial Banks**

**Research Submitted in Fulfillment of the Requirements for
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Research Summary

With a lot of banking crises and the emergence of failures, defaults for many companies, banks, resulting from poor control systems, improper handling of the risks, lack of management, lack of commitment to disclose sufficient reports by companies and banks, and the issuance of several professional reports on the evaluation of control systems and corporate governance and risk management during the last two decades, there has been a new development in the internal audit function where it became one of the most important components of any governance effective system has also become a role in the examination and evaluation of control systems and dealing with risks. The role of internal audit in dealing with a risks is one of the modern functions related to the internal audit department and appeared as new concept which combines them, called internal audit based on risk or risk-based- internal Adudit.

Hence the goal of the researcher is to develop a framework for the development of the role of internal audit in commercial banks' risk management using the Portal integration between the economic value added and balanced performance model so as to reduce the risks faced by the commercial banks.

So, the main objective of the research is to propose a framework for developing of the role of internal audit in order to effectuate commercial banks' risk management. And derives Find importance of the development of the role of the internal auditor in assessing the effectiveness of risk management bank will draw the attention of officials of these banks to the usefulness of this role in the face of difficulties and crises that may be exposed to commercial banks as a result not handle management with risk and which hinder the achievement of the objectives of the bank and threaten its continuation in the exercise of its activity.

The hypotheses have been formulated as follows:

1. Commercial banks in an urgent need to develop the role of the internal auditor in the light of recent developments in the internal audit.
2. There is a relationship between effective risk management and the application of banking governance in commercial banks.
3. The development of the internal auditor's role in light of the risk-based audit lead to achieving the effectiveness of banking risk management.
4. The proposed framework contributes in raising the degree of efficiency and the development of the professional performance of the internal auditors in commercial banks.

We have demonstrated the theoretical side of this study, a number of results, which have been strengthened through field study, and most important of these can be summarized results are as follow:

1. The commercial banks in an urgent need to develop the role of the internal auditor in light of recent developments in internal audit.
2. The risk management represents a key element for the application of the corporate governance rules and principles which has been confirmed by the field study with the percentage of (94.1%) and the study indicates that the bank's success in dealing with risk is a guarantee to preserve the rights of stakeholders, the field study also confirmed that there is a relationship between effective risk management and the application of banking rules and principles of governance in commercial banks.
3. The internal auditor which is can deal with the risks, through the called the risk- based- internal audit and this is the approach of the latest contemporary trends in internal audit, as confirmed by the field study.

4. The field study confirmed that there is a proposed framework for integration between to the economic value added and balanced performance model which can contribute to raise the degree of efficiency and the development of the professional performance of the internal auditor in commercial banks.

Based on the results of theoretical and field study, the researcher recommends the following recommendations with the suggestion of a mechanism to implement those recommendations:

1. Banks' internal auditors should be trained to develop skills and abilities their with respect to the management and risk assessment, the modern information technology, as well as modern management techniques to evaluate performance.

The main mechanism for the implementation of this recommendation is as follows:

"The directors of internal audit banks departments worthwhile to acquire skills regarding to the economic value added and the model of balanced performance and to lay the foundations of the strategy necessary to enable the members of their respective departments for the acquisition and application, that there will be a clear plan including training programs necessary, and the ingredients to ensure the commitment of the members of those departments of education programs continuing professional development of knowledge and expertise.

2. Commercial banks need to create an internal environment that enables internal auditors to perform their tasks in risk management and in the light of recent developments.

The researcher proposes the following mechanisms for the implementation of this recommendation:

- The management of banks should create and apply an integrated framework for the management of banking risks for achieving its strategic objectives, and to avoid falling into crisis and increase their competitiveness.
 - The banks should apply the full implementation of the governance principles corporate, which include the activation of risk management for allowing internal auditors to fulfil their role in the management of banking risks.
3. Promoting scientific and professional organizations interested in the accounting and auditing profession.

The researcher proposes the following mechanisms for the implementation of this recommendation:

- Preparing reference guide which the procedures that the internal auditor must follow when reviewing banks' risk management.
- The establishment of a scientific & professional internal auditors association in Egypt as the American internal auditors Board to ensure the upgrading of the professional performance of internal auditors.