

**An Investigation of an Audit Expectation Gap Concerning the
Use of Computer Assisted Audit Techniques in Developing
Countries – the Case of Jordanian Audit Firms**

Abdel Razaq ‘Mohammad Said’ Al-Farah

B.A. (Accounting), Yarmouk University, 1997, Jordan

M.S. (Accounting), University of Jordan, 2001, Jordan

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Certification

I hereby certify that the work embodied in this thesis is the result of original research and has not been submitted for a higher degree to any other University or institution.

(Signed)-----

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An Investigation of an Audit Expectation Gap Concerning the Use of Computer Assisted Audit Techniques in Developing Countries – the Case of Jordanian Audit Firms

Abstract

Auditing in Jordan employs relative primitive techniques in testing internal controls and substantive testing of companies' computer generated financial records. Arguably, against a background of Jordanian companies using computerized systems it is reasonable to suspect a potential for the general public to entertain expectations that Jordan's auditors use cutting-edge technology in the form of Computer Assisted Audit Techniques. Generally they do not. *Reasonable expectations*, bearing in mind the widespread use of computerized information systems by Jordanian companies. The audit profession in Jordan is exposed to overseas influences from the affiliation of Jordan's audit firms with the leading international auditors. It is reasonable to expect a flow-on of the use of CAATs by those overseas affiliates to the local profession's fieldwork. This study is motivated by the potential for the general public to be misled. A survey of Jordanian firms reveals that Jordan's auditors do not use contemporary technology in a manner consistent with their knowledge of it. That is a curious outcome. For the majority of companies listed on the Amman Stock Exchange are audited by Jordanian firms with overseas affiliates using CAATs in their domestic audits, the benefits of using CAATs are recognized by the Jordan audit firms, and CAATs usage is recognized by them to be essential in a computerized environment. Strangely CAATs have relatively greater support from Jordanian firms without, than from those with, an overseas affiliate.

Low audit fees, the small size of the local firms, lack of education and training programmes to inculcate necessary EDP auditing skills, and the high cost of CAAT technology, emerge as obstacles inhibiting the use of CAATs. Auditing in Jordan is anomalous, relatively immature, and its technically primitive practices possibly engender misleading expectations concerning how it goes about its work.