



The difficulties of Wireless Accounting

Thamer H. AL-Nuwaybit

Saudi Aramco Assistance supervisor, KSA

Email: dr.thameralnwabeat@gmail.com

Abstract: The research conducted in this paper will assess the traditional accounting with wireless accounting. The research is aimed to arise with an innovation in the auditing domain to assistance business in increasing the overall competitive edge of the business. There has been a continuous evolution around the world. The auditing is measured as a sensitive department for improving trust in the customer segment and stakeholders. Auditing is important for every business. However, the small and medium sized businesses have a limited number of properties available. The business needs to emphasis on implementing anreal way of conducting auditing for these businesses. It has been conversed in a research that the small and medium sized businesses who cannot afford their own auditing departments could get it done through the wireless technology. For this drive, qualitative as well quantitative analysis has been utilized. The questionnaires was distributed to the accountants working in the same firm to gather different perspective. The research has the limitation of not getting the information from multiple auditing firms. The research helps in gaining the insight of employing wireless technology for the users.

[Thamer H. AL-Nuwaybit. **The difficulties of Wireless Accounting**. *J Am Sci* 2020;16(12):44-50]. ISSN 1545-1003 (print); ISSN 2375-7264 (online). <http://www.jofamericanscience.org>. 3. doi:[10.7537/marsjas161220.03](https://doi.org/10.7537/marsjas161220.03).

Keywords: Auditing, Traditional Auditing, Wireless Auditing, Small & Medium Sized Business

1. Introduction:

In the current state of affairs, when the wired networks have become vulnerable to the foreign attacks, the implementation of wireless technology becomes a stipulation. It will not only reduce the hazard of foreign intrusion but would ensure the safe delivery of message and data. The era of technological advancement demands the dawn of wireless technology in almost every field that has been helping the need of people. The businesses are sensitive about their market position for it being the major factor in contributing towards the stand-up in the market (A, Mohan and M, 2017).

However, it has been pragmatic that the auditing is the only source for developing the financial status of business organizations. The small and medium sized business have been outlay a great amount on quarterly and yearly auditing for keeping up the market with their growth status. It has been recognized that the predictable auditing style needs to be replaced with the wireless auditing for improving the effectiveness of the business without compromising on excellence. The research conducted through this paper will support in developing the situation for implementing wireless auditing and replace the existent traditional accounting Saudi Arabia business industry (Andrikopoulos, Bekiaris, Vadasi and Zounta, 2015).

2. Research objectives:

The objectives of the study will be the following:

A) Identify the difficulties of wireless accounting that lead to the new formulation of accounting process treatment.

B) Draw a new image of the internal and external audit process through wireless accounting.

3. Research questions:

A) How can wireless accounting effect the accounting process accuracy?

B) What are the wireless accounting carters lead to the new formulation of accounting process treatment?

4. The hypothesis of the study:

A: wireless accounting cannot help the accounts to run the treatment process simply.

B: Wireless accounting can help to move up and promoting accounting Standard and procedures.

C: Wireless accounting can help to proselytize of wide Unify the accounting system in the world.

5. Model of the Study: Fig-1

6. Definition of Expressions:

A- Accounting Science:

Accounting is the technique of recording financial relations related to a business. The accounting procedure contains brief, analyzing and reporting these transactions to omission agencies, regulators and tax gathering entities. The financial statements used in accounting are a crisp summary of financial transactions about an accounting period, summarizing organization operations, financial

situation and cash flows (Arsalan & Lisa Aryanti, 2018).

B- Regular Accounting:

Regular accounting is the traditional system that uses paper or local system without any internet connection for the entries and audits and it requires manual registration by the accountant.

C- Wireless Accounting:

Wireless accounting is the route of allowing to Provide accounting processor reflectivity of expenditure treatment through wireless accounting or online accounting system (Arsalan & Lisa Aryanti, 2018).

