The Role of Computerized Accounting in Improving Internal Audit Quality: Auditor's Perspective

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ABSTRACT

This research explores the role of computerized accounting in improving the quality of internal audits, with a focus on process efficiency, data accuracy and better analytical capabilities. Through a qualitative approach and case study method, this research identifies how computer-based accounting systems help auditors carry out their duties more effectively. The research results show that this technology not only improves efficiency and accuracy in audits, but also facilitates comprehensive data analysis, enabling auditors to better identify and respond to risks. However, several challenges such as the need for adequate training, data security, and system integration need to be addressed to maximize the benefits of this technology. This research provides recommendations for overcoming these challenges and optimizing the use of computer-based accounting systems in internal audits.

Keywords: Computerized Accounting, Internal Audit, Process Efficiency, Data Security, Data Analysis.

INTRODUCTION

Computerized accounting has developed into an essential element in financial management in this digital era. In this context, computer-based accounting systems offer a series of significant advantages, including increased process efficiency, greater data accuracy and deeper analytical capabilities (Liu et al., 2024). With automation that reduces the need for manual data entry and system integration that simplifies the information processing process, companies can manage financial information more quickly and accurately. This technology not only speeds up the accounting process, but also minimizes the risk of human error which often occurs in manual systems (IJdema et al., 2023).

Another advantage of computerized accounting is the increased accuracy of the data produced. By using accounting software, companies can ensure that the financial data collected and processed is precise and consistent (Frey, 2023). This is very important in producing reliable financial reports and minimizing the possibility of errors or irregularities (Apostolou et al., 2009). Accurate data is the basis for effective analysis and better decision making. As a result, companies can increase transparency and trust among stakeholders (Abu-Musa, 2006).

Internal audit quality is an important aspect in maintaining the integrity and reliability of an organization's financial reports. Effective internal audits ensure that financial reports are not only accurate but also comply with applicable standards and regulations (Zoupou et al., 2024). Internal auditors play an important role in identifying and assessing risks that could affect financial statements, as well as ensuring that there are adequate controls to overcome these risks. In this context, computerized accounting can provide significant support by providing the tools and data necessary to carry out audits more efficiently (Laajaj et al., 2023).

Computerized accounting has become a critical component of modern financial management, offering solutions that can change the way companies manage and report their financial data (Meiburger et al., 2022). The implementation of a computer-based accounting system not only makes data processing easier, but also brings significant changes in the way internal audits are carried out. The question that arises is how computerization of accounting

can affect the quality of internal audit and what factors play a role in improving this quality? To answer this question, it is necessary to carry out in-depth research regarding the influence of accounting technology on the audit process and its effectiveness (Parkin et al., 2024).

The use of a computer-based accounting system provides various benefits that can positively influence the quality of internal audits (Gu et al., 2023). This technology enables accounting process automation, which can reduce manual errors and increase data accuracy. In addition, this system can provide faster and easier access to relevant information, supporting auditors in carrying out more in-depth and efficient analysis. However, in addition to these advantages, it is also important to identify factors that may influence the effectiveness of computerized accounting in the internal audit process, such as the need for adequate training for users and challenges in data security (Meyer et al., 2023).

The aim of this research is to analyze in detail the role of computerized accounting in improving the quality of internal audits. This research aims to explore how computer-based accounting systems can influence the audit process, both in terms of efficiency and accuracy. By analyzing these aspects, this research will provide insight into how this technology can be optimally integrated in the audit process to improve its quality (Wong et al., 2024).

In addition, this research will identify factors that influence the effectiveness of computerized accounting in internal audits, such as system integration, internal control, and auditor training. It is hoped that the results of this research can provide useful recommendations for improving the quality of internal audits through the use of computer-based accounting systems. By better understanding the role and challenges of computerized accounting, companies can optimize the application of this technology to support more effective and efficient internal audit processes.

This research is expected to provide valuable insight into the relationship between accounting computerization and internal audit quality. By understanding the role and impact of technology in the audit process, organizations can develop better strategies for integrating computer-based accounting systems and improving the quality of internal controls. The results of this research will help auditors and managers identify areas that need improvement and provide useful recommendations for maximizing the benefits of technology in internal audits.

RESEARCH METHODS

This research uses a qualitative approach with a case study method to understand how computerization of accounting affects the quality of internal audit. A qualitative approach allows researchers to explore in depth the views and experiences of auditors who interact directly with computer-based accounting systems. Case studies were chosen because they can provide detailed and contextual insight into the application of accounting technology in real situations in companies (Sugiyono, 2021).

For data collection, this research will use several main techniques. First, semi-structured interviews will be conducted with experienced auditors in companies that have implemented computer-based accounting systems. This interview is designed to explore the auditor's understanding and views regarding how this technology affects the internal audit process. Second, direct observation will be carried out to observe how the computerized accounting system is applied in the internal audit process. This observation aims to practically understand how this technology integrates with existing audit procedures. Third, data will also be collected from documentation such as audit reports, internal policy documents, and accounting system reports, which will provide additional context and support findings from interviews and observations.

Data analysis in this research will be carried out thematically. Data collected from interviews and observations will be analyzed to identify patterns and themes related to the role of computerized accounting in internal audit. This process involves grouping information into

key themes that emerge from the data to gain a deep understanding of the influence of technology in auditing. The documentation collected will be used to support and validate findings from interviews and observations, provide broader context and compare information from various sources.

