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The Implications of Digital Audit Practice, Management Support and Team Support on Auditor Performance

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Abstract

Purpose: The study investigates the direct effects of digital audit practice, management support, and team support on the auditor's performance on the adoption of digital audit in conducting the audit assessment.

Design/Methodology/Approach: A questionnaire survey was distributed to auditors from audit firms of varying sizes in Malaysia. The study received final usable 150 questionnaires. The data was analysed using Structural Equation Modelling-Partial Least Square (PLS) statistical tools.

Findings: The findings show that digital audit practice, management support, and team support significantly influence auditor performance, indicating that auditors require holistic cooperation from various stakeholders in adopting digital audits.

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Research Limitation: This study is subject to the perception of the auditors in responding to the practice of digital auditing, which could differ from the actual adoption of the digital audit.

Practical Implication: In the pursuit of digital transformation, the people and the work culture change the way audits are conducted and impose profound implications for audit professionals.

Social Implications: The opportunity and disruption in the era of digital audit has required the auditors' role to evolve, empowering auditors to put greater emphasis on risk identification and business insights.

Originality: This study provides evidence on the importance of digital audit techniques to move away from the traditional approach to more data-enabled technologies. This transformation sweeps across the audit value chain and auditors must comprehend emerging concerns regarding future audit involvements and progression

Keywords: Audit practice, management support, team support, digital audit, audit assessment.

Introduction

Being one of the most highly valued professions, the quality of auditor's performance is critical. Modern auditing has expanded auditors' responsibilities to include attestation on the effectiveness of internal control and operations over an organization's financial statements (Kassem, 2018). Against the backdrop of the recent technological revolution, the notion of digital auditing has surfaced. Advancements in technologies, such as natural language processing, voice recognition, virtual or augmented reality and computer visioning, are radically changing the traditional business landscapes within the corporate world. Being the gatekeeper of public securities, auditors have the front row seats to this large-scale transformation and are directly impacted by the evolution of operating environments, business cycle disruption, changes to organisational models and the overall digitisation of process.

To achieve a high standard of professional work performance, while ensuring that audit engagements are performed effectively and efficiently, audits must comply with relevant auditing standards, utilising current technology intelligence. These provide the foundation for a structured method of risk assessment, planning, carrying out audit procedures, and eventually formulating and presenting an opinion, which is crucial to ensure an effective decision-making process for the auditors. Adequate knowledge, relevant experience, and technical skills in performing audit tasks with a professional attitude are essential for auditors to maintain and improve their competency (Alam et al., 2017). The integration of audit technology in the audit process would assist the auditors in performing audit tasks expediently and provide better assurance validation to the users of financial reporting. In a gist, audit technology can improve the quality of audit engagement while compelling the auditors to enhance their professional judgement and provide a more valuable role in ensuring financial reporting quality, accountability and credibility (Farooq & Shehata, 2018).

Nowadays, integrating information technology into the accounting and audit system affects processes and internal control in the organization. The developments of digital audit facilitated the audit techniques movement from traditional to more effective approach, auditors must understand how the future audit involvements and the audit progression (Byrnes et al., 2018; Dai & Vasarhelyi, 2016, Yang & Guan, 2004). In the era of digital audit, auditors will have to use their professional judgement, and a wide variety of skills to provide an audit opinion from the perspective of accountability, truthfulness and fairness (Ghani et al., 2017). Moreover, the technology would also enable auditors to increase the assurance that auditors can deliver and thereby contribute to providing trust in the system. Therefore, the digital audit is recognised as a tool for auditors in performing audit processes and expected better assurance to the users of financial reporting.

The advancement of digital audit in the acquisition and assessment of the evidence in the audit process is intended to evaluate and report on the degree of correspondence between client-information and auditing standards. According to the expectations of audit technology applications, auditors who make use of such technology would be rewarded with substantial benefits in audit performance and quality as a consequence of the significant upgrade of the audit process, which will lead to an enhanced audit judgement (Bierstaker et al., 2001; Tang & Karim, 2018). Hence, the audit technology's intention is to assist the auditor in producing audit opinions and improve audit job performance.