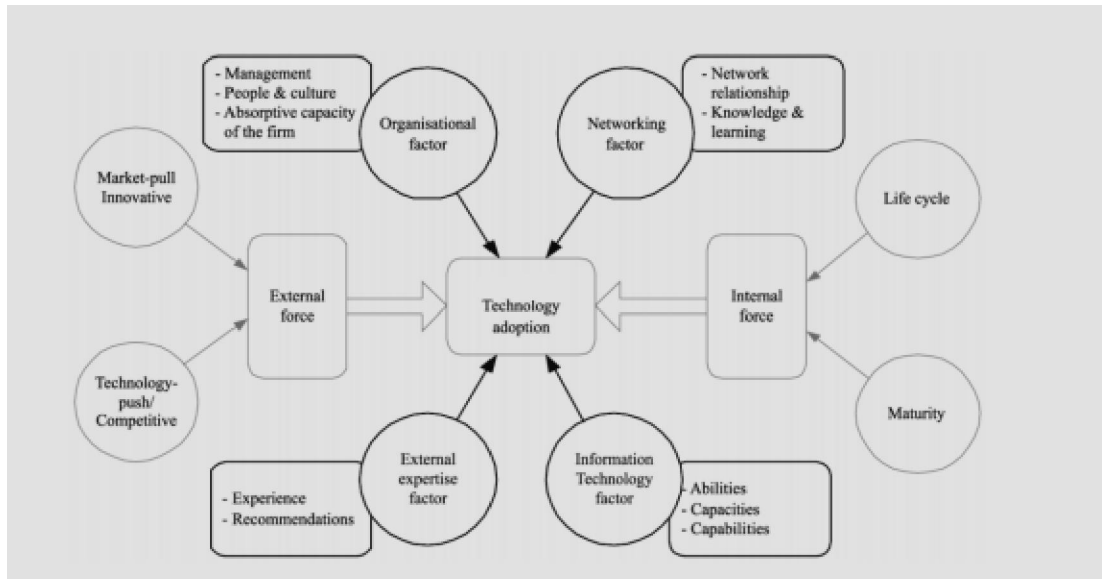


Fig-1: Model for technology adoption in Auditing

7. Research problem:

Wireless accounting and regular accounting are two of the vital courtesy seeking topics in research domains as they show essential roles in accounting by applying the accounting standard and procedure. Hence, one of the critical matters faces the accounts are how to document the recording of the accounting treatment process due to the usage of the wireless accounting which explain there is absent some of the invoice paper, catch receipt and cheque and this is different from regular accounting and wireless accounting or business and person as every business has its own culture, environment and aims to shape its system (Abu-Musa, 2007).

8. Purpose of the study:

The determination towards carriage out this research is to realize the wireless accounting that is answerable to provide smooth administration of the accounting applications to be followed in the official accounting communication and that it will prime to accounting organizational philosophy. With the upkeep of this research wireless accounting will be realistic which is prevailing in the organizations and it will figure out a set of accounting influences that can be agreeable in evolving wireless accounting.

9. Significance of the Study:

The study will help to know the meaning of accounting and the importance of developing it, and how to use wireless accounting through some methods and how to facilitate the review and audit process for accounting operations. Thus, such researches help in finding exact behaviours to develop the application of accounting science and its regulation and standard, which is absolutely reflected in the work environment and the hurry of completion of the daily work tasks of the accountant (Abu-Musa, 2006).

10. Research method:

The impact of wireless technology upon auditing could be evaluated through the research conducted on the sample population. The research methodology is supported by authentic tools and the variables used for the research.

11- Population Frame and Sampling:

The population selected for this study is listed with the 'Associated Accountants'. The Associated Accountants had been providing sovereign auditing services for the businesses of Saudi Arabia (Abu-Musa, 2006). The auditing firm is registered with the Council of American Auditing Association. For the study, it was essential that a large number of sampling populations be nominated, as it will be able to give a detailed perspective for implementing internal and external auditing through wireless technology. The

total number of population was 260, however, amongst them 129 participated in the research. Amongst these participants, 112 are the suitable respondents who had completed their surveys, whereas, 17 participants were considered ineligible due to incomplete questionnaires.

