| **RESEARCH ARTICLE**

Artificial Intelligence's Impact on the Quality of External Auditor Reports in Saudi Domestic and International Audit Companies

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| **ABSTRACT**

This study investigates how external auditors perceive using artificial intelligence (AI) in the Kingdom of Saudi Arabia (KSA). It examines how external auditors perceive the impact of artificial intelligence on audit quality. It also seeks to determine whether local and foreign external auditors have different perspectives on AI's application and how it affects audit quality. Data were gathered using a questionnaire distributed to 44 regional and 20 international companies to accomplish research goals. The auditing manager, audit partners, senior auditors, and other staff members with possible accounting and auditing experience were among the participants. SPSS was used to analyze the data; in our analysis, we used descriptive analysis, validity and reliability testing, and data analysis to test our hypotheses. This investigation reveals that the perceived impact of artificial intelligence (AI) on audit quality does not vary significantly between domestic and foreign audit firms. Regarding audit quality, the perceived contributions of all audit firms—local and foreign—are equal. It also adds to the importance of using AI and how it will enhance the quality of firms and reduce any act of fraud. Lastly, it recommends that firms contribute to training employees on using AI to face and compete with the changes and challenges happening around the world.

| **KEYWORDS**

Saudi Arabia, Artificial intelligence, External auditor reports, and Local and international audit companies.

1. Introduction

It is becoming increasingly important to use technology-based decision aids as business becomes more challenging in today's corporate environment. The Organization for Economic Co-operation and Development (OECD, 2021) defines artificial intelligence (AI) as "a machine-based system that can make predictions, suggestions, or judgments influencing actual or virtual environments for a certain set of human-specified objectives."

Technological developments in auditing have opened a wide range of significant research opportunities. As external auditors encounter more complex client-side systems, a new demand for understanding AI has evolved while leveraging increasingly sophisticated technology and data analytics during audit test work. Because of this, the audit profession is developing by implementing AI technology to maintain a competitive edge.

The primary objective of this research is to ascertain whether there are any variations in how local and foreign audit firms in the Kingdom of Saudi Arabia evaluate the contributions of artificial intelligence (AI) utilization to audit quality and how external auditors in the Kingdom see this relationship.

Kokina and Davenport (2017) assert that auditing is particularly well suited to data analytics and AI applications. Understanding a company's financial and non-financial performance has become more accessible when large amounts of structured and unstructured data are used. Audit businesses can use AI to improve their internal operations, provide audit and fraud detection services, and interact with clients. Artificial intelligence (AI) is utilized to help improve the efficiency and accuracy of the auditing process, as well as to identify possible problems with a company's financial accounts and potential bookkeeping fraud. AI contributes to greater accuracy in a business's accounting process (Kaplan & Haenlein, 2019). In addition, Aduloju et al. (2014), AI has helped ensure that the auditing process is finished precisely, entirely, and on schedule.

According to Raji and Buolamwini (2019), data input procedures are among the many automated auditing tasks that AI has automated. Unlike human auditors, AI systems can design scripts, generate audit tests, and review all data. One advantage of using AI to create automatic entries is the reduction in human mistakes. In addition to reducing human intervention, I can identify fraudulent entries and notify the head office of the situation (Moffitt et al., 2018).

AI is a powerful tool that can improve audit effectiveness and efficiency. It has also been demonstrated as an effective way to lower the possibility of human error. Companies looking for a new method to enhance their auditing procedures should look at AI. Financial statements may be materially misstated if economic ramifications are not sufficiently documented. Therefore, auditors are expected to assess transactions and ensure no misstatements. If illegal transactions and other irregularities are discovered immediately, it may be easier for auditors to find abnormalities later. By incorporating AI into every stage of the auditing process, auditors can more easily evaluate large volumes of data to gain a comprehensive understanding of business operations. They can perform repetitive tasks (Kokina & Davenport, 2017).

