The Commitment of Jordanian Auditors to Assess Audit Risks

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Abstract

This study aimed to identify the extent to which Jordanian auditors assessed the inherent risks, control risks, and detection risks when doing audits of financial statements. To achieve the objectives of the study, testing of hypotheses, questionnaire was designed and distributed to a sample of (70) Jordanian Auditors. To conduct data analysis and test hypotheses descriptive statistics, means, standard deviation, and one sample (T-test) were used. The study found that there is a commitment by Jordanian auditors to applying procedures, and tests required to evaluate the internal controls system when assessing the risks. It is necessary to the auditor to assess the inherent risks, control risks, and detection risks. The study recommended a number of recommendations where the most important is that strengthen cooperation must be between the external and internal auditor during the audit in terms of reduces the risk of fraud and misrepresentation in the financial statements to a minimum.

Keywords: Auditor, Detection risks, Control risks, Inherent risks, Assess, Jordanian

1. Introduction

Recent years have witnessed wide row over the auditors and their responsibilities for the tremors experienced by international companies, which have been declared that the lists prepared by the generally accepted accounting standards, and without regard to whether they give a true and fair financial position of the company as demanded by the general beneficiaries, and whatever was the case, either by deliberately or inadvertently, the process of financial reporting disease characterized by suspicion, and that there is a growing shortage of auditor's report for many beneficiaries in the world.

It is essential for the auditing profession to seeks more quickly to avoid those errors that have accumulated over many years, and restore at least part of the public trust, and must be recognized that there are multiple options for accounting measurement, presentation and disclosure, under international accounting standards, and the management will seek every effort to show the accounting reports are serve their interests, and that there are accountants helping the management to do so without reference to the risks that will be caused by the shading. The more complicated things, that auditor's breaker do not discuss the impact of these options to beneficiaries, as long as these reports were prepared according to generally accepted accounting standards.

Therefore the auditor must obtain an adequate understanding of the accounting system and internal control system, to audit planning and to develop an effective way to implement them. The auditor must using professional diligence to assess the audit risk, design, and audit procedures to make sure that it has reduced to the minimum acceptable level. Accordingly this study came to identify the adherence of Jordanian auditor's commitment to assess the audit risks when evaluate the internal control system of the client's company.

2. Problem of the study

After the industrial revolution and the concomitant collapse of large-businesses, and investor fears of manipulation in the financial statements, the auditors facing the risk as a result of manipulation of financial statements which continues to existing day, and here comes the audit risks which related to companies, and the way of risks evaluation, as well as risks results from fraud or error. According to the capacity of internal control and revaluation of this control the auditor calculates the level of risk, which greatly depends on the internal control system, since the internal controls system is strong the risk in the lower level also the sample to be taken. This means the weakness of internal control system negatively affects the work of the auditor, the procedures, and methods used by him in the audit process, therefore the problem of the study lies in the following questions:

1. Is Jordanian auditors assessed the inherent risks when doing audits of financial statements?
2. Is Jordanian auditors assessed the control risks when doing audits of financial statements?
3. Is Jordanian auditors assessed the detection risks when doing audits of financial statements?

3. Objectives of the study

The main objective of this study is to try to discover the extent to which external Jordanian auditors applying procedures and physical tests to assess risks when auditing the financial statements. As well as the objective of this study is to reach recommendations that would contribute to improving the professional performance of the Jordanian's auditors.

4. Significance of the study

The significance of the study lies in the auditor's responsibility to give a neutral technical opinion as regard to the fairness and sincerity of presentation of financial statements, because there are several parties rely on this data(management, shareholders, investors, decision makers .... etc.).Also the importance of the study shows the auditor's appropriate professional care when use the samples, the audit process, as well as the use of analytical procedures, also audit of accounting estimates adopted by the client's management, and reporting the deficiencies and weaknesses in internal control systems by taking in account those risks.

5. Hypotheses of the study

HO1: The Jordanian auditors do not assessing the inherent risks when audit the client's financial statements.

HO2: The Jordanian auditors do not assessing the control risks when audit the client's financial statements**.**

HO3: The Jordanian auditors do not assessing the detection risks when audit the client's financial statements.

