Information Technology and its Implication on Internal Auditing in Sri Lankan Companies

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Abstract

Information Technology (IT) is a very much important function in designing, implementing and directing many controls over the organizations' business processes. Currently both internal & external auditing processes are rapidly changing and one of the main reasons is the changes in IT. This study aims to find the impact of IT and its implications on Internal Auditing. Further, the study examines the influence from Objectives and the Organizational Characteristics on the IT Evaluations performed in Sri Lankan companies. IT Evaluations, Objectives and Organization Characteristics were used as independent variables and IT Evaluation categories were used as the dependent variable. This study carried out using a standard questionnaire which consists of mainly four parts. 100 questionnaires were distributed to companies representing manufacturing, service, banks and hotel sector using the cluster sampling method. Data received from 80 respondents representing all sectors. Data were analyzed using the Statistical Package for Social Science (SPSS). According to the results of the study, internal auditors mainly focus on traditional risk such as IT data integrity, asset safeguarding, privacy and security and less attention has given to system development and acquisition.

Keywords: Information Technology, Internal Auditing, IT Evaluations, Sri Lanka