

# An Impact of Digitalization on Auditing Profession (with references to Indian Chartered Accountants)

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## Abstract

Digitalization has changed the society and is taking it to a global scale. Its effect can be seen on every profession. This effect can be seen on accounting and auditing methods. It has brought various challenges for accountants and auditors. The aim of this exploratory study is to know the level of understanding and to analyze the effect of digitalization on auditing profession. It also analyzed the effect of digitalization on working method, tools and evidences of auditing. With the help of close ended questionnaire chartered accountants (practicing and pursuing) perception was analyzed about the impact of digitalization on auditing. T test was applied to test the impact of digitalization on audit process and audit evidence. Impact of digital trends like cloud computing, internet of things and artificial intelligence was also analyzed. Chi-Square was applied to study the respondents' perception about the impact of digitalization on audit work. The authors have concluded that digitalization has significantly influenced the working methods and process of auditing.

**Keywords:** Digitalization, auditing, cloud computing, artificial intelligence, internet of things, t-test, chi-square

## Introduction

Digitalization has changed society and taking it to a global scale. Its effect can be seen on every profession. Digitalization has brought various challenges for accountants and auditors. Now accountants and auditors clients are also implementing digital tools and techniques in their business operations. It has also helped them to increase their productivity helped them to find new markets. All this has affected the working methods of auditors a lot. The auditors are expected to have good understanding of new technologies and how to audit these technologies. Recently ICAI has constituted "Digital Accounting and Assurance Board" (DAAB) for fostering global strategy on aspects of accounting and auditing. It is focusing on issues which are arising due to high pace of digitalization. There are three main digital trends that have a major impact on audit. They are cloud computing, artificial intelligence and internet of things. A brief of these is discussed below:

Cloud computing and auditing: In general audit is when a third party obtains the evidences of any organization through inquiry, inspection and observation. In recent years technology has changed the process and methods of audit. In cloud environment audit is a combination of

information system audit and audit of Information Technology. Now internal and external auditors need to understand IT and expected to learn cloud computing and risks associated with it.

**Internet of things (IOT) and auditing:** The rise of internet has brought lots of changes in working of organizations. It has brought both new opportunities as well as risk for organizations. Internet of things is defined by Forbes “as connecting any device with an on and off switch to the Internet.” Auditors can advise management on the importance and benefits that IOT can bring for an organization. IOT can help the auditors in gathering evidences and access information.

**Artificial Intelligence (AI) and auditing:** Auditing is a manual process. It is gigantic and also mandatory for various organizations. AI can be helpful to improve that process. For this audit teams will require a greater diversity and ability to work with innovative technology. Thus AI can help auditors to work better, smarter and faster.

### Review of Literature

The purpose of this review was to understand the impact of digitalization on auditing profession. The summary of the previous studies will be helpful to understand the impact of digitalization on working methods of auditors and how latest technology has affected the auditors clients.

·Riadh,M., Najoua,E., Patricia,B., Lubica,H., (2020) had studied the influence of digitalization on auditing and how it can improve the role of audit as a governance mechanism. A qualitative approach was conducted by interviewing auditors from the five largest auditing firms in France. This paper demonstrated how digital technology is impacting at five key levels in audit firms especially the audit role as a governance mechanism. It showed that the firm governance will be improved but the managers 'discretionary power will be limited. Thus, they highlighted the importance of implementing digital strategies to provide regulators with the necessary modifications that need to occur for audit standards.

·Adiloglu, B., Gungor, N., (2019) the objective of their study was to increase the understanding of the effects digitalization on the tools and working methods of the audit profession. They had examined 235 audit firms authorized by POA (Public Oversight, Accounting and Auditing Standards Authority) and investigated transparency reports of 64 companies authorized for Public Interest Entity (PIE). Post technological developments, the status of the services provided by the audit companies, were analyzed. It was revealed that almost all audit companies provide services for independent audit and tax audit. In spite of all

the technological developments, only 24 companies provide education to their employees for IT / IT audits and only Big Four provide education for digital technologies to their employees. As a result, with the effect of digitalization, Information technologies have gained importance.