The auditor should employ computer-assisted auditing techniques to acquire more detailed evidence concerning data contained in important accounts or electronic transaction files. When combined with information technology, the audit can become more advanced in risk detection compared to the traditional methods, which use manual audit methods to complete the audit procedures (Higgins & Nandram, 2009). It is also claimed that an information system is an integral part of the audit process since it complements the auditor’s role and supports the auditor’s judgment on the quality of the information processed by computer systems (Majdalawieh & Zaghloul, 2009). According to the Malaysian Institute of Accountants (MIA)’s Digital Technology Blueprint, the world of the digital ecosystem is inevitable. Digital technology has proliferated across industries globally. It is transforming industries and business models, changing the skills that employers need and shortening the shelf-life of employees existing skill sets in the process. Hence, auditors who make use of such technology would be rewarded with substantial benefits in audit performance and quality due to the significant upgrade of the audit process, which will lead to an enhanced audit opinion (Bierstaker et al., 2001; Tang & Karim, 2018).

Nevertheless, audit technologies in developing countries are still at the minimum level (Mansour, 2016; Ismail & Abidin, 2009). This implies that some companies may be experiencing some disadvantages. From the perspective of auditing, this would indicate inefficient and ineffective audit performance and, maybe quality. Some studies (Al-Ansi, 2015 and Gibran, 2010) suggested that auditors should be held partially accountable for business failures or financial scandals as they are the assurance providers that convince the stakeholders of the credibility and quality of the financial reporting. Therefore, the current study intends to investigate the effects of technological and organisational factors by evaluating the digital audit practice, management support and team support in adopting digital audit that influences auditors’ performance and audit quality. This study contributes in several ways. First, it has identified new influential digital audit adoption factors that enhance auditors’

performance. Secondly, the findings indicate that management and team support factors are important attributes that influence the transition during digital audit adoption.

The next section presents the literature review of the digital audit practice, management support and team support audit performance of effectiveness by the auditors. The overview of previous research leads to the development of the hypotheses of this study. Next section discusses the research methodology used in this study and detailed findings from the survey concerning each hypothesis. Lastly, a concluding section supporting the findings are provided together with the limitation of the research and implications for future research.

Literature Review and Hypotheses Development

Auditor Work Performance

Individual work performance defines the capability of an individual who is able to execute their responsibilities and obligation with skills, experience, attitude and motivation (Liu & Li, 2012; Mohd Sanusi et al., 2018). Individual work performance also refers to the action or behaviour of employees at the workplace (Zeglat & Janbeik, 2019). According to Tavoletti et al. (2019), individual work performance is the consequence of the effort put forth in carrying out the tasks entrusted to them, which is dependent on their abilities, experiences, and determination, as well as the passage of time. An individual work performance is a combination of three crucial aspects: the advancement and interests of a worker, ability and acceptance upon explanation of the assigned chores, and the employee's role and motivation level. Likewise, auditors' performance is a multidimensional concept that can be categorised into three major sorts: task performance, contextual performance, and adaptive performance. Many researchers have stressed that the cumulative assessment of task, contextual and adaptive performance would be significant in evaluating the overall performance of auditors (Johnson, 2001; Pradhan & Jena, 2017; Bozionelos & Singh, 2017).

According to the auditing standards, using technology tools may be beneficial in increasing the efficiency and effectiveness of an auditor's work performance (International Standards on Auditing, 2012; Kozlowski, 2018). With the adoption of digital audit, the improvement the auditors show in performing audit tasks increases.This could be contributed to digital audit applications, productivity audit approach and automated audit working papers, which have provided auditors with technological aid in completing the audit work (Janvrin et al., 2009; Veerankutty et al., 2018). Hence, the adoption of digital audit could reduce the time in completing audit tasks and organise audit decision process more effectively, which would lead to increasing the quality of audit performance (Chan & Vasarhelyi, 2011; Dai & Vasarhelyi, 2016; Manson et al., 2010; Handoko, Wariyantao & Wraganegara, 2018). Consequently, better audit opinions would be produced as the auditors are able to perform better when there is the adoption of digital audit in their daily work routine.

