

THE IMPACT OF ACCOUNTING INFORMATION SYSTEMS ON INTERNAL AUDITING IN MANUFACTURING FIRMS OF SRI LANKA

Tennakoon, T.M.R.T.

*Department of Business Finance, Faculty of Management, University of Peradeniya,
Peradeniya, Sri Lanka*

rashmit@mgt.pdn.ac.lk

Accounting Information Systems (AIS) have become increasingly important in the corporate world, which have transformed how firms collect, record process, store and disseminate accounting information. Internal auditing, on the other hand, became required because of business success and it boosts operational efficiency by identifying and addressing process defects and errors. The study focuses on identifying the impact of AIS on internal auditing by focusing on the end-user perspective where efficiency, reliability, and data quality of AIS were identified as the most often used good characteristics of AIS, while concentrating on the impact of those characteristics on internal auditing. A quantitative methodology was used, and a questionnaire was issued to internal auditors in manufacturing firms in Sri Lanka, and 108 people responded, with the data being analyzed using regression analysis. The results indicated that AIS has a significant, positive impact on internal auditing, with data quality being the most significant element for internal auditors. Internal auditors may assess the AIS's effectiveness, but they are less concerned with its reliability. Organizations may gain insight into the qualities internal auditors may look for in an AIS as a result of this study's emphasis on the significance of AIS to them. Since auditing is directly related to data, internal auditors are particularly concerned with the quality of the data produced by the AIS so that management may take it into account while adopting AIS. Organizations could implement AIS that is better suited for internal auditors by leveraging the study's conclusions.

Keywords: Accounting Information Systems, data quality, efficiency, internal auditing, manufacturing firms