

Summary of Paper: [Audit Digitalization and Its Consequences on the Audit Expectation Gap: A Critical Perspective](#)

What is this Study About?

The audit expectation gap—broadly defined as the difference between how those who use financial statements view the role of auditors versus the beliefs of the auditors themselves—has caused friction for decades. This study delves into how transitioning from traditional to digital auditing practices affects the audit expectation gap. The researchers examine new areas where the expectation gap might emerge and the challenges posed by this paradigm shift. Highlighting the evolution towards a digital audit environment, they suggest a move from a defensive approach—where auditors primarily educate stakeholders about their responsibilities—to a more proactive utilization of digital tools. These tools not only fulfill but potentially exceed stakeholder expectations in critical areas, such as fraud detection and internal control maintenance.

What are the major findings of the study?

Digitalization in auditing could narrow the expectation gap, particularly in relation to auditors' roles in fraud prevention and the maintenance of internal controls. Digital tools, including data analytics, artificial intelligence, and blockchain technology, are identified as potential catalysts for enhancing the effectiveness and efficiency of audits. These technologies offer new ways to address traditional audit challenges, enabling auditors to perform more comprehensive analyses and provide deeper insights into the audited entities.

Why is the study important?

Digitalization has a critical role in reshaping the future of auditing and addressing longstanding challenges associated with the audit expectation gap. By identifying the potential for digital tools to enhance audit quality and meet or exceed stakeholder expectations, the researchers provide valuable insights for practitioners, policymakers, and researchers. They advocate for a strategic reevaluation of auditing practices in light of technological advancements, suggesting that embracing digitalization could lead to significant improvements.