·Gulin, Danimir, Hladika, Mirjana; Valenta, Ivana (2019) analyzed the key challenges that digitalization brings for the accounting profession. They found that the accounting profession is faced with numerous challenges in the era of digitalization such as the use of big data in accounting and reporting, cloud computing and continuous accounting, artificial intelligence and blockchain technology. They concluded that changes in technology and digitalization will have a significant impact on the accounting profession in the coming period. Also, users of accounting information in digital era are changing and those changes will influence the way accountants carry out their job and that will eventually lead to new types of the accounting professionals.

·Smith (2018) explained the current market forces, linked to both technologies, including an analysis of both block chain and artificial intelligence and the increased influence of stakeholders on the reporting process. He analyzed of items to consider and review as the shift toward more continuous accounting and reporting begins is postulated. Second and arguably more important for the combined practitioner and academic audience this research is intended for, implications and applications of more continuous accounting are put forth to assist as individuals and organizations embrace this transformative process

·Kamil&Nashat (2017) examined the Impact of Information Technology on the Auditing Profession and found that IT contributes to the development of the auditing profession and to reducing problems. It works to reduce the expectations gap in the audit by using methods, mechanisms and techniques. It reduced the audit risk & audit fees by contributing to reducing the size of the audit team.

·Tarek, Ehab, Hussain, Basuony & Mohamed (2017) explored the impact of implementation of information technology (IT) on the auditing profession in Egypt and revealed that the auditors' perception regarding client's. This study used both quantitative and qualitative data. A survey of 112 auditors, representing three of the Big 4 audit firms. They found that auditors' perception regarding client's IT complexity has significantly affected the use of IT specialists and the IT expertise of the auditors. The results also indicated that the auditors' perception regarding the importance of the new audit applications was

not affected by the client's type of industry. The auditors found that the uses of audit applications as well as their IT expertise were not significantly affected by the audit firm size.

·Moorthy ,Seetharaman , Mohamed , Gopalan& San (2013) evaluated the role of information technology and how it affects internal audit process in the organization. They also stresses on the global trend of adopting IT system in producing a more controlled environment in delivering the auditing process. It also constitutes on how IT affects internal control and provides guidelines and best practices in evaluating techniques available to effectively perform auditing tasks internally. They also assessed how technology, Information system and electronic data processing have changed the way organizations conduct its business, promoting operational efficiency and aid decision-making.

·Ali, Baniahmad &Fawaerah (2013) discussed the role of information technology in the audit notes, that the role of information technology in the process of improving the efficiency of audit has a negativeeffect on the quality of the review process. But the benefits which derived from the use of methodologies recent review in the field of actual efficiency mainly linked to the disposal of the methods and procedures ancient methodologies own ancient than with methods and procedures for the same modern methodologies.

·Samelson, D (2006) examined relationships between audit attributes and perceptions of both audit quality and auditor satisfaction in the private sector. This study extends such research to local government audits, where audit quality has been questioned. Additionally, this study investigates the effect of auditor size on perceived audit quality and satisfaction. 302 finance directors surveyed positively associated auditor expertise, responsiveness to client, professionalism, understanding of client systems, and study of internal controls with perceived audit quality. He found that Big 5 firms were not associated with higher levels of perceived audit quality or auditor satisfaction, despite charging significantly higher audit fees.

·Braun& Davis, (2003) presented a brief summary of the most prominent computer assisted audit tools and techniques (CAATs), which auditors can use to increase audit efficiency and effectiveness. They found that governmental auditors which inquired about their perceptions of a specific type of CAATs (generalized audit software peroxide by the use of Audit Control Language are presented. Results showed that auditors seemed to perceive the potential benefits associated with ACL; however, they displayed a lower confidence in their

technical abilities in using the application. Also, the auditors surveyed expressed a desire to increase their skills through increased ACL training.