Additionally, this makes it simple for auditors to concentrate on tasks that benefit clients the most (Luo et al., 2018). The literature also demonstrates that audit companies investing more in AI generate audits of much higher quality, as seen by the notable decline in misstatements for issued audits, including significant and accrual restatements. Auditors can automate auditing operations step-by-step using AI-based technology (Moffitt et al., 2018).

Effectiveness is essential at every level, from pre-engagement to presenting the findings of an audit report (Kokina & Davenport, 2017). Technology-based decision tools are becoming increasingly vital in today's business environment as operations become more complicated. As a result, the audit profession embraces AI technologies to keep ahead of the curve of this change. AI is seen as an underlying factor that would improve the interaction between AI tools and the audit process, given the requirement to embrace AI tools and professional auditors' skepticism. The application of AI technology has increased the precision and effectiveness of the auditing process. It has proven helpful in locating possible fraud in a company's accounts and detecting possible financial statement problems.

Further, it helps identify possible problems with an organization's accounting procedures. Implementing AI can further improve the accuracy of a business's accounting operations (Kaplan & Haenlein, 2019). AI is a potent instrument that can increase the effectiveness and cost-effectiveness of audits. If businesses seek creative ways to enhance their auditing processes, artificial intelligence (AI) should be considered.

This study differs from past research for the following reasons: We investigated how external auditors using AI improved audit quality and whether local audit firm quality will vary from international audit firm quality using AI. Balios et al. (2020) examined how big data and data analytics affected external auditing. Lina and Kloviene (2019) reviewed the application of big data analytics in external auditing. Khamis (2021) investigated how AI might affect several accounting decision-making processes as well as the efficacy and efficiency of the auditing process. In Jordan, Albawwat and Yaser (2021) conducted a descriptive study to examine how different types of AI-assisted, augmented, and autonomous were judged to be easy to use, helpful, and contribute to audit quality.

This study seeks to contribute to the body of current knowledge. First, it contributes to the literature by emphasizing how external auditors view AI's role in improving audit quality, specifically between local and international audit firms, which has yet to be done in the KSA. Second, research on artificial intelligence (AI) and its use in auditing is still in its early stages and could be more advanced globally, including in Saudi Arabia. Thus, our study closes this research gap.

The remainder of this paper is organized as follows. Section 2 presents a literature review and elaboration of the hypotheses. Section 3 presents the research design and sample selection procedure. Section 4 presents the results, analyses, and discussions. Section 5 concludes the paper.

2. Literature review and hypothesis development
2.1 literature review

Artificial intelligence (AI) is a computer science and engineering subfield that creates intelligent computers to think, learn, and act independently. AI programs are capable of autonomous decision-making, pattern recognition, and massive data analysis (Hemin, 2017). The main factor contributing to the increasing popularity of IA is the automation of numerous operations, such as data entry and analysis. They are increasing the effectiveness and cost-effectiveness of audits while giving audit teams a deeper understanding of the company they audit (Hassan, 2022). The possibility of reducing human error is another advantage of utilizing AI in auditing. Audit teams can quickly detect and fix mistakes by automating specific procedures. This is especially significant when financial data quality is critical (Omoteso, 2012).

Though it is still in its first steps in KSA, a few businesses have already started utilizing AI to aid in auditing. AI can be applied to auditing in various ways. It can assist in making decisions, reviewing documents, and analyzing data. In addition, according to Gentner et al. (2018), AI can develop reports tailored to a company's needs. Chukwudi et al. (2018) examined the effects of AI on accounting tasks using survey-based descriptive research. According to their study, the application of AI improved the efficiency of accounting businesses in Southeast Nigeria. Lee and Tajudeen (2020) discovered that AI adoption is not exclusive to large enterprises based on their analysis of Malaysian firms utilizing AI-based accounting software. They also found that companies used AI-powered accounting software to automate the information-gathering process and fully store invoice images.

