

"Operational Audit and its Effect on Jordanian Commercial Banks Performance"

Prepared by:

Laith Sameeh Khlaif Alqaraleh

Supervised by:

Dr. Madher Ebrahim Hamdallah

ABSTRACT

The aim of this study was to identify the impact of the operational audit on performance in Jordanian commercial banks. To achieve this objective, the study sought to demonstrate the impact of risk assessment, efficiency and effectiveness of operations, as well as economic operations on financial performance, operational performance and marketing performance, from the perspective of the internal auditors in the Jordanian commercial banks. A questionnaire was distributed to community members represented by the internal auditors of the thirteen Jordanian commercial banks. A total of 216 questionnaires were distributed, and 212 questionnaires were retrieved and analyzed, of which 208 were used. The simple regression was used in the hypothesis test.

The study found that the impact of the operational audit on the performance in the Jordanian commercial banks is affected by the sub-results related to the risk assessment, the efficiency and effectiveness of the operations, and the economy of the operations as independent variables, with a perfect impact on the financial performance, operational performance, and marketing performance; as dependent variables.

The study recommended that the Jordanian commercial banks must be urged through its departments and its auditors to pay more attention on risk assessment, as well as the impact of economic processes on performance. Banks should also focus on implementing the strategic

plans in order to reach bank strategies by improving the efficiency and effectiveness of operational processes, in order to achieve the best performance.

Keywords: Operational Audit, Risk Assessment, Efficiency in Operational Process, Effectiveness in Operational Process, Economy in Operational Process.