

EXTENT OF APPLICATION OF CAATS IN AUDITING

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Advancement of digital commerce industry and the rapid development of automated system such as big data, artificial intelligence, cloud computing, and robotics are what motivate businesses to adopt new technology (Verhoef et al., 2021). As technology advances and affects the business world, auditors need to implement and use technology-based audit approaches in their audit job. Auditors must embrace the technological world and use the technology as a tool in the audit procedures.

Auditors who work in the public and private sectors, whether internal or external, use CAATs in numerous nations. CAATS or Computer-Assisted Audit Techniques can be outlined as the application of computer software in auditing activities in order to collect audit evidence and make it easy for auditors to analyse the data (Handoko et al., 2020). According to Abdul Ghani et al. (2022), CAATs are software programmers and methods that auditors (internal or external) use to process data in an entity's system while carrying out audit procedures.



Auditors have used office tools which just scrape the surface of impressive tasks and procedures for years. As auditing becomes an essential component that measures a company's effectiveness, CAATs assist auditors in analysing and visualizing increasing amounts of data. Acceptance of CAATs in audit firms has many benefits. Purnamasari et al. (2022) stated that using computer-assisted audit techniques (CAATs) can increase audit effectiveness and efficiency for auditors.

Moreover, CAATs also assist auditors in lowering audit expenses, enhancing the trait of audit and effectiveness, supporting appropriate audit reports, as well as improving audit efficiency for both auditors and firms by using technology. Due to their ability to complete time-consuming jobs swiftly, CAATs assist auditors in improving their work performance (Mohamed et al., 2019). According to ACCA, there are three classifications of CAATs that include audit software, test data and other techniques.

Abdul Ghani et al. (2022) stated that internal auditors are pressured to implement technology software in their auditing process. This is because the business world nowadays is getting advanced from day to day and the technology-based audit tools are recognized by the latest professional standards. However, the uses of technology in the auditing world are still lower. As stated by Al-Hiyari et al. (2019) in their study, CAATs are still not widely used in many developing nations. This discrepancy suggests a significant gap between the expectation set by the professional standards and the actual adoption and implementation of technology in the auditing world.

Previous research revealed that auditors are not persuaded to use CAATs as they are not able to perform the technology due to their lack of the skill to operate the tools and CAATs are hard to handle. The ability to audit the findings of advanced digital accounting systems has presented new problems for external auditors in Yemen in keeping up with technical advancements in the accounting systems (Khalil & Olfa, 2020). According to Purnamasari and Hartanto (2022), external auditors working for small accounting firms are less likely to employ information technology than those working for large accounting firms.

Mohamed et al. (2019) stated that although auditing standard setters have made attempts to encourage the use of Computer-Assisted Audit Techniques (CAATs), there remains a theoretical gap in understanding why auditors, particularly external auditors, are not adopting CAATs as widely as anticipated. The gap between the perceived advantages of Computer-Assisted Audit Tools (CAATs) and their limited utilization indicates that current theoretical models may not comprehensively address the obstacles and incentives that impact auditors' choices to utilize them.

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