

**Internal Auditing Practices in Remote Audits:
The Role of Digital Tools and Technologies**

Alexsander C. Ong
Graduate School
University of the East

Abstract

The digitalization journey has completely changed the traditional auditing method from on-site to technology-assisted remote audits. This paper deals with the impact of digital tools on Muntinlupa City's BPO sector regarding the accuracy and reliability of remote auditing, as well as the obstacles encountered. Descriptive survey design was used to facilitate the administration of the structured Likert-scale and ranking questionnaire to the 75 purposively selected internal auditors.

Survey results show that respondents generally agreed that digital tools are highly likely to support the accuracy and reliability of the audit. Novice internal auditors, lower-level internal auditors, and those who hold bachelor's degrees seemed more inclined to view the tools as more precise and trustworthy and they also showed a higher level of confidence as compared to seasoned internal auditors.

The most important problems with remote internal auditing are the difficulty of verifying digital evidence, the risk of manipulation, and insufficient context information from the remote observation. These problems could make it harder for auditors to be skeptical and make good decisions.

Using digital tools has been proven to be effective in supporting the existing audit process. On top of that, the BPO sector enterprises should not just upgrade their IT infrastructure, but they must also bolster their communication protocols and auditor competencies in order to achieve organization objectives.

Keywords: Remote auditing, digital tools, audit reliability, audit accuracy, internal auditing, Business Process Outsourcing (BPO)