

Abstract

External Auditor strategy Analysis in his assessment of IT Risks

Prepared By : Moath Abdel Haleem Ramahi

Supervised By : Haddi Abbas Al Tameme

This study aims to analyze the external auditor's strategy in his assessment of Information Technology's risk. And to reveal the extent of auditor's compliance with this strategy in his actual practice of auditing profession.

Researcher has achieved several results and recommendation such as:

- 1) Insufficient specific definition of the term Information Technology Environment.
- 2) The theoretical part of this study has assured the existence of several categorization of Information Technology environment's risks; where as the researcher was able to aggregate them in three types that are:
 - The infrastructure risks of Information technology environment.
 - Information technology application risks.
 - Risks of information technology business processes.
- 3) External auditor's strategy of his assessment of IT risks is built upon the overall responses on two levels:

- Financial statements level: where as auditor must select auditing team according to: competency, experience, environment understanding and the determination of auditing type.
 - Assertion level: Auditor must determine the nature, timing and the extent of further auditing procedures, monitoring test, substantive procedures, adequacy of presentation and disclosure, the evaluation of auditing evidence appropriate and competency which he has obtained; evaluate whether auditing risks have been recorded to an acceptable low level; and the documentation of overall responses to treat risks where evaluated.
- 4) Field study has assured that Jordanian auditors are not in compliance with the following.
- Understanding attainment for Information technology environment According to the international auditing standards.
 - Infrastructure risks assessment of Information Technology environment during auditing.
 - Evaluation of Information Technology application's risks during auditing.
 - Articulate a strategy for risks assessment of Information Technology environment during auditing.
- 5) Field study assured the compliance of the Jordanian auditors with risks assessment of Information Technology relevant to business processes.

Based upon these results researcher has produced several important recommendation such as:

- 1- It is necessary to have the Jordanian Association Certified Public Accountant to enhance auditors awareness and guidance to keep pace with the rapid developments of IT in order to define its environment, composites and various elements, through continuous training and development programs.
- 2- It is necessary for the Jordanian Association Certified Public Accountant to held auditors accountable who are not in compliance with the international auditing standards and statement that are issued by the (IAASB)* ; because those standards and statements are applied and accredited in Jordan.
- 3- University courses development, especially accounting course through enhancing those courses around IT environment in order to earn the necessary skills in dealing with digital and visual technology.
- 4- It is necessary for researchers to pay attention to enhance their research and efforts around IT developments to contribute in reducing the gap between developed and developing countries.

* International Auditing And Assurance standards Board