A few studies have concentrated on applying AI to auditing. (Gentner et al., 2018) It verified the application of AI in auditing, which can assist auditors in identifying problems and inaccuracies in financial reports more quickly. Auditors use it to find patterns in the data and make recommendations or predictions. According to Nwakaego and Ikechukwu (2015), artificial intelligence (AI) is transforming the auditing process, and software with AI capabilities can perform complicated audits far more precisely and effectively than human labor. Furthermore, compared to a human auditor, it can analyze massive amounts of data more rapidly and efficiently. This implies that AI has the potential to be far more significant in the auditing process and that it will grow in significance over time. The application of AI to assist auditors in spotting and preventing fraud was the primary focus of Chassignol et al. (2018). Artificial Intelligence (AI) holds great promise for enhancing the auditing process. This expedites the process and guarantees accurate and efficient audit execution. AI's importance of AI in auditing will probably increase as it develops further. Nickerson (2019) concurred that AI might boost productivity by performing high-level duties and establishing new professions. Lin and Hazelbaker (2019) asserted that AI will improve the quality of accounting activities and deliver more helpful information.

Similarly, Greenman (2017) thinks it is typical for accountants' job descriptions to change over time. Accountants can focus on more challenging tasks and use AI technology to achieve company objectives (Lin & Hazelbaker, 2019). According to a paper published by the Association of Chartered Certified Accountants (ACCA) (Jariwala, 2015), AI allows accountants to shift their attention from traditional tasks, such as bookkeeping and transaction recording, to advisory, growth planning, and consultation.

Few studies have examined AI's possible auditing disadvantages of auditing. However, perhaps more critical is how AI can drastically reduce the need for a human auditor. AI may eventually replace human auditors in company book audits, as it improves at spotting mistakes and irregularities in financial data. This might lead to a significant loss of jobs in the auditing industry and a decline in the caliber of financial audits (Hemin, 2017).

The Institute of Chartered Accountants in England and Wales (ICAEW 2016) cited a University of Oxford study that indicated that 95% of accountants risk losing their jobs due to the advancement of machine technology. According to Chassignol et al., AI may jeopardize financial data security. (2018). Artificial intelligence (AI) may recognize sensitive information that should not be shared with other parties, as it becomes better at finding patterns in data. This information could be exploited incorrectly to further the benefits of using artificial intelligence. Kokina and Davenport (2017) claim it uses financial institutions to commit other crimes. This research also shows how challenging it is to apply the benefits of AI to vast amounts of structured and unstructured data. Moffitt et al. (2018) state that using AI to generate automatic entries can occasionally detect fraudulent intrusion to reduce human interaction and help reduce human mistakes.

Additional research has been conducted on auditors' interactions and the adoption of AI technologies. According to Hassan (2022), humans accept AI technology because it is passively offered. They embrace it as a part of their existence, even though they may not know how it functions or what it is capable of. People ignorant of AI technology or have unfavorable ideas about it frequently accept this behavior. When individuals use AI technology in a way that benefits them or aids in their goal achievement, this is known as active acceptance. They can use it to improve their lives since they know how it operates. Acceptance of skepticism when someone does not think AI technology is possible or does not believe it. They can be wary of their potential or think it will somehow injure them.

Askary et al.'s (2018) study concentrated on the variables affecting people's interactions with and acceptance of AI technology. These variables consist of individual viewpoints, technological expertise, societal conventions, and the setting in which technology is employed. He discovered that people can engage with and accept AI technology in various ways, including skeptical, active, and passive elements.

Artificial Intelligence (AI) can improve audit process accuracy and efficiency, among other things. AI can assist in automating some operations, such as data entry and analysis, which will increase auditing speed and accuracy. The accuracy and dependability of audit reports can be improved by using AI to help provide new insights and knowledge of complicated datasets (Hassan, 2022). AI can facilitate better decision-making and higher-quality audits by fostering better collaboration and communication between auditors and other stakeholders. Overall, the data indicate the possibility that AI can improve audit quality in the Kingdom of Saudi Arabia. Nevertheless, before firm conclusions are reached, it is crucial to investigate how it is applied and assessed carefully.

