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**TECHNOLOGY READINESS OF ARTIFICIAL INTELLIGENCE  
ADOPTION AMONG AUDITORS IN AUDITING**

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**MASTER OF SCIENCE (INTERNATIONAL ACCOUNTING)  
UNIVERSITI UTARA MALAYSIA  
MAY 2025**

**TECHNOLOGY READINESS OF ARTIFICIAL INTELLIGENCE  
ADOPTION AMONG AUDITORS IN AUDITING**

**By**

**NATASHA BINTI MOHD SAUPE**



**Project Paper Submitted to  
Othman Yeop Abdullah Graduate School of Business  
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(International Accounting)**



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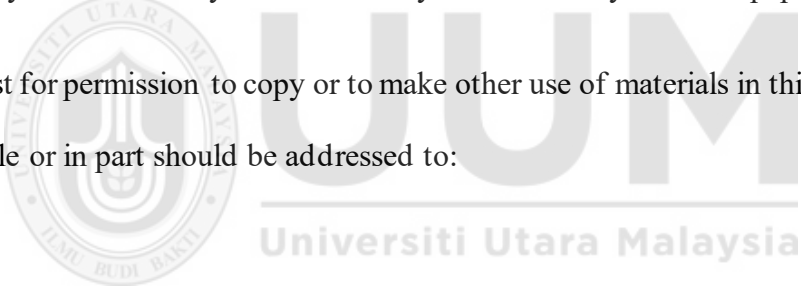


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## ABSTRACT

The integration of artificial intelligence in auditing presents opportunities to enhance efficiency, accuracy, and fraud detection. However, AI adoption among auditors is influenced by several factors, including technology readiness, digital competency, perceived usefulness, and perceived ease of use. This study aims to examine the level of technology readiness among auditors, analyse the impact of independent variables on AI adoption, and provide insights to support training and policy development for AI readiness in the auditing profession. A quantitative research approach was employed, using a structured questionnaire distributed to auditors. The findings reveal that digital competency and perceived ease-of-use significantly influence artificial intelligence adoption, indicating that auditors with stronger digital skills and those who find AI tools easy to use are more likely to integrate artificial intelligence into their workflow. However, technology readiness and perceived usefulness were found to be insignificant predictors of artificial intelligence adoption, suggesting that merely being technologically ready or perceiving artificial intelligence as useful does not directly translate into adoption. The study contributes to theoretical models such as the Technology Acceptance Model by emphasizing the importance of usability and digital competency over perceived usefulness in artificial intelligence adoption. From a practical perspective, the findings highlight the need for comprehensive artificial intelligence training programs and the development of user-friendly artificial intelligence tools to increase adoption rates. Limitations such as a small sample size and limited respondent's diversity suggest that future research should explore organizational influences, regulatory barriers, and ethical concerns related to artificial intelligence adoption.

**Keywords:** Artificial intelligence adoption; Technology readiness; Digital competency; Perceived usefulness; Perceived ease of use

## ABSTRAK

Integrasi kecerdasan buatan dalam audit menawarkan peluang untuk meningkatkan kecekapan, ketepatan, dan pengesanan penipuan. Namun, penerimaan AI di kalangan juruaudit dipengaruhi oleh beberapa faktor, termasuk kesediaan teknologi, kompetensi digital, kegunaan yang dirasakan, dan kemudahan penggunaan yang dirasakan. Kajian ini bertujuan untuk mengkaji tahap kesediaan teknologi di kalangan juruaudit, menganalisis impak pemboleh ubah bebas terhadap penerimaan AI, dan memberikan pandangan untuk menyokong latihan dan pembangunan polisi bagi kesediaan AI dalam profesion audit. Pendekatan penyelidikan kuantitatif telah digunakan, dengan menggunakan soal selidik terstruktur yang diedarkan kepada juruaudit. Penemuan menunjukkan bahawa kompetensi digital dan kemudahan penggunaan yang dirasakan mempunyai pengaruh yang signifikan terhadap penerimaan kecerdasan buatan, menunjukkan bahawa juruaudit dengan kemahiran digital yang lebih kuat dan mereka yang mendapati alat AI mudah digunakan lebih cenderung untuk mengintegrasikan kecerdasan buatan dalam aliran kerja mereka. Namun, kesediaan teknologi dan kegunaan yang dirasakan didapati sebagai peramal yang tidak signifikan terhadap penerimaan kecerdasan buatan, mencadangkan bahawa hanya dengan bersedia secara teknologi atau merasakan kecerdasan buatan sebagai berguna tidak secara langsung membawa kepada penerimaan. Kajian ini menyumbang kepada model teori seperti Model Penerimaan Teknologi dengan menekankan kepentingan kebolehgunaan dan kompetensi digital berbanding kegunaan yang dirasakan dalam penerimaan kecerdasan buatan. Dari perspektif praktikal, penemuan ini menekankan keperluan untuk program latihan kecerdasan buatan yang komprehensif dan pembangunan alat kecerdasan buatan yang mesra pengguna untuk meningkatkan kadar penerimaan. Had-had seperti saiz sampel yang kecil dan kepelbagaian responden yang terhad mencadangkan bahawa penyelidikan masa depan harus meneroka pengaruh organisasi, halangan peraturan, dan kebimbangan etika yang berkaitan dengan penerimaan kecerdasan buatan.