6. Methodology of the study

The research depended on the method of analytical statistics and analysis of content, and on secondary and primary data. Secondary data for the study were obtained through reference, research, and Arab and foreign universities research papers. For the initial data, they were collected through a questionnaire study, which is designed depending on the nature of the elements of the problem which is available in the international auditing standards. The statistical descriptive style analysis technique, also the content analysis has been used to achieve the objectives of the study. The survey questionnaire contains two parts, first part included demographic characteristics, the second part covers the responders' commitment of risks, each set questions formed a field paragraph, which covers the domain hypothesis of the hypotheses of the study. Five- Likert scale has been used as a measure of reflect the views of respondents regarding the paragraphs contained in the questionnaire, which was allocated weight (5) for the situation strongly agree, and (4) for agree, and (3) for the situation is neutral and (2) for disagree, and (1) for Strongly Disagree. The questionnaire has introduced to a group of professionals and professors for the purpose of arbitration, where they can modify it based on their observations and a previous test was conducted on it, and the amount of Cronbach's alpha were reached (0.760), which is indicated on the consistency and steadfastness (Sekaran, 2005). And (T) test, arithmetic mean, standard deviation and percentages were used in the quarterly analysis of the responses to the questionnaire.

6.1 The Study Population

A comprehensive containing method for the study population consists of the practicing Jordanian auditors of the sum of (486), the total number of questionnaires distributed was (100) questionnaire, including (70) questionnaire valid for analysis, and thus the percentage of the collected questionnaires were (70%).

7. Previous Studies and Conceptual Framework

7.1 Previous Studies

Study of (Jarbou, 2007) aims at identifying audit risks and the contribution fields of the external auditor to decrease its effect on the financial statements in auditing process. The results of this study showing that the using of statistical sampling is derived from the theory of probabilities in mathematics, based on, if we select a sample from a group of transactions randomly, it will give us a good result about the group which was selected from. The execution of auditing process in the electronic treatment of information environment, require from the auditor to understand the nature of electronic operation, to enable him plans the auditing process. The management is responsible of adopting the accounting estimates when preparing financial statements, so the auditor must be sure about its accuracy and correctness. When the auditor planning auditing procedures, its execution and evaluating the result, he must consider the existence of material risks in the financial statements resulting from fraud and illegal acts. The management is responsible about inherent risks and control risks, but the auditor is responsible about detection risks. In case there is a weakness in the internal control system, the auditor must provide the management with recommendations for improving the internal control system by a letter or a report.

Study of (Melegy, 2000) demonstrated the role of disclosure of financial statements for commercial banks to consolidate the decisions of auditors when assessing the inherent risk in the bank, in addition to providing a framework proposal to assist in the assessment of these risks and increase the efficiency and effectiveness of the audit process. The study concluded that there is great importance to the banks financial statements auditor's to estimate the inherent risks and there are a variety of factors must be taken into account when the auditors estimate the inherent risks, including internal control system risks, and draw the attention of the auditors to the need for inherent risk assessment in the planning stage of the audit process.

The study of (Abdullatif, & Al khadash ,2010) surveys views of Jordanian auditors about how the business risk audit approach is applied in practice by Jordanian audit firms and how appropriate and practical the application of such an international approach to auditing is in a Large international audit firms are increasingly expanding their activities around the world and increasingly promoting the concept of a similar quality audit to be performed by all their worldwide offices and member firms. This strategy includes developing and using a similar audit approach globally. This study surveys the views of Jordanian auditors, mainly from audit firms with international affiliations, about how such an international approach, with emphasis on the currently popular business risk approach is applied in practice by Jordanian audit firms and how appropriate and practical the application of such an international approach to auditing is in different contexts. The results of the study show that the business risk approach has been generally adopted by the larger Jordanian audit firms to varying extents, especially those which are full members of an international audit firm network. However, audit clients in Jordan face too many business risks, especially because of poor control systems, poor corporate governance structures, and unclear or non-existent corporate strategies and objectives.

These risks have to be addressed by the business risk approach under very low audit fees. Such factors have led to the business risk approach not being applied in the way that the large .international audit firms intended, and not achieving the approach's main objectives, leaving the audit profession with the question of how appropriate it is to adopt an international audit approach in different contexts.

