

THE EFFECT OF ANALYTICAL PROCEDURES ON REDUCING AUDIT RISKS FROM THE PERSPECTIVE OF JORDANIAN CERTIFIED PUBLIC ACCOUNTANTS

By

Safaa Hammad

Supervision

Dr Zaid M AL- Hawatmeh

Abstract

This study aimed to demonstrate the effect of analytical procedures on reducing the audit risk from the perspective of the Jordanian external auditors. To achieve the objective of the study, the researcher developed a questionnaire according to the Likert method, which was distributed to a random sample of 275 Jordanian external auditors. The independent variable was represented by analytical procedures as measured by three dimensions: descriptive analytical procedures, simple analytical procedures, complex analytical procedures, and the dependent variable represented the risk of auditing and measured by three dimensions: inherent risks, control risks, detection risks.

The results of the study showed that there is a statistically significant impact of analytical procedures: descriptive, simple quantitative and complexity in reducing the inherent risk of audit. The results also showed a statistically significant impact of the analytical procedures by their combined dimensions in reducing the risk of control, as well as a statistically significant effect of the analytical procedures by their combined dimensions in reducing the risk of detection. Moreover, results

showed a statistically significant impact of the analytical procedures by its combined dimensions in reducing the audit risk.

Based on the results of the study, a number of recommendations were presented, the most important of which are: the need to increase the interest of external auditors in the complex quantitative analytical procedures to improve their role in reducing the inherent risks; External auditors should also use simple quantitative analytical procedures to increase their role in influencing detection and control risks. and auditors continue at the same level of using descriptive analytical procedures.