2.2 Research gap
The present study adds to the body of knowledge by analyzing AI's perceived contribution to the quality of external audits and identifying its significant benefits. Further, it focused on identifying AI advantages—distinctions between KSA-based local and foreign auditing firms. The literature also bolsters this study's findings by emphasizing the application of AI in the auditing process. At the same time, the use of AI in auditing is still in its infancy in KSA.

The results confirm that AI may generate reports tailored to a company's needs. Aduloju et al. (2014) claimed that utilizing AI in auditing has several advantages. Organizations can benefit from this in several ways, including [1] time and resource savings, [2] improved accuracy and precision while evaluating documents, [3] quicker and more accurate identification of potential hazards, and [4] improved decision-making. Hassan (2022) emphasized the beneficial effect of AI on audit quality to bolster the study's findings further. Artificial reasoning can improve review interactions in several ways, including increased efficacy and precision. Mechanizing specific tasks, such as information transit and analysis, with the help of AI can improve accuracy and speed up the review process. Increased experience and comprehension of complex informative collections can be facilitated by a deeper understanding of AI, which can enhance review report accuracy and dependability. Improved communication and collaboration with AI can foster more communication and teamwork between reviewers and other partners, supporting more autonomous direction and advancing review.

2.3 Hypothesis development
Al-Aroud (2020) states that artificial intelligence (AI) technologies are essential to the auditing profession's future. These technological advancements are crucial resources that provide auditing professionals with the instruments required to increase the efficacy and efficiency of their work. This study aimed to determine how qualified auditors at KSA IT firms felt about the effects of AI technologies on audit evidence. According to this study, audit evidence is significantly altered by an expert system. Audit evidence was not significantly affected by the application of neural network technology. According to this study, KSA audit offices should be more interested in AI technologies because of their scientific significance in enhancing audit evidence gathering.

According to Greenman (2017), deep learning broadens the area of AI research and enables various machine-learning applications. Numerous applications have already used deep learning. One way to think of AI is as a "container" of human wisdom. Developing deep learning techniques and algorithms consequently broadens this "container" to a degree that is unpredictable to humans. Auditors have largely embraced the new methods and resources that AI and IT have made accessible. To help expedite the auditor's decision-making process, they made timely and pertinent information accessible. They improved the auditor's efficacy and caliber.

Solaimani et al. (2020) investigated the relationship between corporate control and AI. The research topics in an earlier study were created via exploratory analysis. A nonprobability purposive sampling technique was used to choose ten highly qualified interview subjects. Semi-structured interviews were used to obtain thorough primary data from 2019. The results show that while AI positively impacts auditing procedures and corporate productivity, its impact on accounting information systems needs to be clarified. To enhance corporate performance and reduce the likelihood of AI systems being abused, the researchers recommended that managers carefully select accounting experts capable of utilizing these AI systems.

Consequently, the following theories are proposed:

H1. External auditors in the KSA believe that AI improves audit quality.

H2. Notable differences exist in how AI usage is perceived to contribute to audit quality among local and foreign external auditors in Saudi Arabia.

3. Design of Research
3.1. Data and Sample
This study's participants were external auditors' companies located in the KSA, both domestic and foreign. The survey was intended for external auditors from the auditing manager, audit partners, senior auditors, and other staff members with possible accounting and auditing experience. The final sample included 44 local and 20 international companies.

3.2. Dependent Variable
An established theory of information systems that explains how users adapt, accept, and employ technology is called the technology acceptance model (TAM). The term "genuine system utilization" describes when humans start utilizing technology. Behavioral objectives encourage people to use technology. As per the model, behavioral intention is determined by the attitude or overall perception of the technology. The model states that when consumers are provided with contemporary technology, many factors influence their choice of when and how to use it for different goals. How people interact with and accept AI's contribution to audit quality is essential to the acceptance model of AI technology. This includes people's perceptions, applications, and thoughts regarding AI technology. Three approaches exist for people to engage with and utilize AI technology: passive, active, and skeptical (Omoteso, 2012). There is a vision for the external auditor in the Kingdom of Saudi Arabia that using artificial intelligence contributes to audit quality.