Digital Audit Practice

Due to advancements in technology, including the integrated audit automation system, the use of digital audit has been introduced by large firms to assist the audit assessment processes (Byrnes et al., 2018; Omoteso, 2012). The auditor review has relied on a combination of audit assessments based on relevant, reliable, complete and undoubted audit

evidence from information collected by the system (Kim et al., 2009; Omoteso et al., 2008). Digital audit system requires the largest degree of human intervention by serving exogenous data and critical analysis that will advance the value of auditor performance and lower audit risk (Brown et al., 2007). Digital audit is a tool that requires auditor skills, expertise, experience, and knowledge in utilising computerised technology to derive audit opinions (Pathak et al., 2010). Thus, with digital audit practice, the automation of audit procedures helps the auditors to effectively achieve audit objectives, while simultaneously enhancing the auditors' scepticism in detecting fraud in the financial statements (Chan & Vasarhelyi, 2011; Ravisankar et al., 2011).

Several studies suggest that adopting digital audits can improve the quality of audits (Omoteso et al., 2008; Razi & Madani, 2013). Digital audit is predicted to offer advantages for the audit profession in understanding audit procedures, increased knowledge, and transferability of expertise (Omoteso, 2012). Adopting digital audit could potentially lower audit costs, eliminate human error, prevent manipulation and fraud, and immediately share information and enhance information integrity (Bradford et al., 2020; Halbouni et al., 2016).

The idea of the digital audit is geared toward using artificial intelligence to assist with vital audit tasks (Tarek et al., 2017; Wu et al., 2017; Allbabidi, 2021). The motivation of auditors who adopt the computer-assisted audit techniques (CAATs) framework can be influenced by several facilitating conditions. These include access to sufficient information on what CAATs can accomplish, assistance from vendors or software providers, and support from management. Studies by Braun and Davis (2003) and Mahzan and Lymer (2014) have highlighted the importance of these factors in facilitating the adoption of CAATs by auditors (Braun & Davis, 2003; Mahzan & Lymer, 2014). Audit intelligence is often described within the auditing field as "a hybrid set of technologies that enhance and change the auditing process" (Akbar & Suraida, 2017). Digital audit can be particularly beneficial to auditing processes (Otia & Bracci, 2022) because auditors must deal with a large volume of data and are frequently under time constraints in order to acquire insight into financial and non-financial performance. Furthermore, many audit duties are structured and repetitive, so they can be delegated to digital audit systems. As a result of the continuous growth of digital audit technology, most significant accounting firms have implemented audit intelligence in making audit opinions as part of their integrated audit automation systems (Omoteso, 2012).

Furthermore, numerous different literature on computer assisted audit techniques (CAATs) has revealed that usage of CAATs by the auditors allows them to perform a variety of functions, including testing programme controls (Braun & Davis, 2003; Mahzan & Lymer, 2014), gaining a comprehensive understanding of their information technology controls (Ghani et al., 2017), facilitating risk assessment during specific audit planning processes (Wu et al., 2017), and increasing the efficiency of audit testing (Ghani et al., 2017). Thus, CAATs are seen as a significant tool for auditors in executing audit tasks. Moreover, the development of digital audit has important implications for the auditing field, as it can be a useful tool for supporting accounting management, automating control mechanisms and functions, and improving decision-making processes by facilitating the process of accounting and performance information more efficiently (Dagilienė & Klovienė, 2019). Auditor would be more confident in producing audit reports and reliable financial statements with the application of audit technology (Malaescu & Sutton, 2014). Thus, based on the above arguments, the following hypothesis is proposed:

H1: Digital audit practice positively influences auditor performance.

Management Support

Management support significantly impacts employees' job performance (Woolfolk et al., 2005). Management support, among others, includes information sharing (Widuri et al., 2016), physical equipment and infrastructure (Ferguson & Cheek, 2011), and training (Ghani et al., 2017). With management support, employees experience work satisfaction and would therefore display positive job performance (Lee & Chui, 2019). Management support motivates employees to develop beliefs for acceptance, esteem, and connection, as well as to appraise the rewards of increased job effort. Management support boosts employees' emotional duty to assist the organisation to achieve its goals, their affective attachment to the organisation, and their anticipation that greater performance would be rewarded (Singh, 2020).

