

A Review and Evolution of Digital Audit on Auditor Performance

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Abstract

Purpose: The study aims to understand the role of the external auditor in the adoption of digital audit in Malaysia.

Design/Methodology/Approach: A literature review was conducted to provide comprehensive knowledge to determine the factors impacting the effectiveness of digital audit. The Technology to Performance Chain (TPC) model outlines how technical developments affect individual performance levels in the implementation of digital audit. Adopting technological tools for digital audit could enhance the efficiency and effectiveness of an auditor's job performance in auditing.

Findings: A conceptual framework comprising factors impacting the adoption of digital audit effectiveness in Malaysia was proposed based on previous studies and the transition from manual to automated audit tasks in digital audit.

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Practical Implications: Regulators need to provide a detailed framework for auditors on the importance of adopting digital audit during audit tasks. Secondly, the regulators need to emphasise the requirement of audit standards to achieve the objectives. Finally, the lack of empirical research on the role and effectiveness of digital audit highlights the need to develop an appropriate methodology to enhance the adoption of digital audit.

Originality/Value: The regulators ensure compliance with audit standards on the adoption of digital audit to enhance auditors' performance. The issues that require further investigation were identified to determine the factors that affect digital audit practices. The study also examined the elements influencing the effectiveness of digital audit presented in one framework.

Keywords: Auditor, digital audit, technology performance chain model, audit tasks.