·Rezaee (1998) assessed the issues that auditors face with the increasing use of EDP Techniques in the accounting systems such as accumulating sufficient evidence to construct an informed decision, understanding where to look for that evidence, what control procedures to consider and how to evaluate those procedures which offers auditors guidance to accumulate sufficient evidence to audit their computerized clients.

### Research Gap

After the study of above literature it was found that very less work has been done on analysis and features of digitalization which will impact auditing in coming years especially in Indian context. Thus an attempt has been made to study the factors which will impact auditing profession in coming years.

### Objectives

To study the impact of digitalization following objectives are framed:

- 1.To identify the prominent technology affecting the auditing process in coming years.
- 2.To study the Impact of technology integration on Audit process.
- 3.To study the impact of digitization on audit evidence.
- 4.To study the impact cloud computing auditing work.
- 5.To study the impact of artificial intelligence on audit.
- 6.To study the impact of internet of things on auditing.
- 7.To study the respondents perception on impact of digitalization on auditing.

### Hypotheses & Test

Present research proposed to test following hypothesis-

- Ho1. There is no impact of use of technology on audit.
- H02. There is no Impact of Integration of Technology on Audit Process
- H03 .There is no Impact of Digitization on Audit Evidence.
- H04 .There is no Impact of cloud computing on auditing work.
- H05. There is no Impact of Artificial Intelligence on Auditing
- H06. There is no Impact of Internet of Things on Auditing

H07. Respondent's perception about the impact of digitization on auditing is indifferent with respect to their demographics.

#### **Data and Methodology:**

This study is descriptive in nature. Present research is based on primary data which was collected through closed ended structured questionnaire. The respondents of the present study were pursuing and completed chartered accountants of India. Non-probability judgmental sampling technique has been used for data collection. The hypotheses were tested with help of various statistical techniques, viz., Statistical descriptive analysis, Chi Square, t-test.

#### **Research Methodology:**

This study is descriptive in nature. Present research is based on primary data which was collected through closed ended structured questionnaire.

Population: The target population for the study was a pursuing and completed chartered accountants of India.

Sampling method: The data collection was conducted by judgmental sampling method.

Survey Instrument and Data collection: In order to achieve the objective of present research work a survey was conducted with the help of a designed structured questionnaire through Google forms for collecting responses from the various stakeholders. The e-form so designed was circulated through mail, WhatsApp and was shared over various social media platform viz. Face book, LinkedIn, Instagram, WhatsApp Status Stories, whereby

making reach-out to an audience.

Questionnaire: Questionnaire contained two sections. First section dealt with demographic information of respondents. Through this section information on their gender, age-group, city, profession, experience and working manner were collected. Second section contained various features of digitalization which will impact auditing profession. In all 102 responses could be collected, but responses were almost all parts of the country.

Statistical Techniques : Mean, Standard Deviation Chi Square, t-test.

#### **Analysis & Interpretations**

##### **1.Demographic Profile of Respondents:**

Descriptive statistics are illustrated in Table 1, which indicates demographic wise distribution of respondents. 62.75% respondents are male & rest (N=38, Percentage=32.75) were female. Majority number of respondents belongs to the age group of 25 to 50 years (N=62, Percentage=60.75) followed by above 50 years (N=22, Percentage=21.57). It was observed that majority of respondents (N=68, Percentage=66.67) have completed their CA course and maximum of them (N=38, Percentage=37.25) are having work experience of 5 to 10 years. There were 50.98% CAs (N=52) working in partnership firm, 41.18% respondents (N=42) were working in companies rest of the CAs (N=8, Percentage=7.84) were sole practitioners.