The research of (Vandervelde, Tubbs, & Messier, 2009) experimentally investigates how auditors make combined audit risk judgments during the planning of the audit of an account balance in a client's financial statements. Experimental tests were performed of whether the predictions of the AICPA model of audit risk determination are descriptive of auditors' judgments. In addition, tests were performed of other plausible descriptive models using the methods of psychological measurement. The results indicate that the AICPA model is not descriptive of auditors' judgments, and that auditors' judgments of combined audit risk are best explained by the range model, a revised-weight model, as compared to the alternative descriptive models tested. The results of the experiment extend the prior literature in this area by (1) facilitating the resolution of the conflicting conclusions from prior research regarding the descriptive validity of the audit-risk model, and (2) by identifying the range model that describes an idiosyncratic, yet plausible, judgment strategy used by auditors in making combined audit risk assessments. The prior literature did not test other descriptive models of combined audit risk assessment. Implications for the theory and practice of combined audit risk assessment are also discussed.

In the study of (Hogan, & Martin,2009) shows the market for audit services has been affected in recent years by significant changes like the demise of Andersen and the implementation of the Sarbanes-Oxley Act of 2002. One impact of these market changes has been an increase in the frequency of auditor switches, and in particular, the frequency of clients switching from Big 4 auditors to smaller audit firms. The study examine whether this switching activity has resulted in changes in the risk characteristics of publicly traded clients of Second Tier audit firms. This analysis is important as regulators are concerned about audit market concentration and would like to see the Second Tier audit firms expand their share of the publicly traded client market. Results indicate that Second Tier firms are accepting clients with potentially increased audit and client business risk characteristics relative to their existing client base, but they also appear to be "shedding" clients that have increased audit and client business risk characteristics relative to their existing client base. Some of the differences in risk characteristics for those departing clients are more pronounced in the period after 2000, when we expect the most significant changes in the audit market occurred. Second Tier auditors are increasingly exposed to more business risk as they accept larger clients coming from Big 4 predecessor auditors, which may increase their exposure to litigation.

The research of (Cohen, Krishnamurthy, & Wright, 2007) titled the Impact of Roles of the Board on Auditors' Risk Assessments and Program Planning Decisions, the purpose of the study is to examine how the roles played by the board affect auditors' risk assessments and program planning decisions. An agency role of the board emphasizes monitoring corporate management while a resource dependence role focuses on helping a firm cope with environmental uncertainty, gain access to external resources, and establish sound business strategies. Sixty-eight audit partners and managers evaluated a case where the roles of the board were manipulated: agency role (stronger or weaker) and resource dependence role (stronger or weaker). Results indicate that auditors' inherent risk assessments were not significantly affected by the resource dependence role, but control risk assessments were higher when the board played either a weak agency or weak resource dependence role than for the parallel strong condition. Further, audit program planning judgments were significantly affected by both the agency and the resource dependence variables. Finally, exploratory analysis indicates that when the board was stronger on both the agency and resource dependence dimensions, control risk assessments were the lowest and auditors decreased planned audit effort, while audit effort was increased for all other conditions.

7.2 Conceptual Framework

The International Federation of Accountants in the standard number (400) defines the audit risk as the risks that lead to the auditor to render unsuitable opinion when the financial statements are fundamentally wrong (IFAC, 2007). There is no doubt that the audit risk is important factors that the auditor takes into account when planning the audit process, select audit procedures or when evaluating the audit evidence. The Institute of Chartered Accountants of the U.S. emphasized on the need to estimate the risk when planning for the audit, said that the auditor should plan the audit process to be the audit risks at the lowest extent, and appropriate to express properly opinion in the financial statements.

Under the generally accepted auditing standards the auditor expressing an opinion on the financial statements as a single unit, but in any case set the level of risk, he does it at the level of each element of the financial statements, means that he determines the level of risk for each balance of the account balances contained in the financial statements or the respect of each type of transaction, to unable the determination of necessary audit procedures to verify all balances or all types of transactions, and in a way that enable him to express an opinion on the financial statements as a single unit to a low level of risk. Because the auditor determines the risk to the individual balance level or particular type of transaction, the risk of final audit depends on the nature of the balance or particular type of transactions and its internal control procedures, and on the effectiveness of analytical procedures and detailed on the other hand. So the audit risk consists of three elements:

a. Inherent risks: the viability of the balance of a specific account or a range of transactions to be wrong fundamentally, individually or when aggregated with the wrong information in the balances of the accounts or in other communities, with the assumption of the absence of related internal controls (IFAC, 2007).

