

# **The Impact of Internal Audit on Risk Management**

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## **Abstract**

The study aimed to know the impact of internal audit on risk management in Jordanian commercial banks. Internal audit was measured by (professionalism, independence, transparency and disclosure, and adherence to professional standards). In order to deal with the problem of the study and achieve its objectives; descriptive and analytical approach was adopted. The study population consisted of (13) Jordanian commercial banks, after developing a questionnaire. As a tool for the study, the researcher was able to distribute it to (13) banks where (156) questionnaires were distributed to employees, managers, and department heads works in internal audit and risk management departments in Jordanian commercial banks. (121) questionnaires were retrieved, after excluding incomplete questionnaires. The final total was (108) questionnaires. The study found a set of results, the most important of which is the existence of a statistically significant impact of internal auditing, measured by (professional competence, independence, transparency and disclosure, adherence to professional standards) on risk management in Jordanian commercial banks .

The study came out with a set of recommendations; the most important of which commercial banks should pay attention to the internal audit department by determining the nature of internal audit services, and its activities in a documented manner, to increase its professional competence, and to provide the largest possible amount of independence for the internal audit department in order to enable it to perform its duties in the required manner, and to disclose all Important information obtained by internal auditing in a fair, honest, and truthful manner.

**Keywords:** internal audit, risk management, Jordanian commercial banks.