**Table 1: Demographic profile of respondents**

Gender	N	Percentage	Qualification	N	Percentage
Male	64	62.75	CA (Pursuing)	34	33.33
Female	38	37.25	CA (Completed)	68	66.67
Total	102	100	Total	102	100
Age (In Years)	N	Percentage	Work Experience	N	Percentage
Below 25	18	17.65	Below 5 Years	32	31.37

<b>25 to 50</b>	62	60.78	<b>5 to 10 Years</b>	38	37.25
<b>50 &amp; above</b>	22	21.57	<b>Above 10 Years</b>	32	31.37
<b>Total</b>	<b>102</b>	<b>100.00</b>	<b>Total</b>	<b>102</b>	<b>100.00</b>
<b>Method of Practicing</b>			<b>N</b>	<b>Percentage</b>	
<b>Sole practitioner</b>			8	7.84	
<b>Partnership firm</b>			52	50.98	
<b>Working in a firm / company</b>			42	41.18	
<b>Total</b>			<b>102</b>	<b>100.00</b>	

#### Technology Trends of Future:

Respondents were asked to rank the technology trends which will impact the audit profession in coming years from 1 to 3. The final ranking is obtained with the help of weighted arithmetic mean and results received are

presented in table 2. It can be seen that according to respondents in future cloud (Weighted mean=2.71) will have highest impact on audit followed by Artificial intelligence (Weighted mean=1.86) and Internet of Things (Weighted mean=1.73)

**Table 2: Technology trends of Future**

Weight	3	2	1	Total	Weighted Total	Weighted Average	Rank
Rank	1	2	3				
Technology							
Artificial Intelligence	28	32	42	102	190	1.86	2
Cloud	76	22	4	102	276	2.71	1
Internet of Things	14	46	42	102	176	1.73	3

**Impact of Use of Technology on Audit:**

Respondents were asked that how use of technology will impact the audit and results received are presented in table 3. According to respondents use of technology will have high impact on Nature & Extent of audit procedures

(Mean=2.84) and Sufficiency of audit evidence (Mean=2.45). Similarly the use of technology will put moderate impact on Internal control (Mean=2.27), Risk assessment (Mean=2.18) and Fraud detection (Mean=2.14)

**Table 3: Impact of Use of Technology on Audit**

Type of Impact	Mean	S.D.	Level of Impact
Nature & Extent of audit procedures	2.84	0.365	High
Sufficiency of audit evidence	2.45	0.5	High
Risk assessment	2.18	0.552	Moderate
Internal control	2.27	0.632	Moderate
Fraud detection	2.14	0.661	Moderate

Table 4 is describing the overall impact of Use of Technology on Audit. According to majority of respondents (N=60, Percentage=58.82) use of technology

has high impact on audit while 41.18% respondents (N=42) opined that use of technology has moderate impact on audit.

**Table 4: Overall Impact of Use of Technology on Audit**

Overall Impact	N	Percentage
Low	0	0.00
Moderate	42	41.18
High	60	58.82
Total	102	100.00

To check the significance of impact of use of technology on audit following hypothesis has been taken:-

H01: There is no significant impact of use of technology on audit

H11: There is a significant impact of use of technology on audit

To test this hypothesis one sample t-test is applied against the theoretical mean=9, and results received are presented in table 5

**Table 5: t- test Results to measure significant impact of use of technology on audit**

Variable	Test Value = 9			Result
	t-value	degree of freedom	p-value	
Impact of Use of Technology on Audit	20.16	101	0.000	Significant

Level of Significance = 5%

At 5% level of the t-statistic is significant which leads to the rejection of null hypothesis. The observed mean is above to the theoretical mean which signify the impact of use of technology on audit so it can be concluded that there is a significant impact of use of technology on audit.

#### **Impact of Integration of Technology on Audit Process**

Respondents disclosed their opinion about impact of integration of technology on audit process as presented in table 6. According to respondents the integration of technology will increase software cost & training cost. It will improve technology capabilities of audit staff as well it will make audit process more efficient. CAs also said that it may moderately affect the risk analysis.

**Table 6: Impact of Integration of Technology on Audit Process**

Type of Impact	Mean	S.D.	Level of Impact
Increase in Software Cost	2.71	0.458	High
Improve technology capabilities of audit staff	2.37	0.525	High
Increase in Training cost	2.57	0.498	High
Make audit process more efficient	2.47	0.502	High
Better risk analysis	2.25	0.592	Moderate

Table 7 is describing the overall impact of Integration of Technology on Audit Process. According to majority of respondents (N=86, Percentage=84.31) Integration of

Technology has high impact on Audit Process while 15.69% respondents (N=16) opined that Integration of Technology has moderate impact on Audit Process.