We cite research by Albawwat and Yaser (2021), which created the survey items used in our analyses. It consists of three axes: perceived ease of using artificial intelligence in auditing operations (T1), perceived benefit of using artificial intelligence systems and tools in the field of auditing (T2), and perceived contribution of the use of artificial intelligence to improve the quality of audit operations (T3), is used to gauge respondents' perceptions of the disruptive nature of AI and their acceptance of its potential to improve audit quality

3.3. Independent Variable
The two categories of independent variables examined were foreign and local audit companies. We aimed to determine the perceived value of artificial intelligence (AI) in quality auditing for every category of the independent variable. The second goal was to determine whether local and foreign audit companies in Saudi Arabia perceived the use of AI to add significantly different evidence of audit quality. The independent variables that varied were the respondents' employment position, years of experience, and qualifications.

4. Results and discussion
4.1 demographic analysis
In the survey's demographic section, participants were required to provide information.

The demographic portion of the survey required respondents to provide details about the type of audit firm they currently work for and their educational background. Other questions included Credentials, years of experience, current jobs held at the moment, and professional certificates. Figure 1 shows the percentages of the two types of audit firms, which accounted for 68.8% of the respondents for international audit firms and 31.3% for local firms.
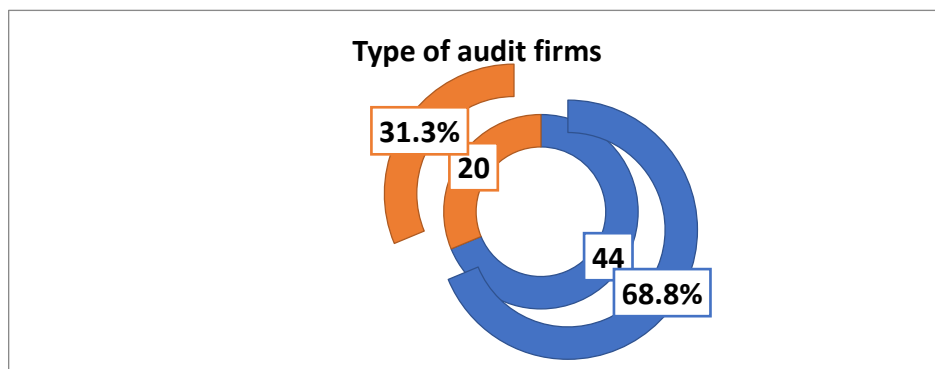

Figure 1: International and local firms' percentages.

Table (1) shows that 39.1% of the total population have a bachelor's degree, a master's degree in the second place at a rate of 37.5%, in third place a doctorate at a rate of 12.5%, and lastly, a diploma at a rate of 10.9%. It also shows that 10.9% of the participants held a CMA certificate and CIA, 6.3% had a CPA certificate, 4.7% had a CFA, 31.3% held other certificates, and 35.9%

had no certificate. Regarding job positions, 25% were senior auditors and general accountants at a rate of 21.9%, and audit partners at 18.0% were audit managers. Finally, other titles had a rate of 13.2%. It was found that the years of experience in the sample at a rate of 46.9% ranged from 6 to 10 years, and 28.1% had more than ten years at a rate of 25.0. % less than five years. Therefore, it is expected to obtain accurate and objective answers because of the accumulation of long- and medium-term experiences.