In the view of al-Tamimi the inherent risks happen because the probability of errors or omissions in one decision of the management decisions, either alone or aggregated, which are material deviations with the assumption that there is no internal control because of management fraudulent (al-Tamimi, 2004). To assess the inherent risks the auditor using professional judgment for fundamental factors, including the management integrity, management experience, the pressures on management, the nature of the company's activity, factors affecting the industry and the balances of the accounts, must take into account the extent to which the accounts enable for error, the degree of operations complexity, the degree of losing assets, processes that are not subject to regular processors (Naghi, 2000).

b. Control risks: The risks of misinformation, which occur in the account balance or a range of transactions which could be material individually or when aggregated with the error information in the balances or other communities, which cannot be prevented or detected and corrected at the Wright time by the accounting system or internal control system (IFAC, 2007). The control risks related to the possibility of deviation in the management decision, or in the balance or activity either alone or when the information gathered and not detected or prevented by the internal control system in the time, also insufficient evidence, the lack of control over the cash or goods and the lack of separation between jobs, means the same person process the work from beginning to end.

The task of the control function is to verify that actual performance is in accordance with planned objectives and criteria. In fact, the need for control function arise as a result of potential errors in the implementation of laid down objectives in advance, that is mean the control task is to ensure the implementation of plans according to laid down levels. This means the control process involves the measurement of actual performance in accordance with the laid down standards, and then determine the deviations which may be positive in the case of exceed the actual performance on the criteria, or may be negative deviations if the actual performance did not achieve the required advance level. Also the function of control process not limited to measure these deviations, but extends the range to analyze the deviations and investigate their causes, and that is not to identifying the officials for the deviation, but primarily to deliver actual and realistic picture of what was implemented and what was planned. The control is continues process and not independent management function, they are required during the planning, organization, direction and coordination, and it's not an independent function, it is necessary to guide the actual performance to be in accordance with the planned standards. It can be argued that the internal control system depends on a basic components that can be drawn from the definition of internal control system, organization plan and all methods and procedures harmonized and used by the management of the project in order to protect assets, and to ensure the accuracy and integrity of data and accounting information to increase the degree of reliability, also to increase operational efficiency, so as to ensure compliance with established management policies (Aloviry & Abdel Malik, 2003). The International Standard Number (400) came to assess the risk and internal control, where he spoke on the initial evaluation of control risks, which is the process of evaluating the effectiveness of the accounting system and internal control system to prevent or correct or detect material misstatement, and the initial assessment for control risks at the level of each goal for each balance for each significant or important set of processes. And when the auditor finds that the accounting system is not effective, or the internal control system is inefficient, in this case the control risks assessment as a high-level.

c. Detection risks: is the risk that audit evidence for a segment will fail to detect misstatements exceeding tolerable misstatement (Elder, et al, 2010). The detection risks can happen by uncertainty in the ways of the audit procedures such as the review risk, which results when auditor giving certain results based on samples that have been selected and the result will be different if the auditing for the society (Eilifsen, et al, 2006). The detection risks can be divided into:

1). Risk of analytical review, the risk caused by the possibility of inability the analytical audit procedures to detect the material deviations.

2). Risk of core tests, the risks resulting from the inability of detailed tests to detect the material deviations.

3). Risk samples, Are the possibility for the auditor to drawn result when he use the sample differs from the result that can be drawn if the community has been vetted fully

4). Risks not related to samples, the risk resulting from the possible of drawn erroneous result, but that is not linked to the process of inspection, but is linked to the capabilities and efficiency of the auditor when testing vocabulary and evaluating the results (Dhunaibat, 2006).

8. Statistical Analysis

The demographical characteristics are described for the respondents and analyze their opinions and responses on the survey questionnaire, and the arithmetic means and standard deviations were extracted from their responses for each field of the questionnaire and the results of hypothesis testing results were as follows:

Table (1) shows the respondents qualification, the Bachelor's Degree percentage is 71.4%, and 17.1% are master's degree which means the respondents are qualified to answer the questionnaire. In addition to 88.6% of them are allocated within the accounting specialization, which means they're acquaintance of the subject of study. Also 60% of them have an experience more than 10years that is mean they have enough experience to answer the questionnaire, and their distribution on different job positions were 45.7% auditors and 22.9% partners in the audit office.65.7% of respondent has Jordan Certified Public Accountant (JCPA) Professional certificate, and Overall the table information indicates that they are qualified to answer the questionnaire and can be trusted in their abilities and information.

