UNIVERSITI TEKNOLOGI MARA

ANALYSIS OF COMPETENCY AND AUDIT TECHNOLOGY ON AUDIT JOB PERFORMANCE: CROSS EXAMINATION OF AUDIT ASSESSMENT AND SITUATIONAL SUPPORT

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ABSTRACT

The explosive advancements of audit technology have transformed various traditional approaches of accounting and audit assessment to mine and analyse large volumes of data related to a company's financial information with greater efficiency. Audit technology is a tool to replace inefficient and less effective manual audit assessments with automated audit assessments that influence the audit job performance of auditors. Although the utilization of audit technology can improve audit assessment, there are limited studies that look audit job performance perspective of external auditors. Based on the Technology to Performance Chain (TPC) model for performance impact, this study aims to address the gap by examining audit competency and audit technology factors as an input and audit assessment factors as a process that could enhance the audit job performance of auditors as an output. In the TPC model, the nature of the audit assessment needs to be acquired and understood before describing how to automate the audit assessment tasks in compatibility of technology characteristic setting. A survey has been conducted and 150 cleaned responses of external auditors participated in this study, the data were analysed using Partial Least Square Structural Equation Modelling (PLS-SEM). This study examines the direct effects of audit competency, audit technology and situational support factors on the effectiveness of auditor job performance. This study also examines the interaction effects of situational support on audit competency and audit technology on the effectiveness of auditor job performance and the mediation effect of audit assessment on the relationships of audit competency and audit technology. The result specifies that audit competency, audit technology and situational support factors have played an important role in the efficiency and effectiveness of auditors' work performance. Additional analysis shows evidence of audit assessment as a mediator to influence audit competency and the utilization of audit technology in auditor job performance effectiveness. Results of further analysis also provide evidence of situational support as a moderator to influence audit competency and the use of audit technology in auditor performance. This study contributes to the understanding of audit assessment as an important process for audit competency and the adoption of audit technology with situational supports from the organization and integrated facilities for the auditor to perform their task efficiently and effectively. The findings could offer an enhancement and improvement of the existing Technology to Performance Chain (TPC) model with the understanding of the auditor's job performance effectiveness. The value-added of knowledge from this thesis could also be advantageous to future research to observe the evolution of the utilization of audit technology in the value chain of digital audit and to enhance the fraud risk audit judgement of auditors.

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