**Kata kunci:** Penerimaan kecerdasan buatan; Kesediaan teknologi; Kompetensi digital; Kegunaan yang dirasakan; Kemudahan penggunaan yang dirasakan

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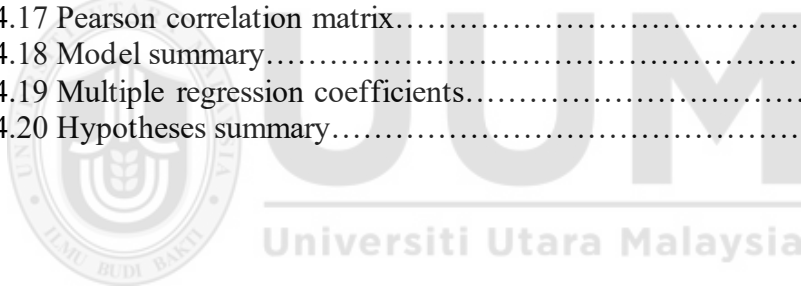
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## List of Abbreviation

Abbreviation	Full Name
TR	Technology Readiness
DC	Digital Competency
PU	Perceived Usefulness
PEOU	Perceived Ease-of-Use
AI	Artificial Intelligence
TAM	Technology Acceptance Model
TRAM	Technology Readiness and Acceptance Model
TOE	Technology Organization Environment
UTAUT	Unified Theory of Acceptance and Use of Technology
SPSS	Statistical Package for the Social Sciences
KPMG	Klynveld Peat Marwick Goerdeler
RPA	Robotic Process Automation
CAAT	Computer-Assisted Audit Techniques
SD	Standard Deviation
CA(M)	Chartered Accountant (Malaysia)
ACCA	Association of Chartered Certified Accountants

# CHAPTER ONE

## INTRODUCTION

### 1.1 Introduction

Artificial intelligence (AI) technology allows computers and machines to replicate the human ability to learn, understand, make decisions, solve problems, display creativity and even autonomy (Stryker, 2024). At present, we have witnessed and discovered that applications of AI technology have been spread all over the world. For instance, in marketing, media and e-commerce, AI have been utilized to learn about customer's needs and behaviour. Netflix and Amazon are great example of how AI have successfully to facilitate their customers satisfaction. In trading and investment, AI learn the algorithms of the trading and allow the system to make trading decisions at greater magnitude. Also, applications of AI have been widespread among accounting and auditing field.

There are wide applications of AI in accounting and auditing fields where it is expected to provide benefit to their profession. AI provides greater efficiency, accuracy and productivity; however, it will be burden by challenges in the process of implementation where eventually it will affect the wealth inequality, extinction of traditional jobs and unskilled workforce (Hasan, 2022). For the past twenty years there have been continuous efforts made in building sophisticated AI driven systems that allow the system to aid the auditors in making decisions and judgement. This system is designed to help auditors to make a better decision by taking into accounts, possible biases and omissions that could otherwise happen in human decision-making processes. That is the degree of versatility and sensitivity which make it widely belief that those systems should be used by auditor as an input to the output of final audit results.

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## Appendices

### Appendix A

#### Feedback Forms of Expert Opinion

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##### FEEDBACK FORM

Name of Reviewer: Norfitriah binti Zainul Abidin

Qualification of Reviewer: Higher Education Officer Gred DH10

No.	Feedback Matter	Explanation
1.	Understanding of the question	Most of the questions are easy to understand, just a few needs amendment.
2.	Question 36	Please re-read the question and arrange back the sentences. Little bit confusing to answer.
3.	Short forms	The short form on responses scales e.g. SD: Strongly Agree, the structure looks messy. I suggest removing the short forms.



