



COUNTRY PAPER

“THE INFLUENCE OF TECHNOLOGY ON THE
IMPROVEMENT OF AUDIT QUALITY IN STATE AUDIT
BUREAU OF KUWAIT”



Introduction

- The current world's trend is employing technology into the process of audit to seek higher quality in less consumed time.
- Employing the technology into the auditing process can be achieved by using either readymade and /or in-house developed applications.



OVERVIEW OF IT AUDITS IN SAB

- Providing specialized workshops and training courses on how to deal with different applications through annual training plans. 23 auditors were trained on how to use IDEA software through 14 training courses. Also, 4 training courses on the use of an automated system were provided to the personnel of Financial Violations Department.
- Providing specialists in the field of information technology to provide continuous support to the beneficiary, while providing all roles to develop and activate locally developed automated systems or ready applications, as well as providing the infrastructure such as networks (type of network), main computers (sets capacity) and personal devices while providing policies to main confidentiality and data security with the adoption of policies for business continuity.



OVERVIEW OF IT AUDITS CONDUCTED BY SAB

- The requirements that must be provided to idealize the environment that the study will use were measured. The requirements varied based on the type of the application whether it is readymade or in-house built.
- The Environment needs appears in are divided into three main categories:
 - The first category is application. This category defines the source of the application that SAB employees will use. It can be implemented in case of in-house systems or can be purchased in case of readymade ones.
 - The second category is related to the user support. This category covers all of the user`s needs to reach a point where the user can fully adopt the application within work responsibilities. This adoption must be achieved through several trainings, workshops and good structured user`s manuals.

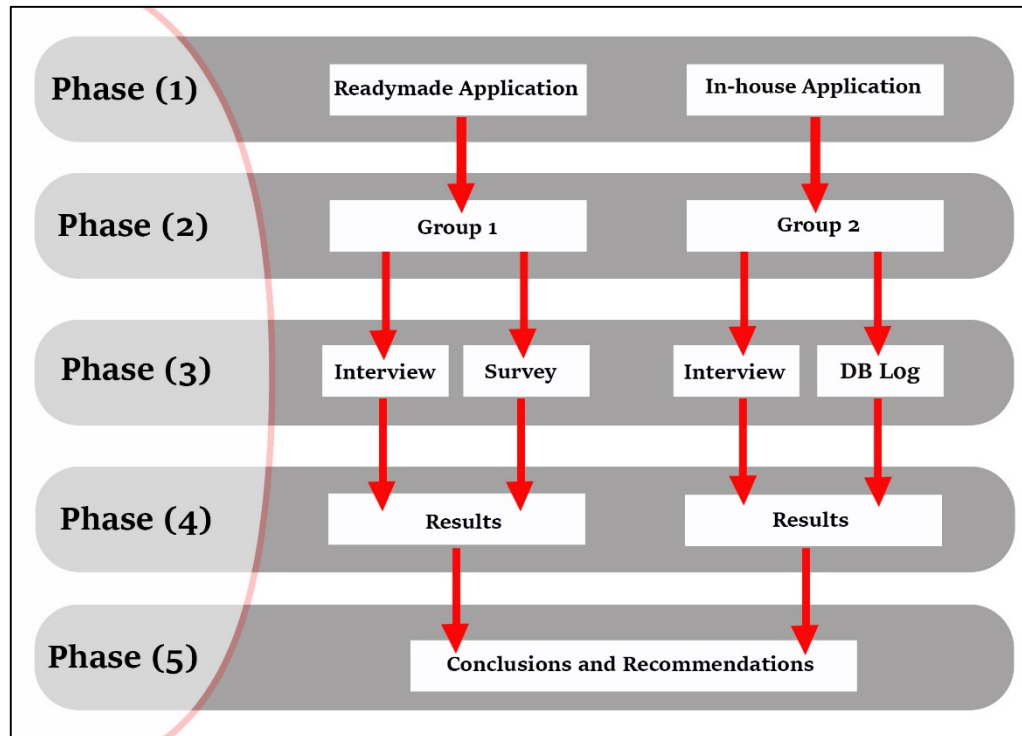


Purpose

Determine the influence of technology on improving audit quality in State Audit Bureau of Kuwait (SAB).



