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The Impact of Cyber-Security on Audit Quality

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ABSTRACT

Today, databases are deemed to be vital to most organisations worldwide, by shifting their traditional IT setup to a more advanced database model to secure the privilege of flexibilities and security of their valuable data. Nevertheless, these great benefits cannot arrive without consequences. One of these consequences is deemed to be cyber-security attacks. Hence, cyber-security can represent major risk influences to the internal control which in turn place great impact on the quality of the financial report. Despite this, an investigation by Rosati, et al., (2020) on large US firms concluded that the data breach has no great impact on the audit quality. However, following the cyber-security incidents, auditors are placing great emphasis on internal control by proposing substantial testing to offset such risk. Given, the evolution of technology and its integration into almost every aspect of business nowadays, networking security has become a trend, therefore, the internal audit faces challenges to cope with the big data era requirement (Lin and Huang, 2020). In the same vein, the audit committees are required to incorporate technological expertise to question the reliability of the data security in their organisations as to serve the shareholder and play their independent role (Ojeka and Egbide, 2017). In conclusion, big 4 accounting firms intentionally acquire the expertise to gain the privilege of cyber-security advantage to enhance the audit quality provided (Donelson et al., (2020).

KEYWORDS

Audit quality, Cyber-security, Corporate Governance, Audit Committees.

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