Table1. Demographics result:

Type of audit firm	Number	Percentage
Local review companies	44	68.8
International audit companies	20	31.3
Professional certificates		
Certified Management AccountantCMA	7	10.9
Certified Public Accountant CPA	4	6.3
Certified Financial Analyst CFA	3	4.7
Certified internal auditor CIA	7	10.9
Other…Other	20	31.3
nothing …None	23	35.9
Job title		
Senior auditor	16	25.0
General Accountant	15	21.9
Audit partner	14	21.9
Audit Manager	8	18.0
Other	12	13.2
Years of Experience		
Less than 5 years	16	25.0
From 6 years - 10 years	30	46.9
More than 10 years	18	28.1
Total	**64**	**100.0**

4.2 Validity and reliability test

4.2.1 correlation result:

This approach estimates the correlation coefficients for each dimension of the variables with the total for each axis as follows:

Table 2: Correlation result:

Correlations

T3	T2	T1	T321		
.972**	.948**	.848**	1	Pearson Correlation	T321
.000	.000	.000		Sig. (2-tailed)	
16	16	16	16	N	
.718**	.723**	1	.848**	Pearson Correlation	T1
.002	.002		.000	Sig. (2-tailed)	
16	16	16	16	N	
.915**	1	.723**	.948**	Pearson Correlation	T2
.000		.002	.000	Sig. (2-tailed)	
16	16	16	16	N	
1	.915**	.718**	.972**	Pearson Correlation	T3
	.000	.002	.000	Sig. (2-tailed)	
16	16	16	16	N	

**. Correlation is significant at the 0.01 level (2-tailed).

Table (2) demonstrates that each dimension and axis of the impact of artificial intelligence use on the quality of the external auditor's report in both domestic and foreign companies, as well as the total sum of the axis to which they belong, have a positive and statistically significant correlation at the significance level (0.05). Consequently, each device dimension measures the created object, and the dimensions are then combined to estimate the axis.

4.2.2 Cronbach's Alpha:
Cronbach's alpha is a valuable test to examine the consistency and reliability of a scale. It was utilized to guarantee the validity and reliability of the survey instruments.

Table 3: Cronbach's Alpha test

N	N of Items	Cronbach's Alpha
T1	6	.919
T2	6	.923
T3	11	.950
	23	.970

Table (3) measures the reliability test results for each axis. The axis measuring how simple it is to use AI in auditing operations reached a degree of dependability (.919). The axis measures artificial intelligence's contribution to improving audit operations' quality (.923). The axis measures how AI technologies improve audit operations' quality (.950). The overall study reached (.970), higher than 60%. This shows that the study's dimensions and axes have a high degree of stability and that the data collected were honest and stable and served the study's objectives. As a result, we can rely on these responses to meet the study's goals and analyze its findings.

4.3 Hypothesis Testing:
4.3.1 Descriptive Statistical
The first section answers the first hypothesis: To what extent does using artificial intelligence affect the quality of an external auditor's report in local and international companies?

Table 4: Descriptive statistical analysis of the impact of artificial intelligence on the quality of external auditors' reports in local and international companies:

Ranking	Significance level	T test	Relative weight%	standard deviation	SMA	N	Study topics
the second	.000	41.070	84.2	.820	4.21	64	T1
the first	.000	47.128	87.1	.739	4.35	64	T2.
the third	.000	36.453	80.7	.885	4.03	64	T3
High	**.000**	42.953	83.3	.775	4.16	64	**For all**

Table (4) shows that the general average extent of the impact of using artificial intelligence on the quality of the external auditor's report in local and international companies reached a value of (4.16) with a standard deviation of (.775) and a high degree of impact, as the impact rate reached (83.3%). This is confirmed by the (T) test results, where it is (42.953). A positive value at a significance level of less than (0.05). This means a statistically significant difference exists between the arithmetic mean calculated from the sample and the hypothesized mean in favor of the estimated mean. Further, the arithmetic means in the table ranges between (4.03 - 4.35). All these values exceeded the degree of measurement adopted (3.4), which is high. The axis of the benefit of using artificial intelligence systems and tools in auditing came in first place, with a very high degree of influence, with a mean of (4.35) and a relative weight of (87.1%). The axis of the ease of using artificial intelligence in auditing operations came in second place, with a mean of (4.21), and a relative weight of (84.2%) indicating a very high degree of influence. Lastly, the axis of the extent of the tangible contribution of using artificial intelligence in improving the quality of audit operations came in last place with an arithmetic mean of (4.03) and a relative weight of (80.7%), with a high degree of influence. From that, we can accept the hypothesis, "where External auditors in the KSA believe that AI improves the caliber of audits."

