THE IMPORTANCE AND UTILIZATION OF INFORMATION TECHNOLOGY AMONG EXTERNAL AUDITORS IN YEMEN

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UNIVERSITI UTARA MALAYSIA
2010
The Importance and Utilization of Information Technology among External Auditors in Yemen

A Thesis Submitted to the College of Business Fulfillment of Requirement for the Degree Master of Science (International Accounting)

Universiti Utara Malaysia

By

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AKNOWLEDGEMENTS

In the Name of Allah, the Most Gracious and the Most Merciful

Above others, my praise to Allah S.W.T, whose blessing and guidance have helped me to get through the entire project. Peace be upon our Prophet Mohammed S.A.W. who has given light to mankind. My highest and most sincere appreciation goes to my beloved parents who have always encouraged and guided me to be independence, never try to limit my aspirations.

My very grateful to my supervisor, Professor Dr. Noor Azizi Ismail for his guidance, patience, understanding, insight, knowledge, attention, kindness and encouragement throughout my Master of International Accounting in Universiti Utara Malaysia. Words alone cannot express my greatest appreciation and gratitude to him. May Allah reward him abundantly.

My deepest appreciations also go to the lecturers who taught me well during my studies in Universiti Utara Malaysia; they are Mr. Abdul Halim Bin Hj Hassan, Professor Dr. Wan Nordin Wan hassin, Professor Dr. Kamil bin Md Idris, Dr. Nor Aziah Abdul Manaf, Dr. Shamharir bin Abidin, Professor Zakaria Abas, Professor Dr. Mahamad Bin Tayib, Mr. Mustafa Zakaria, En. Shahmir Sivaraj Bin Abdullah, and Professor Dr. Faadziah Hanim Fadzil.

Last but not least, I am eternally grateful to all my beloved family members who are very patient and supportive to me over my entire study journey and a very special thanks to all my friends. Finally, thank you so much, to all the MSc. International Accounting lecturers and members of UUM. Thanks again to everyone including those who I have probably forgotten to mention here.
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<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>SAS</td>
<td>Statement on Auditing Standards</td>
</tr>
<tr>
<td>PCAOB</td>
<td>Public Company Accounting Oversight Board</td>
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<tr>
<td>IFAC</td>
<td>International Federation of Accountants Education Committee</td>
</tr>
<tr>
<td>AICPA</td>
<td>American Institute of Certified Public Accountants</td>
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<tr>
<td>ISACA</td>
<td>Information Systems Audit and Control Association</td>
</tr>
<tr>
<td>COBIT</td>
<td>Control Objectives for Information and Related Technologies</td>
</tr>
<tr>
<td>POB</td>
<td>Public Oversight Board</td>
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<tr>
<td>GAO</td>
<td>General Accounting Office</td>
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<tr>
<td>TTF</td>
<td>Task-Technology Fit Theory</td>
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<td>CPAA</td>
<td>Certified Public Accountants Association in Yemen</td>
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ABSTRACT

Utilization of information technology (IT) has a direct impact on the judgment of external auditors and ultimately impact the audit effectiveness and efficiency. This study investigates the level of IT importance, IT utilization, and the fit between them in the context of audit job in Yemen. The proposed model investigate the impact of IT knowledge, IT training and firm size on the fit between IT importance and IT utilization. The level of IT utilization among auditors is lower than their perception towards the IT importance. Seven technologies are considered as important in the specific context of audit work in Yemen, however only two technologies are rated as utilizable by the auditors. On average, System Development and Installation receives the lowest mean value for both IT utilization and importance. On the other hand, General Office Automation receives the highest mean value. Generally, responding auditors perceived their overall importance of IT as important, while their current utilization of IT is less than adequate. A questionnaire was used to gather data from 197 auditors representing Big-Four and non Big-Four firms. The results show that IT knowledge and IT training significantly contributed to the fit of IT utilization and IT importance. Additionally, results imply that information systems audit in Yemen is still at the minimum level.

Keywords: External auditors, auditing, information technology, IT importance, IT utilization, IT knowledge, IT training, information systems auditing, Yemen.
CHAPTER ONE

INTRODUCTION

1.0 Introduction

The use of information technology (IT) is becoming increasingly popular. In the last century, computer is one of the most governing advances. Information technologies have had a strong effect on a lot of areas of people activities, such as business, science, engineering, and medicine. The way many organizations conduct business has been changed by IT. IT systems can carry out a lot of duties, and management is recurrently finding new ways to utilize the computer to support operational efficiency and to help in future judgment and decision making. Since many businesses use computers, external auditors are having problems adjusting to the rapidly changing technology aspect (Yang & Guan, 2004; Ismail & Abidin, 2009).

Curtis and Payne (2008) mentioned that improving audit efficiency and effectiveness is particularly important in today's audit environment which is one of increased responsibility and workload for audit teams, including enhanced responsibilities for detecting fraud required by SAS No. 99 and internal control attestation now required under Section 404 of the Sarbanes-Oxley Act and Public Company Accounting Oversight Board (PCAOB) Audit Standard No. 5.
The contents of the thesis is for internal user only
REFERENCES


International Federation of Accountants Education Committee (IFAC). (2001). Information technology in the accounting curriculum. *IFAC Education Committee Guideline 11*