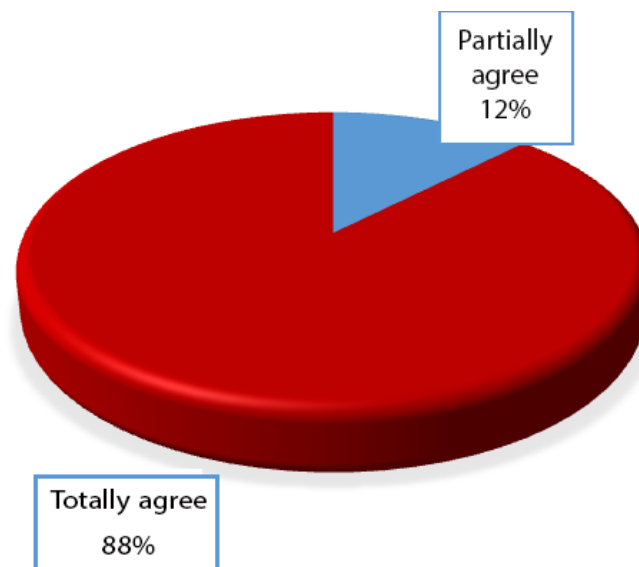
Methods and Materials





Results

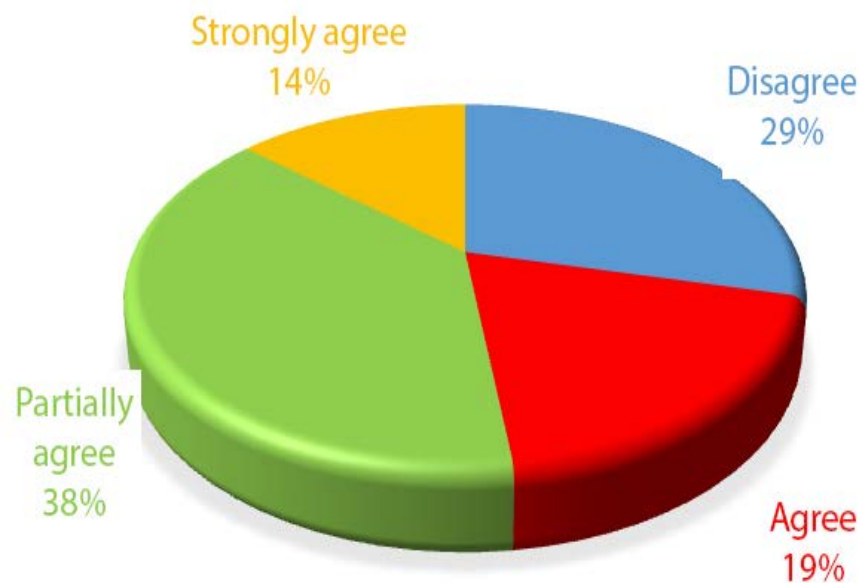
The majority of entities audited by SAB (88%) have systems with electronic data. Moreover, auditors know about these applications that need more knowledge in technology to be audited.





Results

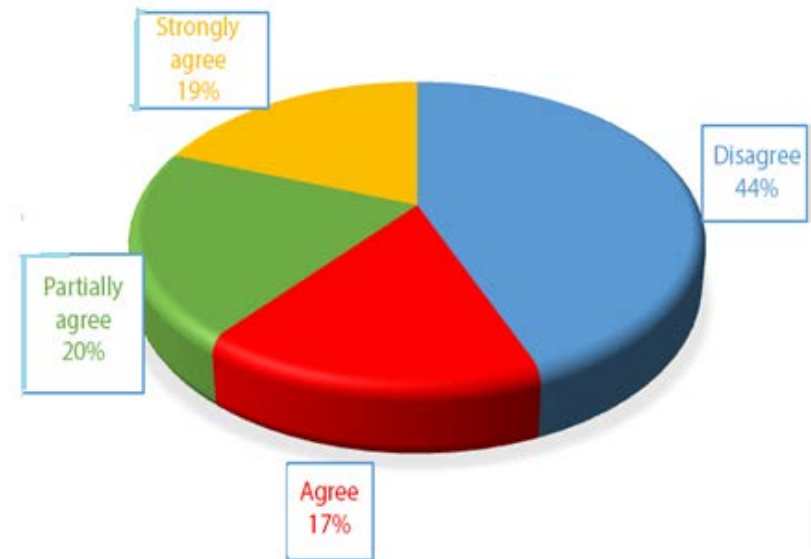
An overall of 33% of participants audit electronic data easily in all entities. While 38% are not sure. 29% do not. This points out to the need to increase the auditor`s knowledge with respect to auditing electronic saved data.