For the auditors, appropriate training and development programs planned by the firm management will encourage them to maintain professional behaviour in a digital audit environment (Ghani et al., 2017; Veerankutty et al., 2018; Widuri et al., 2016). Although CAATs are capable of improving the efficiency and efficacy of auditing functions, such tools are underutilised in practice due to a lack of competencies on the part of the auditors. Therefore, the management must design appropriate training programs to assist the auditors in achieving a fuller adoption and utilisation of CAATs (Janvrin et al., 2008). Any audit automation programme will be incomplete without adequate training, increasing the possibility that auditing professionals will take full advantage of the advantages that automated technologies can give.

Should the auditors be content with the support the management provides regarding infrastructure and training, they will devote their full attention to the tasks at hand (Brunetto et al., 2013). Omoteso (2012) acknowledged that modern technology can make complex activities easier to do, improving auditor performance. Management should provide adequate support to the auditor so that they can retain a high level of quality service. As a result, this may ultimately result in higher subsequent support for the extension of automated audit practises and programmes. It may also considerably boost the possibilities of eventually meeting the future audit goal (Veerankutty et al., 2018). Thus, based on the above arguments, the following hypothesis is proposed:

H2: Management support positively influences auditor performance.

Team Support

Information sharing and a cooperative attitude among the team members have an impact on the employees' ability to do their jobs effectively (Lin et al., 2010). Therefore, when working as a team, sharing knowledge about the task with the other team members is mandatory. It is possible for members to share information, thoughts, and experiences with one another, which in turn helps to improve the overall efficacy of the task performed by the team. Furthermore, employee experiences will aid the team in improving the overall quality of their work (Lin et al., 2010; Wu et al., 2017). Because of this, when individuals collaborate, they are more likely to be willing to share their knowledge with other group members.

Tavolleti et al. (2019) agreed that teams could promote cooperative conduct among employees by encouraging them to work together. For example, when employees are team players, they are more likely to accomplish their tasks better, resulting in increased job effectiveness and productivity (Tavoletti et al., 2019). According to Lin et al. (2010), common goals cannot be

accomplished if there is a lack of trust among the group's participants. When team members can put their trust in one another, they have a healthy working relationship (Brunetto et al., 2013). This improves the flow of information, support, and resources inside the team as well as within the organisation.

Employees can increase their knowledge by exchanging information with co-workers (Lin et al., 2010). When team members can put their trust in one another, they have a healthy working relationship (Brunetto et al., 2013; Lin et al., 2010). This will improve the flow of information, support, and resources inside the team as well as within the organisation (Brunetto et al., 2013). The support received within the team has the potential to overcome any challenges that may arise throughout the course of the job. Thus, based on the above arguments, the following hypothesis is proposed:

H3: Team support positively influences auditor performance.

Methodology

The study has been designed to gather information on the effect of digital audit practice, management support and team support on audit performance by the auditor in Malaysia. The questionnaires were distributed to the auditor to gather quantitative data. Quantitative data analysis was made using structural equation modelling-partial least squares (SEM-PLS) using the bootstrapping method.

Measurement

The audit performance as a dependent variable has been adopted and modified by Kabuye et al. (2017) to meet the needs of this research (Kim et al., 2016). The audit performance was measured based on job relevance, output quality, and result demonstration. All variables are measured with the seven-point Likert scale ranging from “strongly disagree” to “strongly agree”.

Audit technology has been designed and developed to maintain data integrity, safeguard assets, allows organisations to achieve goal successfully, fully utilise resources in the process of collecting and evaluating the audit evidence. Computerised assisted auditing is a computer tool that extracts and analyses data from computer applications to ensure data integrity, completeness, and validity of information collected (Ghani et al., 2017). Increased auditor and audit function productivity are permitted in a technology environment (Veerankutty et al., 2018). The measurement items for audit technology are adopted and adapted from Ahmi & Kent (2012) to meet the needs of this research. There are two (2) elements covered in audit technology: the requirement of audit profession factor and technological factor of the implementation. A seven-point Likert scale ranging from 1 (very low) to 7 (very high) was used for the respondents to indicate the degree to which they agreed or disagreed with each statement, assuming all other things remain equal.