**Table 7: Overall Impact of Integration of Technology on Audit Process**

Overall Impact	N	Percentage
Low	0	0.00
Moderate	16	15.69
High	86	84.31
Total	102	100.00

To check the significance of impact of integration of technology on audit process following hypothesis has been taken:-

H02: There is no significant Impact of Integration of Technology on Audit Process

H12: There is a significant Impact of Integration of

Technology on Audit Process

To test this hypothesis one sample t-test is applied against the theoretical mean=9, and results received are presented in table 8

**Table 8: t- test Results to measure significant Impact of Integration of Technology on Audit Process**

Variable	Test Value = 9			Result
	t-value	degree of freedom	p-value	
Impact of Integration of Integration of Technology on Audit Process	32.963	101	0.000	Significant

Level of Significance = 5%

At 5% level of the t-statistic is significant which leads to the rejection of null hypothesis. The observed mean is above to the theoretical mean which signify the Impact of Integration of Technology on Audit Process it can be concluded that there is a significant Impact of Integration of Technology on Audit Process.

#### **Impact of Digitization on Audit Evidence**

Respondents were asked to indicate their opinion about Impact of Digitization on Audit Evidence as presented in table 9. According to respondents the digitization will have high impact on inventory tracking and cash verification as well as it will have moderate impact on fixed asset verification and liabilities verification.



**Table 9: Impact of Digitization on Audit Evidence**

Type of Impact	Mean	S.D.	Level of Impact
Fixed assets verification	2.31	0.58	Moderate
Inventory Tracking	2.9	0.299	High
Cash verification	2.88	0.324	High
Liabilities verification	2.31	0.58	Moderate

Table 10 is describing the overall Impact of Digitization on Audit Evidence. According to majority of respondents (N=86, Percentage=84.31) digitization has high impact on

Audit evidence while 13.73% respondents (N=14) opined that digitization has moderate impact on Audit evidence.

**Table 10: Overall Impact of Digitization on Audit Evidence**

Overall Impact	N	Percentage
Low	2	1.96
Moderate	14	13.73
High	86	84.31
Total	102	100.00

To check the significance of Impact of Digitization on Audit Evidence following hypothesis has been taken:-

H03: There is no significant Impact of Digitization on Audit Evidence

H13: There is a significant Impact of Digitization on Audit

Evidence

To test this hypothesis one sample t-test is applied against the theoretical mean=7.5, and results received are presented in table 11

**Table 11: t- test Results to measure significant Impact of Digitization on Audit Evidence**

Variable	Test Value = 7.5			Result
	t-value	degree of freedom	p-value	
Impact of Digitization on Audit Evidence	21.985	101	0.000	Significant

Level of Significance = 5%

At 5% level of the t-statistic is significant which leads to the rejection of null hypothesis. The observed mean is above to the theoretical mean which signify the Impact of Digitization on Audit Evidence it can be concluded that there is a significant Impact of Digitization on Audit Evidence.

#### **Impact of cloud computing on auditing work**

Respondents were asked to indicate their opinion about

Impact of cloud computing on accounting & auditing work as presented in table 12. According to respondents cloud computing will be highly helpful in filling tax returns and instant book keeping. It will also encourage less paper work which is easier to manage. As a result of moderate impact of cloud computing it will help in improving relationship with clients and managing the staff.

**Table 12: Impact of cloud computing on auditing work**

Type of Impact	Mean	S.D.	Level of Impact
Helpful in filling tax returns	2.82	0.383	High
Helpful in instant book keeping	2.76	0.426	High
Easy to manage staff	2.24	0.677	Moderate
Improve relationship with clients	2.22	0.574	Moderate
Less paper work which is easier to manage	2.61	0.491	High

Table 13 is describing the overall Impact of cloud computing on auditing work. According to majority of respondents (N=82, Percentage=80.39) cloud computing

has high impact on accounting & audit work while 19.61% respondents (N=20) opined that cloud computing has moderate impact on audit work.

