

الملحق رقم (1)

The Effectiveness of the Internal Auditor's Commitment to Personal Internal Auditing

Standards on Rationalizing Banking Credit Decisions

A Field Study on the Jordanian Commercial Banks

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Abstract

This study aimed at identifying the effect of the internal auditor's commitment to personal internal auditing standards that are stated in the Institute of Internal Auditors (IAA) upon rationalizing banking credit decisions in Jordanian commercial banks. The study also aimed at identifying the differences in effects which may be attributed to personal and functional variables. The study was applied upon internal auditors who work in Jordanian commercial banks, which are (13) banks, including male and female auditors, regardless their age, and functional level.

The study adopted two methods to fulfill its objectives. One of them is qualitative deceptive analysis. It is represented in discussing the data that was obtained from the annual reports of the Jordanian commercial banks. As for the other methods that were adopted, it was through using a questionnaire. A special questionnaire was prepared to measure the effect of commitment to personal internal auditing standards upon rationalizing banking credit decisions. These

standards are represented in: (purpose and liability standards, objectivity and independence standards, skill and professional care standards, standard of quality assurance and improvement program). (252) questionnaire forms were distributed. However, (90) % of them were recovered and were considered valid for analysis. Arithmetic mean, percentages, and multiple and simple regression analysis were used to analyze the data statistically.

The study concluded a number of results. For instance, the study concluded that there is a statistically significant impact for the impact of the internal auditor's commitment to personal internal auditing standards (that are represented in "purpose and liability", "objectivity and independence", "skill and professional care", and "quality assurance and improvement program") on rationalizing banking credit decisions in Jordanian commercial banks. In addition, the study has also concluded that there are no statically significant differences for the impact of internal auditor's commitment to functional internal auditing standards on rationalizing banking credit decisions in Jordanian commercial banks due to variables of gender , education and experience years, but there are differences due to variables of age and professional certificate .

Based on the results, the researcher recommended the necessity to work on reinforcing the elements and constituents of the internal auditor's indecency. That is in order to enable him from doing his work objectively. The study's recommendation included the necessity to give attention to improving internal auditors in the field of their field training and qualifying them through making training courses. It is also necessary to make them follow the latest developments in what concerns the sciences that is related to reviewing and auditing.

Key words: Internal Auditing, Risk Management, Credit Rationalization.