The survey established keeping in view the American investigation standards to manage the

authenticity of data acceptance on a big scale. The table exposed below shows that the total response rate of the participants was 42.6%. The population was divided amongst men and women. In whom 78.6 % in men and 21.4% is female participation. The selected population is a 100% CPA (Certified Management Accounting) certificate, holder (Amilin & Erthanegara, 2017).

Total number of Sampling units	260
Total number of respondents	129
Total number of eligible respondents	112
Total number of ineligible respondents	17
Total number of non-respondents (260-129)	131
Response Rate $[112 \times 100] / [112 + 150.92]$	42.6%

12. Data Collection:

The data will be collected qualitatively and then transcribed quantitatively for a better understanding of results. The qualitative data is collected using semi-structured interviews. The quantitative data will be collected through surveys. The dependability of the question is legalized through Cronbach's alpha. The results are above 0.7 shows that the questionnaire has

a strong internal rationality of questions (Wang, Wang, Feng and Pan, 2016).

13- Findings and Analysis:

The data has been analyzed using altered techniques like frequencies and descriptive statistics. The results show that the use of wireless technology does not deviate from the standards of auditing (Amilin & Erthanegara, 2017).

<i>Panel A: Client acceptance and audit planning</i>		
Financial ratio tools	5.73 (1.215)	6.04 (1.082)
Internet search tools	4.97 (1.748)	5.17 (1.670)
Audit planning software	5.38 (1.863)	5.83 (1.261)
Risk assessment	5.54 (1.342)	6.04 (1.134)
Client acceptance	5.49 (1.601)	5.87 (1.150)
<i>Panel B: Evidence collection and audit testing</i>		
Sampling	5.62 (1.453)	5.62 (1.484)
Internal control	5.54 (1.314)	5.90 (1.157)
Data mining	4.83 (1.892)	5.19 (1.683)
Continuous transaction monitoring	5.53 (1.451)	5.60 (1.384)
Test on-line transactions	5.43 (1.655)	5.68 (1.446)
Database modeling	4.81 (1.802)	5.23 (1.518)
Digital analysis	5.20 (1.555)	5.59 (1.473)
<i>Panel C: Audit completion and report writing</i>		
Audit report writing	5.74 (1.609)	5.88 (1.478)
Fraud review	5.21 (1.654)	5.65 (1.317)
Review of client's financial disclosures on websites	5.00 (1.991)	5.40 (1.604)
<i>Panel D: Administrative work</i>		
Electronic workpapers	5.21 (1.921)	5.37 (1.791)
Client relationship management	5.65 (1.475)	5.85 (1.281)
Expert systems	4.40 (1.932)	4.90 (1.697)
Graphs	4.79 (1.810)	5.27 (1.550)

Fig-2: Statistical Analysis

14. Research limitation:

Every research has a limitation. Since not every business has its own auditing units and it has been detected as a trend that they opt for liberated auditing services like the one under consideration. The complete population has been designated from the same company due to the unattainability and unwillingness of the other auditing firms.

15. Literature Review.

The economic turmoil and the market variation demands the business sector to advance and change their business policies. The requirement of change will help the businesses to continually evolve and meet the universal change. The success of the business depends upon the successful operation of key performance indicators. Technology is one of the critical key performance indicators serving in the upgrading of business processes. Keeping in view the need for change, the common of businesses has been opting for ways that could growth efficiency and secure business profitability. Auditing is the main determinant of economic efficiency (Bagozzi, 2007).

Christausk and Michel offered their research highlighting the need of changing traditional auditing in a more efficient way. The aim of this research was to evaluate the existent traditional accounting approach. It was emphasized by the authors that the foreign invasion is the biggest reluctance for keeping on going with the traditional accounting approach. Traditional accounting has been the traditional method of supervision the finances of any business and recording any discrepancies in the case of auditing. Finances are a complex domain of any business. Many businesses these days have to hire independent auditing firms for the auditing process. It not only exposes the current financial status of the business to unauthorized people and there is a big chance of data intrusion (Bagozzi, 2007).