Table (2) shows the considerations taken by Jordanian auditors when assessing inherent risks. The table reveal that there is a high means with respect to all paragraphs; the highest was (4.5143) for assessing the nature of the company work, and the lowest was (3.8286) for assessing the degree of diligence required, and ability of accounts falsification. The arithmetic means of their answer about the assessing of inherent risk reached (4.0857), which means that they are all approved in their obliged of assessing the inherent risks.

Table (3) shows commitment of Jordanian auditors when assessing the control risks; the table shows the highest mean was for assessing the effectiveness of designing the internal control elements, were reached to (4.7143), and the lowest mean was for Identifying the time and type of audit evidence, were reached to (4.0571).The arithmetic means of the respondents' answers of this field are high reached to (4.4536), which means the Jordanian auditors are committed to assess the control risks.

Table (4) shows the commitment of Jordanian auditors when they assess the detection risks, the answers shows that the auditors taking into account all the requirements of assessing the detection risks. The highest mean was for taking into account the nature of the detailed procedures, and the amount of evidence to be obtained related to degree of assessment of inherent risks and control risks, were reached to (4.2571), but the lowest mean was for doing the detailed procedures in the end of the period rather than in the early, were reached to (4.0571). The arithmetic means of the respondents' answers of this field are high reached to (4, 1750), which means the Jordanian auditors are commuted to assess the detection risks.

9. Hypothesis Testing

(T) test was used to test the hypothesis of the study, and table (5) illustrates the test results for all the hypotheses of it, the decision rule has been adopted to accept the alternative hypothesis and reject the null hypothesis if the calculated (T) value was greater than the indexed (T), and accept the null hypothesis and reject the alternative hypothesis if the calculated (T) value was less than the indexed (T) value at the level of significance (0.05).

The results of (T) test showed that the calculated (T) values were greater than the indexed values for all the Hypotheses, as the calculated (T) value was (94.271) of the hypothesis of assessing the inherent risks, and the hypothesis of assessing the control risks reached (97.482). While the hypothesis related to detection risks reached to (93.163). In accordance with the decision rule, the null hypotheses were rejected and the alternative hypotheses were accepted, which means the Jordanian auditors are committed to assessing the inherent risks, control risks, and detection risks.

10. Results

The results of the study shows that the external auditors in Jordan applied the necessary procedures and tests to assess the inherent risks by understand the internal environment of the clients company and to assess the risks of material misstatement, since there is a relationship between the auditor understanding the company environment and his ability to assess the risks. In order to understand the nature of the company and its internal environment it is expected to have the knowledge of the nature of economic activity of the entity and its accounting policy and the size of competition market for the sector in which they operate. Also the study reveals that there is commitment by Jordanian auditors when they assessing the inherent risks, by assessing the management integrity, and assessing ability of accounts falsification.

The results demonstrated that the auditor is committed to the application procedures and tests required to test the Internal controls system when assessing the risks. Also obtain the evidences to assess the level of control risks is very necessary for the auditor. And the auditors give attention to assessing the control risks when the assessment of the accounting system and internal control system is not enough efficiency.

It is necessary to the auditor to assess the detection risks throw taking into account many considerations such as, when the auditor discovers wrong information when implementing material procedures he should modify the previous control risks report, and when there is low control risks and inherent risks the auditor can accept high detection risks with continuing to reduce the audit risks at acceptable low level.

11. Recommendations

1). Attention must be paid by appending the auditors who are new to the profession to competent training programs in auditing to assess audit risks.

2). Strengthen cooperation must be between the external auditor and internal auditor during the audit due to the integration of their functions in terms of reduce the risk of fraud and misrepresentation in the financial statements to a minimum.

3). There should be control over the external auditors regarding the extent of their implementation of procedures and tests to assess audit risk when auditing the financial statements and auditing standards in general.

4). When the auditor discovers material misrepresentations caused by fraud or error he must notify the management and authorized individuals.

5). The auditor should take into consideration when designing the audit test sample, the objectives and characteristics of the society in which the sample will be taken, and taking into account the nature of evidences required and the possibility of error relevant to the evidences.

12. Limitations of the study

Similar to other studies, this study has its limitations. The most important limitation is the limited number of auditors who were willing to answer the questionnaire paragraphs, because the distribution of questionnaire was in the time of disclosure of financial statements of Jordanian companies. Also the second limit is that the questionnaires were distributed to auditors who have (A) class license who can audit shareholding companies.