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Universiti Utara Malaysia

Date: 19/3/25

Signature:

  
NORFITRIAH BINTI ZAINUL ABIDIN  
Pejabat DH10  
Kolej Kamaniti Kulim  
Kedah Darul Aman

### FEEDBACK FORM

Name of Reviewer: Sukaida binti Mamat

Qualification of Reviewer: Higher Education Officer Grid DH10

No.	Feedback Matter	Explanation
1.	Understanding of the question	Most of the questions are straightforward. Easy to understand.
2.	Question 34 – Question 37	The questions confuse me whether you're trying to say auditing technology or technology in auditing? So please check.
3.	Arrangement of the sentences	The sentences arrangement are well structured.



**UUM**  
Universiti Utara Malaysia

Date: 6/2/2025

Signature: 

SUKAIDA BINTI MAMAT  
P/c. P/Pejabat Pengajaran, Tempoh Diklat,  
Kolej Komuniti Kuala  
Yong, Kedah Darul Aman

## FEEDBACK FORM

**Name of Reviewer:** Siti Nur Aishah binti Ishak

**Qualification of Reviewer:** Account Assistant

No.	Feedback Matter	Explanation
1.	Understanding of the question	The arrangements of the sentences are well structured. Easy to understand. The vocab use is not heavy.
2.	Merge two questions in one sentence	I notice there are a few questions that have two statements in one question. My suggestion is to separate them, but it depends on your questionnaire structure.
3.	Full stop in every sentence	Some of the sentences has ".", some are not. So please standardize them.
4.	Spelling	Please amend the spelling as per screenshots that I have sent to you through WhatsApp.



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Signature:

## FEEDBACK FORM

**Name of Reviewer:** Muhamad Amir Firdaus bin Mohamed

**Qualification of Reviewer:** Senior Associate

No.	Feedback Matter	Explanation
1.	Spelling	Job Title > Job Title
2.	Section D	The introduction sentences missing 'are' before able.
3.	Scale to guide the responses	I'd more prefer to straight away as Strongly Disagree = 1 rather than include the short forms.
4.	English vocabulary	Consistent using either American or British English. For example utilize or utilize.



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Date: 5/2/2021

Signature:

## Appendix B

### Research Questionnaire

#### SECTION A: BACKGROUND

Choose relevant answers to your background.

1. Gender
  - i. Male
  - ii. Female
2. Age
  - i. 20-30 years old
  - ii. 31-40 years old
  - iii. 41-50 years old
  - iv. >50 years old
3. Job
  - i. Audit Manager
  - ii. Audit Assistant Manager
  - iii. Senior Auditor
  - iv. Audit Associate
  - v. Audit Trainee
  - vi. Internal Auditor
  - vii. Others
4. Education
  - i. Bachelor's Degree
  - ii. Master's Degree
  - iii. PhD
  - iv. Others
5. Experience
  - i. <5 years
  - ii. 5-10 years
  - iii. 10-20 years
  - iv. >20 years
6. Workplace
  - i. International Firm
  - ii. Local Firm



7. Professional Certification

i. Malaysian Certification

- Chartered Accountant Malaysia (CA(M))
- Malaysian Institute of Certified Public Accountant (MICPA)

ii. International Certification

- Association of Chartered Certified Accountants (ACCA)
- Chartered Institute of Management Accountants (CIMA)
- Certified Public Accountant (CPA)
- Institute of Chartered Accountants in England and Wales (ICAEW)

iii. Others

**SECTION B: BENEFITS OF AI**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

AI could benefit you in many ways. Please rate your opinion from 1 to 5.

1	AI has significantly enhanced the accuracy and efficiency of audit procedures	1	2	3	4	5
2	AI helps to improve the ability to identify high-risk areas and detect potential fraud during audit	1	2	3	4	5
3	AI is valuable in analyzing complex datasets	1	2	3	4	5
4	Adoption of AI has reduced the effort and period to perform audit routine	1	2	3	4	5
5	AI helps to ensure the audit reports are aligned with the standards and regulation	1	2	3	4	5