Management support in audit technology refers to the involvement and commitment of senior management in promoting the use of technology in the auditing process. This includes providing resources, establishing policies, and creating a culture that encourages adopting and implementing audit technology (Widuri et al., 2016; Ferguson & Cheek, 2011; Ghani et al., 2017). With strong management support, auditors are able to utilise technology to its full potential, improving the quality and efficiency of their work (Lee & Chui, 2019). Additionally,

management support can help ensure that auditing technology is used in a way that complies with regulations, enhances risk management, and supports the organisation's overall goals (Lee & Chui, 2019).

Meanwhile, team support in audit technology refers to the cooperation and collaboration among audit team members in using technology as a tool to enhance their work. This involves training and education on the use of technology, as well as promoting a culture of innovation and continuous improvement within the team. Team support is important because it helps ensure that audit technology is used effectively and efficiently and that all team members are able to leverage its benefits (Lin et al., 2010; Wu et al., 2017). This can lead to improved accuracy and speed in data analysis, increased productivity, and better quality results overall. Additionally, team support helps to foster a culture of innovation, where new ideas and approaches are encouraged and embraced, leading to ongoing advancements in the use of audit technology (Brunetto et al., 2013; Lin et al., 2010)

All measurement items for management support and team support are taken from Widuri et al. (2016) and Wu et al. (2017). In order to express their level of agreement or disagreement with each statement, the respondents were asked to utilise a seven-point Likert scale ranging from 1 (very low) to 7 (extremely high), with 1 being the most agreeable and 7 being the most disagreeable.

The demographic characteristics that are more pertinent to adoption decisions are measured. Several authors mentioned that the demographic characteristics of senior executives are useful predictors of their acceptance of IT and education level influences the adoption of audit technology (Veerankutty et al., 2018).

Participants

The sample for this study is auditors from Malaysia's small, medium, and big accounting firms. The external auditors are chosen based on their expertise, abilities, and ability to carry out their assigned responsibilities to present the users with a high-quality audit report. The questionnaire was distributed electronically. The participants possess the necessary experience, capabilities, and expertise in the audit technology environment. To achieve a good response rate for this study, 500 questionnaires were randomly distributed to the audit firms in Malaysia. Of the 500 questionnaires, 150 responses were received, equivalent to a 30% response rate. For a behavioral and social science studies, a response rate between 20% to 30% is considered adequate to proceed with the analysis (Bartlett, Kotrlik & Higgins, 2001; Faul, Erdfelder, Lang & Buchner, 2007). All questionnaires received have been checked to verify that the obtained data can be analysed.

The sample was chosen from population firms registered as Malaysia Institute of Accountant (MIA) members. Based on the information provided by the MIA, as of 2021, 3,260 registered member firms provide audit services. The auditor certified by MIA can indicate professionalism and capacity with a high level of skills or expertise in the accounting and audit field. This study used a probability sampling design by employing a simple random sampling approach. A simple random sample is a technique where a researcher can choose a sample from a larger population. Among the key advantages, this technique is simple and lacks bias.

Table 1 shows the demographic information of the respondents. Of 150 respondents, around 37% of respondents were working at small-size audit firms (37%) and big 4 audit firms (35%) levels. Almost about 57% of respondents were female and the remainder were males (43%). Most of the respondents were junior auditors (45%) who are the field auditors who performed the technology-enabled auditing directly, followed by the senior auditor (34%) who were involved in supervising and monitoring the work of junior auditors. Almost 77% of the respondents had auditing experiences of three (3) years and about 71% of the respondents had experience using audit technology over three (3) years and more.

