

Business Risks the Impact of Technological Advances in Auditing On Independent Audit in Commercial Banks

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Abstract

In the banking sector, effective risk management and supervisory processes are critical for ensuring financial stability and maintaining stakeholder confidence. Technological developments in recent years, particularly those pertaining to artificial intelligence, big data analytics, continuous auditing and blockchain, have radically transformed the nature of auditing practices. This article discusses the evolution of risk-focused supervision in commercial banks and explores the impact of technological advancements in business risk supervision on independent audit. The discussion commences with an examination of the theoretical underpinnings of risk-focused supervision within the banking sector, situating it within the extant literature. This is followed by a detailed exposition of artificial intelligence, big data, continuous auditing and blockchain applications in the domain of auditing. The subsequent evaluation assesses the impact of these technological advancements on the quality, effectiveness, auditor independence and ethical dimensions of independent audit. The conclusion drawn from these comprehensive reviews and assessments underscores the considerable potential of emerging technologies to enhance the efficacy of independent audit processes within banking institutions. However, for this transformation to be realised, it is imperative that auditors enhance their expertise, adhere to stringent ethical principles, and the regulatory framework must evolve to align with technological advancements.

Keywords: Auditing, Business Risks, Commercial Banks, Independent Audit, Technological Developments.