Traditional accounting greatly trusts on the availability of human resources as well as it has to be accompanied on the establishment grounds.

It requires the availability of resources and needs a great number of man-hours for the completion of the process. The more humans are involved in the recording of financial information there are possible chances of increased issues and discrepancies in the auditing process. Armbrust in 2011 proposed that wireless auditing is capable of covering informatics applications through the internet along with the hardware and software data used in the data centers. Chinayo Low in 2013 proposed cloud computing influence could increase the competence of economics in any business. Expressly, small and medium-sized businesses requisite the updating of technology to keep the finances in hand and accomplish the

economy of the business too. Cloud computing could be convenient for any business and would support the business in outlay less on hiring auditors. Wireless auditing offers the following benefits (Chen, 2016):

Security:

The implementation of wireless technology rises the maintenance of financial information. Web-based security develops security and prevents the intrusion of an outsider. Wireless computing offers a safe passage to data access.

Adaptability:

With wireless technology, adaptation to change techniques becomes much calmer. The software used for accounting could be advanced keeping in view the specific needs and this software is updated on time. It helps in improving the efficiency of the auditing. The wireless auditing supports in saving time and manage the cost of conducting the activity (Dehning, 2002).

Eased Management:

The accounting application is accessed anytime through a web browser. The accounting software is developed managing the auditing from every perspective. The wireless auditing assists in adding additional required features for completing the additional auditing tasks the report generation for the customer-based query.

Compliance:

The auditing software's established offers the quickness of service and obey with the international auditing standards. The software acquires the internal accounting standards to offer quality-auditing services.

Dependency:

Implementation of wireless-created auditing reduces the dependency of the business on the auditors. The business could accomplish the auditing needs without hiring a complete unit rather an individual with basic auditing experience could handle the auditing of the entire business unit.

Traditional accounting has its own advantages as it reduces the chances of occurrence of error and file corruption. Since many people don't know or have hands-on knowledge of using the accounting software, there are probable chances that they might store the data or file wrongly and may lead to damage of data. With traditional accounting, the data is added separately into debit and credit account while registering the data, thus eliminating the wrong entry of data. Wireless technology depends upon the constant availability of power sources. If there is no power, source the accounting, data cannot be retrieved or due to sporadic internet availability, the auditing process may be hindered. These factors are avoided using the traditional accounting approach.

However, it has disadvantages as well as the dependency on the individual for accounting purposes,

loss of data through the demolition of hard files, the discrepancy in data records. Wireless accounting is the efficient replacement of traditional accounting. Technological changes demand the implementation of the latest techniques for all business processes. With the help of wireless technology, data transparency could be ensured. There are possible chances that during traditional auditing, data is observed by unauthorized people. When it comes to wireless, accounting the complete data is accessed and manipulated by authorized people. With the benefit of wireless accounting, data management and safe file storage could be confidential.

Shah Alam and Mohamad Noor proposed their research in 2012 supporting the implementation of wireless auditing that the improvement of business practices depends upon service quality, organization and process flexibility and cost-saving. Hiring the auditing services on a quarterly and yearly basis costs a heavy amount to the businesses these days. Due to the critical economic situation, it has become hard for businesses to manage auditing needs. For the need of businesses going universal, it has become the prerequisite for the businesses to get the auditing done to certify that they had been complying with the international standards and to estimate the original standing of the business in the market (Farrar, 2010). With the support of wireless technology, the business could get any permitted software and get the auditing done efficiently and in minimum time. The software is easy to be managed and updated. It could save a great amount on the yearly basis. The implementation of wireless accounting is significant for small and medium-sized businesses as they are incapable to hire the complete auditing unit and they have to outsource the auditing to an independent auditing business. It makes the financial position of the business vulnerable. Auditing has become the standard for a business standing in the market.

Even the traditional accounting practitioners need to use the technology for establishing the authorization of their accounting. The latest technology could help in improvising the auditing process (Farrar, 2010).