Table 1: Demographic Profile of Respondents

Sample	N=150		
	Details	Frequency	Percentage (%)
Gender:	Male	65	43.3
	Female	85	56.7
Age:	18-24	4	2.7
	25-34	86	57.3
	35-44	44	29.3
	45-54	11	7.3
	55 and above	5	3.3
Qualification:	PhD	1	7.0
	Master's Degree	8	5.3
	Bachelor Degree	75	50.0
	Professional Certificate	59	39.3
	Diploma	7	4.7
Audit firm size:	Big 4 audit firm	53	35.3
	International other than Big 4	8	5.3
	Medium size national audit firm	33	22.0
	Small-size national audit firm	56	37.3
Position:	Junior Auditor	67	44.7
	Senior Auditor	51	34.0
	Audit Supervisor	11	7.3
	Audit Manager	14	9.3
	Audit Partner	2	1.3
	Senior Audit Partner	4	2.7
	Other	1	0.7
Experience in auditing (years):	Less than 3 years	34	22.7
	3-6	40	26.7
	7-10	20	13.3
	More than 10 years	56	37.3
Experience in computerized auditing (years):	Less than 3 years	44	29.3
	3-6	39	26.0
	7-10	22	14.7
	More than 10 years	45	30.0

Data Analysis

The structural equation modelling technique was chosen to test the research model, and partial least squares (PLS) using SmartPLS (Ringle, et al., 2020) was used as the statistical tool to examine the measurement and structural model because it makes no assumptions about data distribution and survey research is not normally distributed (Abdi et al., 2013). The research model was evaluated first based on its measurement model (validity and reliability of the

measurements), and then based on its structural model (testing the hypothesized correlations) (Hair et al., 2012).

Results

Assessment of Measurement Model

In this study, three types of assessments were performed in assessing the measurement model: construct validity, convergent validity, and discriminant validity. As recommended by Hair et al., (2019) the assessment was done by examining loadings, average extracted (AVE) and composite reliability (Rönkkö & Evermann, 2013). Construct validity signifies how well the results obtained from the use of measures fit the theories around which the test is designed (Zhang et al., 2021). A satisfactory measurement model tends to have internal consistency reliability above the threshold value of 0.708 (Hair et al., 2011). However, Hair et al. (2016) contended that with any outer loading values between 0.4 and 0.7 although considered weak, the researchers should carefully examine the effects of item removal on the composite reliability (CR) as well as content validity of the constructs and should only consider for removal from the scale those that when deleting the indicator led to an increase in CR.

There is an issue with CR values of 0.95 and higher since they signal that the items are redundant and that there is a chance of undesired response patterns such as straight line, which leads to inflated correlations between the indicators' error terms and reduces construct validity (Hair et al., 2019; Henseler et al., 2014). If construct reliability is much greater than the specified minimal level, researchers can utilise bootstrap confidence intervals (Hair et al., 2019; Rönkkö & Cho, 2020). Most of the loading of items was more than 0.7 (significant at $p < 0.01$) and met the fit criteria.

Furthermore, the AVE value of 0.5 or higher indicates the construct achieves adequate convergent validity (Bagozzi et al., 1991; Fornell & Larcker, 1981) and the construct is able to explain more than half of the variance of its indicators. The loadings for all the items were more than 0.5 and the composite reliabilities were greater than 0.7 (Hair et al., 2011). The AVE measures the variance captured by the indicators relative to measurement error and the AVE for this study was in the range from 0.720 to 0.855. Table 2 summarises the results and shows that all four (4) constructs are valid measures for the respective constructs.

Table 2: Results of the Measurement Model

Construct	Measurement Items	Loading Range	AVE	CR
Digital Audit	My task requires advanced audit technology due to the requirement of auditing standards.	0.767-0.916	0.752	0.948
	My task requires advanced audit technology to perform professional audit judgement.			
	My task requires the current audit methodology to follow.			
	My task requires advanced audit technology to assess the audit risk level (i.e. to investigate fraud cases).			
	My task requires advanced audit technology due to the application's usefulness for auditing.			
	My task requires audit technology due to the compatibility of software.			
	My task requires audit technology due to the requirement updated firm's Information, Communication and Technology (ICT) infrastructure.			
	My task can be done faster due to the ease of use of the audit technology.			
	My task can be done faster using audit technology due to adequate and sufficient documentation to follow.			
	My task requires advanced audit technology because easy to modify and upgrade the software.			
Management Support	My task requires full support and effort from the top management.	0.802-0.906	0.720	0.928
	My task requires strong IT support from IT staff.			
	My task requires the availability of IT audit expertise in the organization.			
	My task requires effective and adequate training.			
	My task requires audit technology due to workloads on multiple audit engagements.			
	My task can be done faster as I received enough resources to use audit technology.			