Results

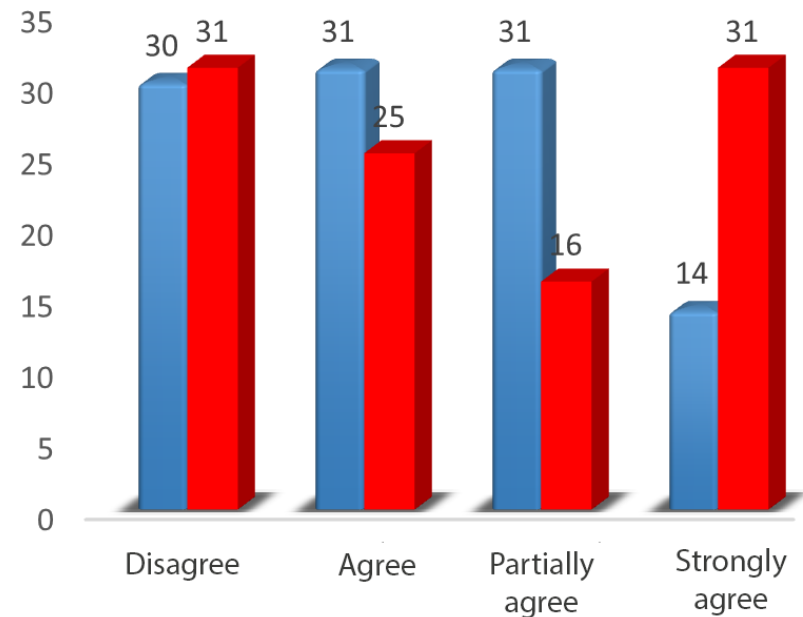
(44%) participants agreed that entities audited by SAB does not have proper electronic tools to analyze the data. This explains the reason why most of the auditors are reluctant to use tools available in those entities.





Results

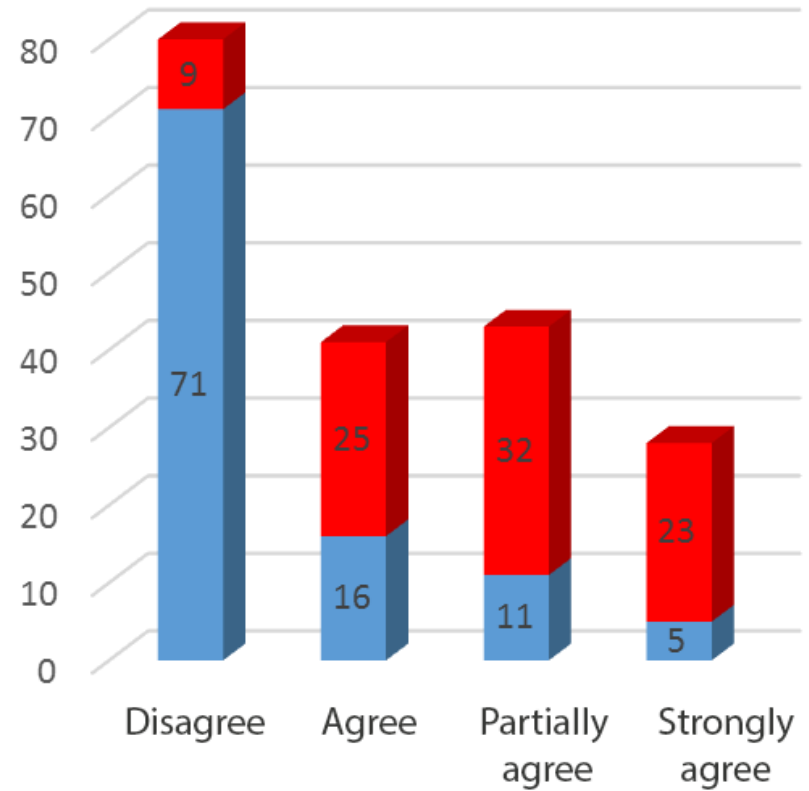
The gap between users who were enrolled in IDEA training course and the gained knowledge after IDEA course. Only 13% out of 30% of participants had high knowledge of IDEA after the training course. It is obvious that the enrollment in such training course by itself is not enough





Results

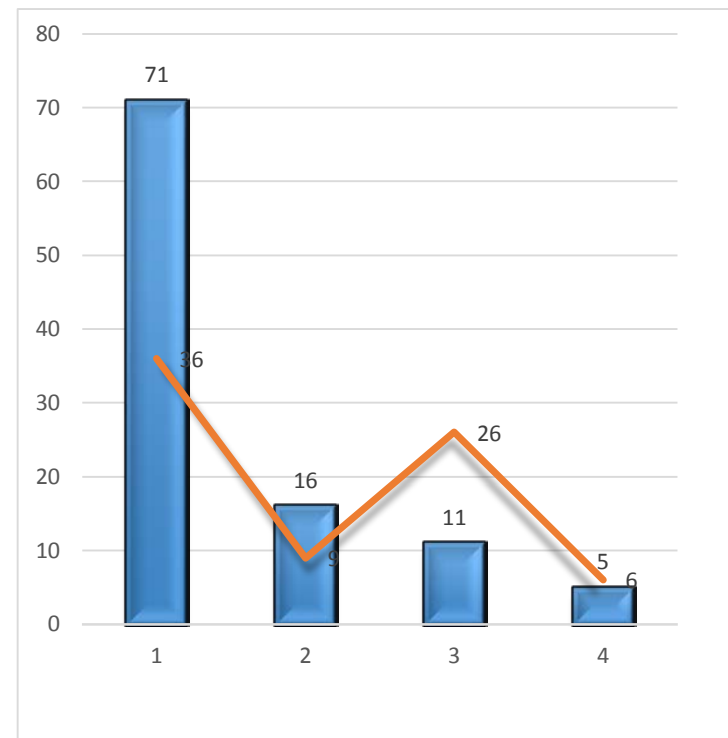
The actual usage of the IDEA within auditor duties. It appears that more than half of the participants (67%) did not use IDEA in examining the data. On the other hand, 10% of the participants believe that IDEA is a useful tool which minimizes the consumed time and efforts during the auditing process.





