

## Abstract

Application of information Technology in Internal Auditing has been growing in importance and necessity as time goes by. In Tanzania the public sector has made several initiatives to improve internal audit performance in different aspects. However, the area of information technology regardless of its potential it has to offer it has not been receiving greater attention. The establishment of Internal Auditor General's Division has come with many plans among which, information technology is apprehended.

This dissertation has set foot on the best ways information technology can be applied in audit works so as to improve internal audit performance. Comparative case study approach using questionnaires, interviews and literature review was used so as to explore issues surrounding application of information technology in internal auditing.

33 completed questionnaires, 6 interviews at IAGD and 4 interviews with deferent stakeholders along with observations has brought forth an understanding of internal audit process, the extent to which Information Technology is being applied in internal audit and perceived benefits of using information technology in internal auditing. Several books and peer reviewed journals were used to gather benefits associated with application of Information Technology in Internal Auditing.

Many of internal auditors are aware of the available technologies especially CAATs for use in internal auditing but the problem is on the availability and ability of applying them on their daily works. They also believe that there are benefits associated with use of automated audit tools in their work.

From these results, recommendations on the use of available technologies for internal audit as well as training to internal auditors are given. This was based on the costs-benefits analysis, where it was found that there are more tangible and intangible benefits of using available audit application software than manual audit practice.

This research was conducted for the period of twelve weeks from 20th June 2013 to 19th September 2013. Due to time and cost constraints, the researcher did only the necessary and critical tasks that will enable the gathering of required data, analysis and conclusion from the findings.