Construct	Measurement Items	Loading Range	AVE	CR
Team Support	My team is contributing expertise in different areas.	0.642-0.877	0.668	0.923
	My team members will share their experiences with others.			
	My team can work together in a well-coordinated manner.			
	My team members can be trusted.			
	My team can combine the best position to achieve the goal.			
	My team can accomplish the task smoothly and effectively.			
Audit Performance	I am able to perform the task given on time.	0.897-0.976	0.855	0.938
	I am able to evaluate reliable information gathered during my work.			
	I am able to form an audit opinion based on the information gathered during my work.			
	I am able to identify initiatives for the improvement of work processes.			
	I am able to identify and mitigate risk through the effective audit process.			

The discriminant validity of the constructs of this study was assessed using the heterotrait-monotrait (HTMT) technique. An assessment using HTMT techniques as suggested by Henseler et al. (2015) was conducted as per Table 3, which specifies that all the values were less than the HTMT.85 value of 0.85 (Goodboy & Kline, 2017) or HTMT.90 value of 0.90 (Gold et al., 2001), thus specifying that discriminant validity has been met (Gold et al., 2001; Henseler et al., 2015).

Table 3: HTMT Criterion (Discriminant Validity)

	Audit Performance	Digital Audit	Management Support	Team Support
Audit Performance				
Digital Audit	0.705			
Management Support	0.740	0.887		
Team Support	0.381	0.562	0.643	

Assessment of Structural Model

The assessment of the structural model for this study was analysed using five-step procedures proposed by Hair et al. (2019), which includes assessment of collinearity issues, path co-efficient; coefficient of determination (R^2); effect size f^2; and predictive relevance (Q^2). Even if the discriminant validity requirements are met, issues on lateral collinearity may mislead the results due to the strong causal effect (Kock and Lynn 2012). The variance inflation factor (VIF)

measures the collinearity among the indicators. The result as per Table 3 on the VIF values of each construct indicates that the score of VIF is below the recommended threshold value of 5 (Sarstedt et al., 2014) and there were no collinearity issues in this model.

Table 4: Lateral Collinearity Assessment (VIF)

Construct	Audit Performance (VIF)
Digital Audit	4.252
Management Support	4.649
Team Support	1.725

The relationship between variables was investigated by running the SmartPLS 3 Software algorithm and was further analysed using SmartPLS 3 Software bootstrapping of 1000 was applied to test the level of significance and t-statistics for all paths. Table 4 summarises the results on R^2, f^2, Q^2 and the respective t-values and the results of the path analysis. The results indicate that the effective audit performance component, which consists of the digital audit practice ($\beta = 0.475$, $p < 0.05$), management support ($\beta = 0.385$, $p < 0.05$) and team support ($\beta =$ -0158, $p < 0.05$). Thus, the H1, H2 and H3 supported this study's hypothesis. The R^2 value was above the 0.35 value recommended by Cohen (1988), indicating this is a substantial model.

Table 5: Hypothesis Testing

	Relationship	Std Beta	Std Error	T-Value	P Values	Decision	f^2
H1	Digital Audit → Audit Performance	0.475	0.135	3.532	0.000	Supported	0.117
H2	Management Support → Audit Performance	0.385	0.138	2.790	0.003	Supported	0.070
H3	Team Support → Audit Performance	-0.158	0.080	1.974	0.024	Supported	0.030
R^2		0.539					
Q^2		0.480					

*Note: *p<0.005 = significant*

The results of f^2 effect size in Table 5 showed that digital audit, management support and team support have small effect sizes. Hair et al. (2010) have highlighted that the effect size is problematic to establish based on the rule of thumb because the effect size depends on the model complexity and research context as well as the research field. A value of Q^2 more significant than zero for a specific reflective endogenous construct shows the path model's predictive relevance for a particular dependent construct. By applying the blindfolding procedure, the result shows that the research model has medium predictive relevance ($Q^2 =$ 48%).

