Study on Implementation of Digital Technology across Mainland Chinese Accounting Firms

Applications of digital technology in auditing

83% are using digital audit technologies

76% either develop their own digital audit platform or subscribe to external audit software

24% rely on MS Excel or self-developed mini-programs

55% reported their company has a clear digital strategy and implementation plan

78% Reported digital audit technologies improved audit efficiency and accuracy

Top digital audit technologies

- artificial intelligence
- computer-aided software engineering audit tools
- social network analysis
- natural language processing

Customer demographics of digital audit technology

Company size

- 5000+ employees
- 1,000 to 4,999
- 500 to 999

Industry

- finance
- manufacturing
- retail

Company type

- commercial (state-owned and private)
- non-profits and gov units

Risks of digital auditing

Compliance	adhering to laws and regulations
Technical	failures and vulnerabilities within digital audit systems
Human	IT staff to be bribed by external entities, resulting in data breaches and compliance issues
Management	incomplete understanding of audit process due to rapid digital adoption

Recommendations

- Conduct thorough cost-benefit analysis before implementing digital audit platforms and explore insurance contracts to mitigate potential risks
- Prioritise managing digital audit risks by providing trainings to employees on data security awareness
- Help clients build trust by offering clear explanations of digital audit principles and processes, thereby increasing their readiness to adopt digital audit technologies

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