The second section answers the second hypothesis: Are there notable differences in how AI usage is perceived to contribute to audit quality among local and foreign external auditors in Saudi Arabia?

For this hypothesis, we use two variables (Types of Audit company and if the company uses intelligence)

- First is the type of audit company variable;

Table (5) shows that the use of artificial intelligence affects the quality of the external auditor's report in local and international companies due to the type of audit company:

Significance level	Degree of freedom	F test	standard deviation	SMA	N	audit firm	axes
.244	62	1.381	.797	4.00	44	Local	T1
			.684	4.67	20	International	
.182	62	1.822	.680	4.24	44	Local	T2
			.821	4.60	20	International	
.114	62	2.568	.740	3.82	44	Local	T3
			1.007	4.51	20	International	
.129	**62**	**2.365**	**.655**	**3.98**	**44**	**Local**	**all**
			.874	**4.57**	**20**	**International**	

The results in Table (5) clearly show no statistically significant differences, as the level of significance for all three axes and the total score is greater than the level of significance (0.05).

- Second is the use of artificial intelligence variables:

Table 6 shows how artificial intelligence affects the quality of the external auditor's report in local and international companies:

Significance level	Degree of freedom	F Test	Standard deviation	SMA	N	Audit firm	Axes
.000	62	23.729	.238	4.90	28	Yes	T1

			.690	3.67	36	no	
.001	62	11.223	.297	4.88	28	Yes	**T2**
			.722	3.94	36	no	
.244	62	1.383	.597	4.62	28	Yes	**T3**
			.801	3.58	36	no	
.124	**62**	**2.431**	**.407**	**4.76**	**28**	**Yes**	**all**
			.664	**3.70**	**36**	**no**	

The results in Table (6) clearly show no statistically significant differences, as the total score's level of significance is less than the level of significance (0.05) for all axes and T3.

On the other hand, there are statistically significant results between the averages of the study sample of companies that use artificial intelligence for the axis (T1 ease and T2 usefulness), complementing the result that indicates that using artificial intelligence improves quality in terms of ease of use and usefulness.

Therefore, we reject the hypothesis, "There are notable differences in how AI usage is perceived to contribute to audit quality among local and foreign external auditors in the Kingdom of Saudi Arabia."

5. Discussion and Conclusion

The authors gathered 64 responses, of which 44 came from domestic audit companies and 20 from foreign audit companies operating in the KSA. The results of this study measure how practitioners and researchers perceive AI's contributions, which may help them integrate this disruptive technology into their auditing procedures by analyzing the perceived impact of AI on the caliber of external audits and identifying notable distinctions between local and foreign audit firms in the KSA. This study adds new knowledge to this corpus. Knowing how external auditors view AI technology and how well they accept its use has allowed AI to support auditing while allowing auditors, no matter what kind of audit company they work for, to advance their technical proficiency. The research findings have significant practical implications for company executives and accounting professionals. To increase productivity and quality of work, managers in both the public and commercial sectors should consider the benefits of implementing AI. To prevent less-than-satisfactory outcomes, they must plan and organize the implementation of AI. Managers should also choose knowledgeable accounting specialists who can work well with these AI systems to enhance company performance and reduce the possibility of AI system misuse. Further, they find no differences in how AI usage is perceived to contribute to audit quality among local and foreign external auditors.

Research limitation: The small sample size provided for this study presents several difficulties with the research constraint. We recommend that future research use a larger sample size and find other determinants, such as conducting a cross-country study to determine the perceived contributions of various policymakers. Second, we advise examining AI's contribution from a unique perspective, considering multiple audit procedures and quality. Further, we recommend that managers for companies strengthen training and education on using artificial intelligence systems and tools in auditing to ensure and increase understanding and effective use of these technologies.

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