**SECTION C: TECHNOLOGY READINESS**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1	Technology helps me perform tasks efficiently and effectively	1	2	3	4	5
2	Technology helps to improve my quality of works	1	2	3	4	5
3	Technology helps to improve my job performance	1	2	3	4	5
4	I am optimistic about how technology could affect my profession	1	2	3	4	5
5	Technology helps to handle complex issues	1	2	3	4	5
6	I believe technology makes work life easier and more convenient	1	2	3	4	5
7	I do enjoy experimenting using new technology	1	2	3	4	5
8	I actively seek for information about the latest technology in market	1	2	3	4	5
9	I prefer to use innovative technology over traditional methods	1	2	3	4	5
10	I am always interested in learning new technology that can benefit my job	1	2	3	4	5
11	I always feel unsure about my ability to effectively utilize the technology	1	2	3	4	5
12	Learning to use new technology cost my extra time and extra effort	1	2	3	4	5
13	I always feel frustrated when the technology does not work as my expectation	1	2	3	4	5
14	I avoid use technology that could not benefit my job	1	2	3	4	5

15	I worry about the risk associated with using technology (e.g. security and privacy)	1	2	3	4	5
16	I feel worried if I rely too much on technology for critical tasks	1	2	3	4	5
17	I am concern about technology could replace the need for human input in organizations	1	2	3	4	5

**SECTION D: DIGITAL COMPETENCY**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1	My ability to process large volumes of data has improved due to my digital skills.	1	2	3	4	5
2	I believe that my digital skills are essential for ensuring accurate and efficient audit outcomes when using AI.	1	2	3	4	5
3	I feel confident in integrating AI-driven insights with traditional auditing practices.	1	2	3	4	5
4	My ability to learn and use new technologies has positively influenced my readiness to adopt AI in my work environment.	1	2	3	4	5
5	My ability to critically evaluate AI-generated results contributes to more effective decision-making in audits.	1	2	3	4	5

**SECTION E: PERCEIVED USEFULNESS**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1	Technology helps to improve the reliability and quality of the audit report	1	2	3	4	5
2	Automation in auditing reduce the time requires to perform repetitive task	1	2	3	4	5
3	AI helps me to meet deadlines without compromising audit quality	1	2	3	4	5
4	AI helps me to make audit decision	1	2	3	4	5
5	AI can enhance the efficiency of my auditing processes	1	2	3	4	5

#### SECTION F: PERCEIVED EASY-OF-USE

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1	It is easy to use technology in my auditing tasks	1	2	3	4	5
2	I can use most of the auditing technology without attending extensive training or support	1	2	3	4	5
3	I find it is straightforward to integrate audit technology in my workflow	1	2	3	4	5
4	The instructions and documentation for auditing technology are clear and easy to understand	1	2	3	4	5
5	It is easy to adapt changes and updates of the auditing technology that I use	1	2	3	4	5

#### SECTION G: AI ADOPTION

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1	AI tools are widely implemented in my company	1	2	3	4	5
2	My company provided sufficient training and support to helps auditors to adopt AI	1	2	3	4	5
3	I believe AI will play a critical role in auditing field in future	1	2	3	4	5
4	I am willing to adopt AI in my workflow	1	2	3	4	5
5	Adoption somehow threatens the auditor profession to be replaceable	1	2	3	4	5

#### SECTION H: CHALLENGES OF AI ADOPTION

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

1	The implementation cost is main challenges of adopting AI	1	2	3	4	5
2	Lack of knowledge makes auditor resistance to adopt AI	1	2	3	4	5
3	The rapid pace of technological changes makes it hard for audit firms keep up with AI advancement	1	2	3	4	5
4	Lack of trust on technology, slowing down the adoption	1	2	3	4	5
5	The complexity of understanding the AI algorithm is also part of the challenges to use AI effectively	1	2	3	4	5

## Appendix C

### SPSS Output Results

#### Descriptive Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
TR1	31	2	5	4.13	.885
TR2	31	2	5	4.03	.836
TR3	31	2	5	4.26	.815
TR4	31	2	5	4.19	.833
TR5	31	2	5	4.00	.966
TR6	31	2	5	4.61	.761
TR7	31	3	5	4.65	.551
TR8	31	4	5	4.68	.475
TR9	31	3	5	4.39	.615
TR10	31	1	5	4.16	1.068
TR11	31	3	5	4.61	.558
TR12	31	3	5	4.48	.677
TR13	31	3	5	4.19	.792
TR14	31	3	5	4.39	.667
TR15	31	3	5	4.52	.626
TR16	31	1	4	2.58	.848
TR17	31	1	5	2.68	1.137
Valid N (listwise)	31				

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
DC1	31	1	5	2.55	1.121
DC2	31	1	5	2.87	1.360
DC3	31	1	5	2.23	1.023
DC4	31	1	5	1.97	1.140
DC5	31	1	5	2.13	1.176
Valid N (listwise)	31				