RESULTS AND DISCUSSION

Research result

Audit Process Efficiency

Computerization of accounting significantly increases the efficiency of the audit process by allowing auditors to access financial data more quickly and accurately. With the existence of a computer-based accounting system, auditors no longer need to spend a long time collecting and checking data manually. This technology enables direct access to relevant financial information, speeding up the process of data verification and analysis. As a result, the time required to complete an audit can be reduced significantly, allowing auditors to complete their tasks more efficiently and allocate more time for in-depth analysis and quality control. The speed and accuracy offered by computerized accounting helps increase audit team productivity and ensures that the resulting financial reports are more quickly available for timely decision making (Hidalgo & Micco, 2024).

Data Accuracy

The use of computer-based accounting systems effectively reduces the risk of human error and increases the accuracy of financial reports. By automating many aspects of the accounting process, these systems minimize the need for manual data entry, which is often prone to errors and inaccuracies. This technology relies on pre-programmed algorithms and rules to process data consistently and accurately, reducing the possibility of errors caused by human factors such as fatigue or negligence. In addition, computer-based accounting systems provide automatic validation and verification features that help detect and correct discrepancies before the data is used in financial reports. In this way, the resulting financial reports become more reliable and precise, which in turn strengthens the integrity and credibility of the company's financial information.Analytical Capabilities: Computerized systems allow auditors to conduct more in-depth data analysis, such as identifying patterns and anomalies that can indicate potential problem (Paek, 2023).

Risk control

Computerization improves internal controls by enabling real-time tracking and monitoring of transactions. Computer-based accounting systems provide better visibility into every financial transaction that occurs within the company, allowing management to monitor and evaluate activities directly as the transactions take place. This feature allows early detection of potential problems or deviations from established procedures. With the ability to view financial data in real-time, companies can immediately identify and resolve anomalies or irregularities, thereby increasing responsiveness and accuracy in risk management. Strengthened internal controls through this technology help ensure that all transactions are processed in accordance with applicable policies and procedures, as well as minimizing the risk of fraud and error (Lu et al., 2012).

Research Discussion

Excess

The research results show that computerization of accounting significantly increases the efficiency and accuracy of the internal audit process (Yuan et al., 2023). By implementing a computer-based accounting system, auditors can access and process financial data more

quickly and precisely, reducing the time needed to complete an audit and minimizing the risk of errors that often occur in manual processes (Harvey et al., 2024). Additionally, this technology facilitates more comprehensive data analysis, allowing auditors to perform more in-depth and detailed examinations (Dowell-Esquivel et al., 2024). This capability helps auditors better detect and respond to risks, as they can quickly identify patterns and anomalies in data that may not be visible with traditional methods (Orgilés et al., 2023). The use of computer-based accounting systems, therefore, strengthens the quality of internal audits by increasing auditors' ability to manage and control financial information more effectively (Roufaiel, 1995).

Lack

Although computerization of accounting offers various benefits in improving the efficiency and accuracy of the internal audit process, several challenges still need to be overcome to maximize its benefits. One of the main challenges is the reliance on technology, which can cause problems in the event of system disruption or hardware failure (Shumski et al., 2023). Data security risks are also an important concern, as computer-based accounting systems are vulnerable to cyber threats such as hacking and data theft, which can result in significant losses and privacy breaches (Navic et al., 2023). In addition, the need for adequate training for auditors is crucial, because the use of computerized systems requires special understanding and skills to operate the software and utilize its features effectively (Wijayanti et al., 2024). To maximize the benefits of computer-based accounting systems, management must ensure that this technology is well managed, including performing routine maintenance, updating systems, and providing adequate training for users (Karlsson et al., 2022). Proactively addressing these challenges will help ensure that computer-based accounting systems can provide optimal added value to the internal audit process ((Meni) Abudy et al., 2022).

CONCLUSION

Computerization of accounting plays an important role in improving audit quality. Computerization of accounting plays an important role in improving the quality of internal audit. By offering process efficiency, data accuracy, and better analytical capabilities, computer-based accounting systems help auditors carry out their duties more effectively and productively. Accounting process automation and system integration make it easier for auditors to access relevant financial information quickly and accurately, and enable in-depth analysis to better detect and assess risks. However, it is important not to ignore the challenges associated with using this technology. One of the main challenges is data security, as computerized systems are vulnerable to cyber threats and privacy breaches that can significantly harm an organization. In addition, the need for adequate training for auditors is also a crucial aspect, because the use of computer-based accounting systems requires special skills and understanding to operate the software effectively. Therefore, although computerized accounting offers many benefits in improving the quality of internal audits, proper management and addressing technology-related challenges is essential to ensure that these systems can provide optimal added value. Companies must ensure adequate security measures are implemented and provide comprehensive training for auditors to utilize the system efficiently.

SUGGESTION

To maximize the benefits of a computer-based accounting system, companies must take several important steps. First, training and development is a priority, so auditors need to receive adequate training in using this technology effectively. Second, data security must be a primary focus by implementing strong security measures to protect accounting information from unauthorized access or cyber threats. Third, regular monitoring and evaluation of the

accounting system is essential to ensure its effectiveness and identify areas that require improvement or improvements. Finally, integration of accounting systems with audit software should be considered to create better synergy between technology and audit processes, thereby improving the efficiency and quality of internal audits.

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