Braun and Davis in 2009 defined CAATTs as an vital tool for enhancing efficiency in auditing. The auditors for extracting information using the software so that no data is wasted or misinterpreted have used CAATTs. The opinion drawn using CAATTs was validated, as there was no human intervention involved. The software also supports the auditors in improving efficiency and productivity.

STEP analysis can be used for evaluating the efficacy of wireless auditing. **Social factors** have a more influence on the implementation of auditing techniques. The stakeholders these days think from the

businesses that they present the current market position and the situation of their investment through auditing.

It not only defines the future business goals but keeps the stakeholders in the loop that their satisfaction is the priority of the management. The positive image of the business supports in evolving a good business standing in the market. Technology has played a vital role in implementing new business processes for businesses to sustain a competitive edge in the market (Chen, 2016). Small and medium-sized businesses cannot hire their auditing teams and to accomplish business productivity and efficiency, auditing is necessary. Thus, wireless auditing assistance in getting effective auditing resolutions and manage business growth without any human intervention. Thus, the chances of mistake become negligible and the businesses are able to keep strict security over their financial data. The management of the economy has been the highest concern of every business these days. The small and medium-sized businesses need to assign their resources carefully so that they can use resources meaningfully and produce maximum profit out of it. The implementation of wireless technology will support in saving a lot of costs that could have been incurred during the practice of traditional accounting. Auditing has become a sensitive aspect of any business.

It can elevate the business profits as well as could demote the business rating depending upon their current market standing. Saudi Arabia has been strictly implying to the international auditing standards for making their business industry established in the foreign market. It is expected to bring more revenue to Saudi Arabia's business industry. The software is used for wireless accounting have been accepted by the auditing firms. It is necessary for approval as the automated report generation from these software's are considered to be authorized and used for making profit postulation for any business.

Therefore, the software developed these days for the accounting aims and the flourish of the implementation of wireless auditing; the CPA like the qualification of any auditor shall approve and accept this software. The CPA authority shall thoroughly check these software's and release the publication for their approval that what type of business can use this software. In this technique, the businesses will be categorized for the habit of the software. It has been an additional aspect for the wireless auditing that they save the data to be viewed by the peers or senior auditors (Chen, 2016).

16. Discussion:

It has been observed from the research that organizations have excessive influence on the implementation of wireless auditing by the auditors.

Auditing is another business development process that is critical for business growth. If the business is developing, it supports the evolution in every business feature. Wireless accounting is expected to be fruitful only when the business is already planning to opt for the latest technological changes. The small and medium-sized businesses are in superior need of the implementation of wireless technology as it provides the autonomy to the business to keep in control their financial information and supports the cause of staying sustainable to changing market needs as well. However, the complexity of the software is something that needs to be considered. It is necessary that the individuals using the wireless auditing software are wholly equated with the software and they have completed knowledge on how to make practice on the software. It is necessary for the business that shall be able to use the software professionally so that maximum output could be generated (Amilin & Erthanegara, 2017).

The more complex the financial difficulties for the business, the use of wireless technology becomes inevitable. The usage of wireless technology helps in better management of auditing and making the reports visible to all stakeholders without the threat of data breach. Stronger the internal control the increased are the chances that the data shaped is reliable and could be used without the fear that there is any discrepancy in the data. Even if the businesses are not fully in the knowledge of the use of wireless auditing, the independent auditing firms could use the wireless auditing technology for providing the client with best accounting solutions at a minor cost. The minor the effort invested the lesser it will cost the business. However, there is an agreement between the client and the auditor about the privacy of data, but using wireless auditing will provide the recording for the accounting to the business through secret sharing. Authorized personnel could access this information (Amilin & Erthanegara, 2017).

17- Recommendations:

From the research conducted, there are few recommendations that are listed below:

1- The software's for implementing wireless auditing shall be approved and accepted by the internationally recognized auditing firms.

2- The software's developing for auditing shall have layman language for small and medium sized business so that the owner does not need to hire outer workforce for software handling and the financial data doesn't go in the hands of unauthorized individuals.

