From CAATTs Adoption to Continuous Auditing Systems Implementation: An Analysis Based on Organizational Routines Theories

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ABSTRACT: Previous studies on the use of computer assisted auditing technology and techniques (CAATTs) mostly focus on computer skills and perceived usefulness of auditors, and the influential factors from organizational environments; however, they seldom emphasize the group level. In this research, we study the technological adaptation process of a case company, which continuously implemented four CAATTs projects in three years. We summarized and analyzed the routinization process of how the case company adapted their computer-aided audit procedures from an experimental action to daily usage. An approach based on organizational routines theories was adopted to study group learning and interactions among project members, and to understand how they integrated automated auditing techniques and mechanisms into the existing manual auditing procedures. The process also reveals the incremental progress of an emerging routine from CAATTs adoption to continuous auditing systems.

The research results show that the documentation of CAATTs projects and group learning among different functions contribute to the routinization of automated auditing procedures; the continuous auditing system based on the automated auditing program also contributes to routinely audited tasks. However, the improvisational nature of auditing activities, implicit characteristics within general auditing software, and rigidity of automatic auditing programs cause the resistance of auditors on CAATTs use, and also impede the emergence and flexibility of computer-aided auditing procedures.

KEYWORDS: CAATTs, Continuous Auditing, Information System Control, Technological Adaptation, Organizational Routines.