**Table 13: Overall Impact of cloud computing on auditing work**

Overall Impact	N	Percentage
Low	0	0.00
Moderate	20	19.61
High	82	80.39
Total	102	100.00

To check the significance of Impact of cloud computing on auditing work following hypothesis has been taken:-

H04: There is no significant Impact of cloud computing on auditing work

H14: There is a significant Impact of cloud computing on

auditing work

To test this hypothesis one sample t-test is applied against the theoretical mean=9, and results received are presented in table 14

**Table 14: t- test Results to measure significant Impact of cloud computing on auditing work**

Variable	Test Value = 9			Result
	t-value	degree of freedom	p-value	
Impact of cloud computing on auditing work	26.221	101	0.000	Significant

Level of Significance = 5%

At 5% level of the t-statistic is significant which leads to the rejection of null hypothesis. The observed mean is above to the theoretical mean which signify the Impact of cloud computing on auditing work so it can be concluded that there is a significant Impact of cloud computing on auditing work.

#### **Impact of Artificial Intelligence on Auditing**

Respondents disclosed their opinion about Impact of Artificial Intelligence on Auditing as presented in table 15.

According to respondents artificial intelligence will be highly helpful in reduction of errors and in making better predictions. It will also increase in effectiveness and efficiency of operations. As a result of moderate impact of artificial intelligence it will help in reducing labor and time as well as it may not be accepted by customers and shareholders.

**Table 15: Impact of Artificial Intelligence on Auditing**

Type of Impact	Mean	S.D.	Level of Impact
Helpful in reduction of errors	2.55	0.538	High
Helpful in making better predictions	2.59	0.569	High
Reduce labor and time	2.22	0.5	Moderate
Non acceptance by customers and stakeholders	2.27	0.632	Moderate
Increase in effectiveness and efficiency of operations	2.57	0.498	High

Table 16 is describing the overall Impact of Artificial Intelligence on Auditing. According to majority of respondents (N=76, Percentage=74.51) artificial

intelligence has high impact on auditing while 23.53% respondents (N=24) opined that artificial intelligence has moderate impact on auditing.

**Table 16: Overall Impact of Artificial Intelligence on Auditing**

Overall Impact	N	Percentage
Low	2	1.96
Moderate	24	23.53
High	76	74.51
Total	102	100.00

To check the significance of Impact of Artificial Intelligence on Auditing following hypothesis has been taken:-

H05: There is no significant Impact of Artificial Intelligence on Auditing

H15: There is a significant Impact of Artificial Intelligence on Auditing

To test this hypothesis one sample t-test is applied against the theoretical mean=9, and results received are presented in table 17

**Table 17: t- test Results to measure significant Impact of Artificial Intelligence on Auditing**

Variable	Test Value = 9			Result
	t-value	degree of freedom	p-value	
Impact of Artificial Intelligence on Auditing	23.654	101	0.000	Significant

Level of Significance = 5%

At 5% level of the t-statistic is significant which leads to the rejection of null hypothesis. The observed mean is above to the theoretical mean which signify the Impact of Artificial Intelligence on Auditing so it can be concluded that there is a significant Impact of Artificial Intelligence on Auditing.

#### **Impact of Internet of Things on Auditing**

Respondents discussed their opinion about Impact of

Internet of Things on Auditing as presented in table 18. According to respondents Internet of Things will be highly helpful in automation in analyzing data, but it will increase threat to security of data. As a result of moderate impact of Internet of Things it will be helpful risk management and in improving client service in financial matters but it may also cause unexpected increase in cost.

**Table 18: Impact of Internet of Things on Auditing**

Type of Impact	Mean	S.D.	Level of Impact
Threat to security of data	2.47	0.575	High
Unexpected increase in cost	2.31	0.545	Moderate
Improve client service in financial matters	2.22	0.574	Moderate
Helpful in automation in analyzing data	2.65	0.48	High
Helpful in risk management	2.29	0.573	Moderate

Table 19 is describing the overall Impact of Internet of Things on Auditing. According to majority of respondents (N=68, Percentage=66.67) Internet of Things has high impact on auditing while 33.33% respondents (N=34) opined that Internet of Things has moderate impact on auditing.

