A Comparison of the Contribution of Artificial Intelligence to the Audit Quality of Perspectives from Big Four Audit Firms and Non-Big Four Audit Firms in Sri Lanka

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Abstract

In the 21st century, the quality of audits needs to meet the threshold standard, causing increasing dissatisfaction among investors and other stakeholders. Concurrently, Artificial Intelligence (AI) has emerged as a novel technique in global financial reporting and auditing. Furthermore, prior research has not adequately investigated the impact of AI on the quality of audits and whether there is a difference in the perspectives of auditors regarding the significance of AI in the quality of auditing between the Big Four audit firms and non-Big Four audit firms, particularly in Sri Lanka. Consequently, the purpose of this study is to examine the extent to which AI contributes to the enhancement of audit quality from the perspective of auditors in Sri Lanka, as well as to identify any potential discrepancies in the perceived contribution of AI utilization to audit quality between the big four audit firms and the non-big four audit firms in Sri Lanka. The data are collected using a Google Forms structured questionnaire from auditors working in both types of audit firms for further analysis. This study utilizes descriptive statistics and an independent samples t-test to assess the research objective. The study results show that auditors from Big Four and non-Big Four firms in Sri Lanka believe AI can significantly improve audit quality. It confirms that there is no significant difference in the perspective of auditors from Big Four and non-Big Four organizations in Sri Lanka regarding the contribution of AI to audit quality. This study contributes to the existing literature and policymakers.

Keywords: Artificial Intelligence, Audit quality, Big four audit firms

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