Results

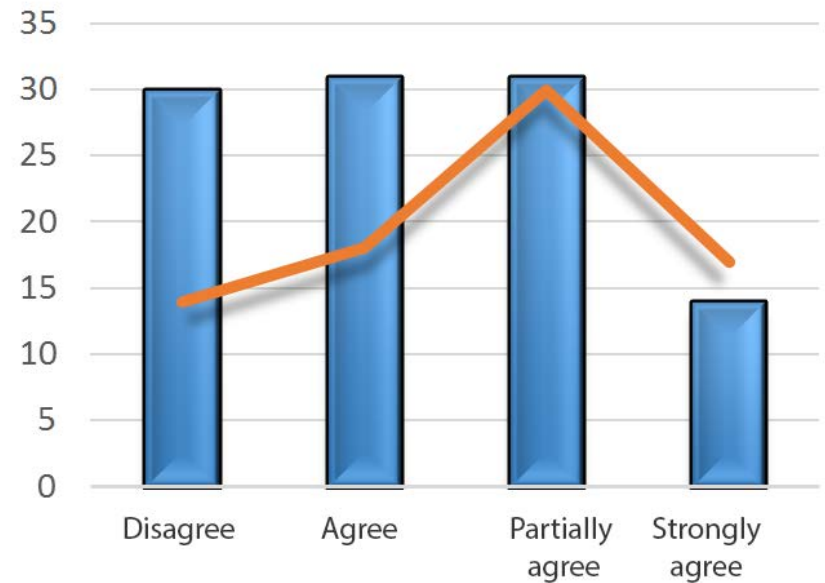
- 30% of the participants in figure 8 agreed that IDEA could be used to examine the gaps and duplication of records and data, while 15% agreed on six possible usage of IDEA in choosing different statistical samples. 10% had agreed that it could be used to compare and link the files.
- 34% of those who think that IDEA can be used to examine the gaps and duplication of data records and also think that IDEA is easy to use and can save time.





Results

72% of our sample has sufficient knowledge of using IDEA and 62% out of them are satisfied with the software.





Results

Measurement Factors	BFS	IDEA
Rate of monthly Breaches	High	Low
Accuracy of performance	High	Low
Consumed time to perform a breach	Low	High
Consumed effort for a breach	Average	High
Number of roles for one breach	5	5
User satisfaction	4	1
Number of mistakes and remarks	Low	Average
Mistake rate in data entry	No Mistakes	Average

- The data gathered from the interview show that auditors do us a system to perform their duties more than their reliance on applying them manually. Table 2 summarizes several indications of user satisfaction after performing their duties in technical way rather than manual. It is noticeable that satisfaction reached all all of the study`s measurement factors.



Conclusion

The results of the presented study show that auditors employ the technology in their duties in order to achieve higher accuracy and to save time and effort. However, their needs exceeds the available tools. This gap is appeared due to lack of knowledge that was transferred to them. On the other hand, there was no enough motivations to employ these tools in auditing.



Recommendations

The result also emphasize the need to:

- Familiarize SAB`s Auditors with the CAAT field and tools , encourage them to rely on these tools and discontinue using manual methods.
- Employ specialized expertise in technical and auditing fields.
- Increase the concentration of developing software's that serve the auditing needs by increasing the awareness of auditing to IT Specialists.



Recommendations

- Improve the methods of marketing and training for any technical application.
- Issue decrees and regulations to mandate the use of the technological tools to ensure the quality of audit work.
- Reformulate the rules to obligate all entities audited by SAB to cooperate with auditors in delivering their data.



Recommendations

- Provide sufficient software licenses and a trail period along with technical support
- Amend the articles of laws to ensure a direct access to the data of the entities subjected to SAB auditing without any chances to data destruction.



Questions

Thank you for Your Attending & Attention