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PU1	31	3	5	4.19	.749
PU2	31	2	5	4.10	.790
PU3	31	2	5	3.90	.831
PU4	31	2	5	4.23	.669
PU5	31	2	5	4.03	.706
Valid N (listwise)	31				

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
PEOU1	31	2	5	4.26	.682
PEOU2	31	2	5	4.35	.798
PEOU3	31	2	5	3.90	.831
PEOU4	31	2	5	3.61	.989
PEOU5	31	2	5	4.06	.814
Valid N (listwise)	31				

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
AI1	31	3	5	4.10	.651
AI2	31	1	5	3.55	1.179
AI3	31	3	5	3.97	.752
AI4	31	3	5	3.97	.706
AI5	31	3	5	3.94	.680
Valid N (listwise)	31				

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
AI	31	10.60	21.00	16.3677	2.79146	-.123	.421	-.460	.821
TR	31	57.12	79.18	68.0285	6.69693	.145	.421	-1.124	.821
DC	31	4.20	21.00	10.0387	3.95994	.826	.421	.567	.821
PU	31	11.40	21.00	17.2258	2.50586	-.056	.421	-.588	.821
PEOU	31	12.60	21.00	16.9419	2.46965	.066	.421	-.582	.821
Valid N (listwise)	31								

## Reliability Analysis - TR

Case Processing Summary			
		N	%
Cases	Valid	31	100.0
	Excluded <sup>a</sup>	0	.0
	Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

## Reliability Statistics

Cronbach's Alpha	N of Items
.838	17

## Reliability Analysis - DC

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	31	100.0
	Excluded <sup>a</sup>	0	.0
	Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.831	5

## Reliability Analysis - PU

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	31	100.0
	Excluded <sup>a</sup>	0	.0
	Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.843	5

## Reliability Analysis - PEOU

Case Processing Summary			
		N	%
Cases	Valid	31	100.0
	Excluded <sup>a</sup>	0	.0
	Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.757	5

## Reliability Analysis - AI

Case Processing Summary			
		N	%
Cases	Valid	31	100.0
	Excluded <sup>a</sup>	0	.0
	Total	31	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.846	5

## Correlation Analysis

		Correlations				
		AI	TR	DC	PU	PEOU
AI	Pearson Correlation	1	.342	.347	.346	.506**
	Sig. (2-tailed)		.060	.056	.057	.004
	N	31	31	31	31	31
TR	Pearson Correlation	.342	1	.266	.604**	.594**
	Sig. (2-tailed)	.060		.148	<.001	<.001
	N	31	31	31	31	31
DC	Pearson Correlation	.347	.266	1	.023	-.073
	Sig. (2-tailed)	.056	.148		.902	.697
	N	31	31	31	31	31
PU	Pearson Correlation	.346	.604**	.023	1	.592**
	Sig. (2-tailed)	.057	<.001	.902		<.001
	N	31	31	31	31	31
PEOU	Pearson Correlation	.506**	.594**	-.073	.592**	1
	Sig. (2-tailed)	.004	<.001	.697	<.001	
	N	31	31	31	31	31

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

## Regression Analysis

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	PEOU, DC, PU, TR <sup>b</sup>	.	Enter

a. Dependent Variable: AI

b. All requested variables entered.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.649 <sup>a</sup>	.421	.332	2.28141

a. Predictors: (Constant), PEOU, DC, PU, TR

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.322	4.280		1.244	.225		
	TR	-.077	.091	-.184	-.842	.407	.467	2.140
	DC	.308	.115	.437	2.685	.012	.841	1.189
	PU	.109	.225	.098	.487	.630	.548	1.826
	PEOU	.666	.233	.589	2.861	.008	.525	1.905

a. Dependent Variable: AI

### Collinearity Diagnostics<sup>a</sup>

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	TR	DC	PU	PEOU
1	1	4.868	1.000	.00	.00	.00	.00	.00
	2	.110	6.639	.00	.00	.80	.01	.01
	3	.010	21.720	.53	.01	.07	.27	.12
	4	.008	24.543	.01	.00	.02	.60	.71
	5	.003	38.477	.46	.99	.11	.12	.16

a. Dependent Variable: AI

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	98.442	4	24.610	4.728	.005 <sup>b</sup>
	Residual	135.326	26	5.205		
	Total	233.768	30			

a. Dependent Variable: AI

b. Predictors: (Constant), PEOU, DC, PU, TR