**Table 19: Overall Impact of Internet of Things on Auditing**

Overall Impact	N	Percentage
Low	0	0.00
Moderate	34	33.33
High	68	66.67
Total	102	100.00

To check the significance of Impact of Internet of Things on Auditing following hypothesis has been taken:-

H06: There is no significant Impact of Internet of Things on Auditing

H16: There is a significant Impact of Internet of Things on

Auditing

To test this hypothesis one sample t-test is applied against the theoretical mean=9, and results received are presented in table 20

**Table 20: t- test Results to measure significant Impact of Internet of Things on Auditing**

Variable	Test Value = 9			Result
	t-value	degree of freedom	p-value	
<b>Impact of Internet of Things on Auditing</b>	20.052	101	0.000	<b>Significant</b>

Level of Significance = 5%

At 5% level of the t-statistic is significant which leads to the rejection of null hypothesis. The observed mean is above to the theoretical mean which signify the Impact of Internet of Things on Auditing so it can be concluded that there is a significant Impact of Internet of Things on Auditing.

#### **Impact of Digitalization on Auditing with respect to their demographics**

H07 Respondents perception about the impact of digitization on auditing is indifferent with respect to their

demographics.

H17 Respondents perception about the impact of digitization on auditing is significantly different with respect to their demographics.

To measure the association in respondents' opinion about impact of digitization on auditing and their demographics chi-square test is applied and results are presented in table 21.

**Table 21: Chi-Square test results to measure association in respondents' opinion about impact of digitization on auditing and their demographics**

Demographic		Impact		Total	Calculated Value	p-Value	Result
		Moderate	High				
Gender	Male	32	32	64	5.522	0.019	Significant
	Female	10	28	38			
Total		42	60	102			
Age	Below 25	8	10	18	2.242	0.326	Not Significant
	25 to 50	28	34	62			
	50 & above	6	16	22			

<b>Total</b>		<b>42</b>	<b>60</b>	<b>102</b>			
<b>Qualification</b>	<b>CA (Pursuing)</b>	18	16	34	2.914	0.088	<b>Not Significant</b>
	<b>CA (Completed)</b>	24	44	68			
<b>Total</b>		<b>42</b>	<b>60</b>	<b>102</b>			
<b>Work Experience</b>	<b>Below 5 Years</b>	16	16	32	9.732	0.008	<b>Significant</b>
	<b>5 to 10 Years</b>	28	18	46			
	<b>Above 10 Years</b>	6	26	32			
<b>Total</b>		<b>50</b>	<b>60</b>	<b>110</b>			

Level of Significance = 5%

From the results it can be inferred that Respondents perception about the impact of digitization on auditing is indifferent with respect to their age and qualification, while Respondents perception about the impact of digitization on auditing is significantly different with respect to their gender and work experience.

### Conclusion

The present study attempted to study the impact of digitalization on auditing profession. The major digital trends which are affecting auditing are cloud computing, artificial intelligence and internet of things. It was analyzed that out of these trends cloud computing technology will impact the audit work in coming years. T-test was applied to test the impact of use of technology on audit and it was found that there is significant difference and technology will highly impact the audit work. The study further analyzed that integration of technology will have a significant impact on audit process and audit evidences. To check this t-test was applied and significant difference was found. Further the study analyzed the impact of cloud computing, artificial intelligence and internet of things on auditing work to check the impact t-test was applied and significant difference was found. Lastly impact of digitalization on auditors on the basis of their demographics and their perception was analyzed and it was found that the respondents are indifferent in respect of their

age and qualification while a significant difference was found in respect of their gender and work experience. Thus it can be concluded that technology has influenced the working methods of auditors. It's a need of hour that the auditors should be well trained about the latest technology which will make them more efficient and make their work more effective.

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