13. Upcoming Proposed Studies

The effect of assessing audit risks at the analytical procedures from the point of view of Jordanian Auditors.

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Table 1. The demographic Characteristics of Respondent

Variable	Variable Categories	Frequency	%
Qualifications	Bachelor's Degree	50	71.4
	Higher Diploma	6	8.6
	Master's Degree	12	17.1
	PhD Degree	2	2.9
Specialization	Accounting	62	88.6
	Finance	2	2.9
	Business Administrative	6	8.6
Experience	Less than5 years	10	14.3
	5-9 years	18	25.7
	1 0-14 years	34	48.6
	15-19 years	2	2.9
	20-24 years	6	8.6
Position	Partner	16	22.9
	Audit Chairman	14	20.0
	Audit Director	8	11.4
	Auditor	32	45.7
Professional Certificate	JCPA	46	65.7
	CPA	10	14.3
	CMA	4	5.7
	More than one	10	14.3

Table 2. The analysis of respondents' opinions about the Inherent Risks

Paragraphs	Mean	S D
Assessing of nature of the company work.	4.5143	.50340
Assessing of management experience and knowledge and the changes in the period.	4.3429	.67857
Assessing of unusual pressures on audit management.	3.8571	.99689
Assessing the factors affecting the sector which the company belong to (economic situations, cultural, technological changes and consumer demand).	3.8571	.57843
Complex degree of transactions that may require an expert.	4.0571	.96137
Assessing the ability of assets for loss or misappropriation.	4.4000	.76896
Assessing of transactions not subject to habitual process.	4.2857	.61721
Assessing of unusual complete and complex transactions especially in or near the end of the period.	4.1143	.98603
Assessing the degree of diligence required for preparation the financial statements.	3.8286	.88418
Assessing ability of accounts falsification.	3.8286	.77433
Assessing of the management integrity.	4.0286	1.06283
Assessing of changes in accounting principles.	4.0857	.88043
Total Field	4.1905	0.37191

Table 3. The analysis of respondents' opinions about the Control Risks

Paragraphs	Mean	S D
Assessing the effectiveness of accounting system.	4.6571	.63442
Assessing the effectiveness of designing the internal control elements.	4.7143	.51479
Assessing the commitment degree of control and continue to apply.	4.6000	.49344
Understanding and appreciation of the accounting system and internal control system (description, survey, flow charts).	4.3714	.68464
Obtain the evidences to assess the level of control risks.	4.4000	.80578
Perform control tests to ensure the ability of control systems to prevent errors, proliferation and correcting it.	4.4857	.69663
Identify the type and time to obtain audit evidence.	4.0571	.83207
Assess control risks at a high level for some or all of the assurances when the accounting system and internal control system is ineffective.	4.2857	.66251
Assessing the Control risks when the assessment of the accounting system and internal control system is not enough efficiency.	4.5217	.60897
Total Field	4.4536	0.38224

Table 4. The analysis of respondents' opinions about the Detection Risks

Paragraphs	Mean	S D
Taking into account the nature of the detailed procedures such as using tests directed to the parties outside the entity rather than the parties inside the entity.	4.2571	.77433
Doing the detailed procedures in the end of the period rather than in the early.	4.0571	1.04792
Taking into account the range of material procedures by using larger size of sample.	4.2286	.83703
Taking into account the relation of detection risks level directly to the auditor material procedures.	4.2286	.80165
When there is low control risks and inherent risks the auditor can accept high detection risks with continuing to reduce the audit risks at acceptable low level.	4.1429	.83901
When the auditor discovers wrong information when implementing material procedures he should modify the previous control risks report.	4.1429	.83901
The amount of evidence to be obtained by auditor Related to degree of assessment of inherent risks and control risks.	4.2571	.65244
The auditor gives a qualified opinion or no opinion when he decides that the detection risks of financial statements assurance for the account balance or a range of important transactions cannot be reduced to an acceptable level.	4.0857	1.03199
Total Field	4.1750	0.37494

Table 5. The results of the second hypothesis test

The hypothesis	Arithmetic Mean	Calculated T	Result of null Hypothesis test
Assessing the Inherent Risks	4.1905	94.271	Rejection
Assessing the Control Risks	4.4536	97.482	Rejection
Assessing the Detection Risks	4.1750	93.163	Rejection