Discussions and Conclusion

Numerous findings about digital audit adoption variables were discovered in this study. As customers expand in size and technology advances at a rapid pace, the necessity to use innovations such as digital audits to better fulfil their requirements and impact the auditor's audit performance becomes apparent (Thottoli & K.V, 2020; Veerankutty et al.,

2018). Another fascinating conclusion is that audit technology adoption is mostly a result of management assistance to ease the adoption choice and enhance audit job performance by the auditor (Kim et al., 2016; Raudeliuniene et al., 2020; Tarek et al., 2017). Then, assuming favourable organisational and technical conditions exist, such as robust policy and support and adequate IT skills for auditors, the choice to buy and use audit technology will follow.

Specifically, it is discovered that management and team support variables are significantly important in digital audit adoption; yet these aspects have received less attention in earlier studies. Auditors rely more on encouragement and get unwavering support from businesses when it comes to implementing audit innovation, particularly in developing nations such as Malaysia (Ahmi & Kent, 2013; Kim et al., 2016; Widuri et al., 2016). Our findings indicate that management and team support are identified as influential in implementing digital audits. As a universal phenomenon, the effort to change will almost certainly be more manageable if progress is made gradually and cautiously in digital audit adoption with full support from the management and team members that are able to enhance the auditor performance (Ghani et al., 2017; Sabir et al., 2022; Singh, 2020). If we continue on our current path, we may eventually see increased successive support for expanding automated audit procedures and programmes, which might considerably boost our prospects of finally attaining the future audit goals (Widuri et al., 2016).

From the practical perspective, the proposed research model may offer a comprehensive understanding for professional bodies or industry regulators who desire to increase the credibility of auditing services by the auditor perspective. This study recommends that the performance of auditors can be enhanced through their personal, professional skills in the adoption of the digital audit supported by the management. Furthermore, the findings of this study are consistent with international auditing standards (ISA) issued by International Auditing and Assurance Standard Board (IAASB). The findings may therefore be useful to policymakers in developing and implementing essential policies and initiatives anchored on the ISA principles.

This study contributes significant pieces to the adoption of digital audit in Malaysia. This has revealed other important criteria for digital audit adoption and the data indicate that management support and team support variables are significant antecedents of digital audit adoption. However, earlier research has not stressed the importance of management support and team support factors, which have been found to be extremely influential in digital audit adoption. It is more common for auditors to rely on encouragement and complete cooperation from organisations and teams members when it comes to implementing audit innovation, particularly in developing nations such as Malaysia which will affect their audit performance (Ghani et al., 2017; Raudeliuniene et al., 2020; Sabir et al., 2022; Singh, 2020).

This study also indirectly significantly impacts the adoption of digital audit for public sector auditors. Utilisation of digital tools and processes can similarly assist public sector auditors in the same way as the external auditors. In particular, public sector auditors should consider integrating digital audit approaches like data analytics and automated testing, which can assist them in detecting potential risks and anomalies more quickly and accurately. This is crucial considering the fraud risk in the operations of the public sector. Additionally, the audit quality in the public sector can also be improved should the audit is conducted digitally, as a digital audit can enhance the effectiveness and efficiency of the audit conduct. Hence, public sector

auditors should take the initiative to keep abreast with the latest development in digital auditing as well as build their competencies in this area. The public sector auditors could also extend collaboration with the external auditors to share knowledge and skills and provide feedback and support to one another.

Finally, there are certain ramifications for academics and researchers. Arguably, significant research is still required on the topic of auditors' performance in emerging markets in order to ensure that conclusions are generalizable. As a result, the framework of this study could be expanded, explored, and investigated from a variety of perspectives. Although this study is limited to auditors working in audit firms in Malaysia exclusively, the findings should be evaluated cautiously, as they may be misleading. When performing this study from the perspectives of an auditor working in the public sector and an internal auditor, there is the possibility of findings differing from one another.

Due to these constraints, future research should concentrate on a multi-country study with a larger sample size in diverse work contexts to provide a comparative analysis of digital audit practice, management support, and team support in different work environments. Future research might concentrate on commercially accessible digital audit tools and examine their impact on the practice of digital auditing. Moreover, it would be interesting to examine how the implementation of the digital audit has changed, grown and how this compares to other country's digital audit practices.

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