

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

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**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)**

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LIST OF ABBREVIATIONS

IT	Information Technology
SAS	Statement on Auditing Standards
PCAOB	Public Company Accounting Oversight Board
IFAC	International Federation of Accountants Education Committee
AICPA	American Institute of Certified Public Accountants
ISACA	Information Systems Audit and Control Association
COBIT	Control Objectives for Information and Related Technologies
POB	Public Oversight Board
GAO	General Accounting Office
TTF	Task-Technology Fit Theory
CPAA	Certified Public Accountants Association in Yemen

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.

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