3- The software designers shall develop a detailed document for self-handling of the document.

4- The user shall ensure that the software is secured from any foreign intrusion.

18. Research Comment:

While conducting research on the given topic, it was identified that this aim has been in knowledge since 2008 but there has been no practical steps taken for implementing this model. The detailed research conducted in this paper benefits in developing a prominent image and detailed knowledge for implementation of wireless accounting specially in the auditing filed of business environment.

19. Conclusion:

Wireless accounting has become a common practice in western countries due to increasing globalization. Saudi Arabia has been experiencing an evolution in every domain. The auditing has been a sensitive characteristic for the business. It has become necessary for businesses to present their valid auditing report to forecast their business transparency. However, it becomes difficult for the business to hire the services of independent auditing and pay a large amount. If the business owners or any technical person is able to get acquainted with the business environment, they could use wireless auditing for saving the cost of hiring external auditing services and could manage the resource swell. The auditing is not only necessary for the business standing but for managing the business resources as well. It is recommended that the wireless auditing software shall be developed keeping in view the desires of Saudi Arabia's business industry. It is expected that the convenience of language, the software would help the new entrants in the market to manage resources and elect for sustainable growth.

References

1. S., Arsalan, S., & Lisa Aryanti, M. (2018). The Impact of Audit Committee and Internal Audit towards Financial Statement Quality: External Audit and Corporate Governance as Intervening Variables. *International Journal Of Engineering & Technology*, 7(4.34), 208. doi: 10.14419/ijet.v7i4.34.23890
2. A, A., Mohan, A. and M, S., 2017. Wireless Security Auditing: Attack Vectors and Mitigation Strategies. *Procedia Computer Science*, 115, pp.674-682.
3. Andrikopoulos, A., Bekiaris, M., Vadasi, C. and Zounta, S., 2015. International Collaboration in Auditing Research: A Note. *International Journal of Auditing*, 20(1), pp.66-71.
4. Abu-Musa. (2007). Exploring Information Technology Governance (ITG) in Developing Countries: An Empirical Study. *The International Journal Of Digital Accounting Research*. doi: 10.4192/1577-8517-v7_4

5. Abu-Musa, A. (2006). Investigating the Perceived Threats of Computerized Accounting Information Systems in Developing Countries: An Empirical Study on Saudi Organizations. *Journal Of King Saud University - Computer And Information Sciences*, 18, 1-30. doi: 10.1016/s1319-1578(06)80001-7
6. Amilin, A., & Erthanegara, D. (2017). The Impact Of Information About Client In Moderated The Effect Of The Involvement Of Public Accounting Firm Head And The Effect Of Problem Representations On Audit Planning. *Journal Akuntansi*, 17(1). doi: 10.24912/ja.v17i1.191
7. Bagozzi, R. (2007). The Legacy of the Technology Acceptance Model and a Proposal for a Paradigm Shift. *Journal Of The Association For Information Systems*, 8(4), 244-254. doi: 10.17705/1jais.00122
8. Chen, X. (2016). Celebrating fifty years of organizational behavior and decision making research (1966–2016). *Organizational Behavior And Human Decision Processes*, 136, 1-2. doi: 10.1016/j.obhdp.2016.09.002
9. Dehning, B. (2002). Discussion of Impact of Information Technology on Public Accounting Firm Productivity. *Journal Of Information Systems*, 16(2), 223-226. doi: 10.2308/jis.2002.16.2.223
10. Farrar, F. (2010). Role and Function of the Public Company Accounting Oversight Board and Auditing Standard No. 5 an Audit Internal Control Over Financial Reporting that Integrated with an Audit of Financial Statements. *SSRN Electronic Journal*. doi: 10.2139/ssrn.1564410
11. Wang, S., Wang, J., Feng, C. and Pan, Z., 2016. Wireless Network Penetration Testing and Security Auditing. *ITM Web of Conferences*, 7, p.03001.

12/8/2020