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Original Article

The Effect of Information Technology and Facilitating Conditions on Audit Risk (Survey of Public Accounting Firms throughout Central Java)

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Abstract

This study addresses the research gap concerning the factors influencing Audit Risk in Public Accounting Firms, particularly the limited empirical evidence on the roles of Information Technology and Facilitating Conditions. Audit risk arises when auditors issue inappropriate opinions on financial statements containing material misstatements, which can undermine financial accountability and stakeholder trust. This research investigates how Information Technology and Facilitating Conditions affect Audit Risk in Public Accounting Firms located in Central Java. Using a descriptive quantitative approach, data were collected via structured questionnaires from 60 purposively selected auditors with a minimum of three years of experience across various audit engagements. The variables measured include components of Audit Risk (Inherent Risk, Control Risk, Detection Risk), Information Technology (use of AI and cloud computing), and Facilitating Conditions (knowledge, resources, compatibility, and ease of use). Data analysis was performed using SPSS software, incorporating validity and reliability tests, as well as classical assumption tests such as normality, multicollinearity, autocorrelation, and homoscedasticity, followed by multiple linear regression analysis. The findings reveal that Information Technology has a negative but statistically insignificant effect on Audit Risk, while Facilitating Conditions exhibit a positive and significant influence. Collectively, both variables significantly impact Audit Risk. These results highlight the critical role of organizational support systems in mitigating audit risk, suggesting that improvements in facilitating conditions may be more influential than technology adoption alone in the context of auditing practices.

Keywords: Audit Risk, Information Technology, Facilitating Conditions, Public Accounting Firms, Central Java.

1. Introduction

Auditing plays a vital role in the business world as a means to evaluate the fairness and accuracy of an entity's financial statements. According to Arens et al. (2019), the main role of an audit is to gather and assess evidence that supports management's claims about financial statements that comply with accepted accounting principles or global standards like IFRS. Audits aim to give a level of confidence that financial statements do not contain significant mistakes, whether from mistakes or intentional deception (Rick et al., 2005). Accurate financial statements are crucial as they form the basis for decision-making for various stakeholders, such as investors, creditors, and management. In the context of agency theory, Watts and Zimmerman (1986) explains that audits serve to reduce conflicts between owners and management by providing assurance that the financial statements presented are trustworthy. Independent auditors provide confidence to stakeholders, allowing them to make informed decisions based on valid information. Francis (2004) emphasizes that high-quality audits not only enhance the quality of financial information but also strengthen public and market trust in the company's performance. Thus, audits play an essential role in maintaining the transparency and accountability of financial statements, ultimately contributing to broader economic stability.

During an audit, audit risk arises when auditors give an incorrect judgement on financial statements that have significant errors (Sangkala, 2024). Audit risk is made up of three elements: inherent risk, control risk, and detection risk (Sunaryono et al., 2019). Innate risk is the probability of error occurring without taking internal controls into account, whereas control risk pertains to how well internal controls work. Detection risk arises when auditors fail to detect material misstatements. According to Arens et al. (2011), audit risk refers to the chance that an auditor may give an incorrect assessment on financial statements with significant mistakes, whether caused by deceit or mistakes made by individuals (Rick et al., 2005). To minimize risk, Whittington et al. (2010) emphasize the importance of comprehensive audit planning. Risk assessment at the outset of the audit determines the extent of necessary testing (Boynton & Johnson, 2005). Auditors must design effective audit procedures to reduce detection risk (Messier et al., 2017). Should the auditors not identify significant errors, the credibility of the audit report will suffer due to the decrease in the quality of the audit opinion (Askary et al., 2018).

The insurance company Wana Arta Life (WAL) had the Public Accounting Firm Kosasih, Nurdiyaman, Mulyadi Tjahjo & Partners (KNMT) as the involved witness. KNMT was penalized by the Financial Services Authority with Decision Letter of the Board of Commissioners numbers KEP-5/NB.1/2023, KEP-3/NB.1/2023, and KEP-4/NB.1/2023 on February 24, 2023. The sanction was imposed because the auditors at Public Accounting Firm KNMT were deemed to lack the competence and knowledge necessary to conduct the audit at WAL, resulting in their failure to detect indications of fraud. The undetected indications of fraud involved financial statement manipulation by shareholders, the board of directors, and the board of commissioners of WAL. One form of manipulation was the failure to report an increase in the production of high-risk savings plan insurance products. As a result, WAL's financial statements appeared to present a healthy financial condition and met the company's health standards set by regulations. The failure to detect this manipulation led to increased detection risk. This detection risk impacted the decision-making of policyholders who continued to purchase WAL products, as the erroneous financial statements provided an impression that the company promised high returns without considering the associated risks. Ultimately, this audit risk could result in erroneous decision-making by users of WAL's financial statements, based on inaccurate information.

Factors influencing audit risk can be categorized into several groups. First, client factors include company characteristics such as size and complexity, management integrity, and management's experience in the industry, all of which can increase audit risk (Arens et al., 2011). Second, environmental factors such as applicable regulations and policies, the level of industry competition, and economic conditions also play a role, where regulatory uncertainty and recession can heighten the risk of fraud (Messier et al., 2017). Third, audit process factors relate to the quality of the auditor and the use of modern technology, which can enhance the ability to detect errors. A well-planned audit that includes proper risk assessment is crucial for identifying high-risk areas. Finally, internal factors such as the quality of internal control systems and changes in organizational structure affect audit risk, where a robust system can prevent errors and fraud. Understanding these factors is essential for auditors in planning and executing effective audits.

Digital transformation (DX) is a worldwide trend that is revolutionizing different industries like business, education, healthcare, and government. Utilizing advanced technologies such as artificial intelligence (AI), big data, the Internet of Things (IoT), and cloud computing, organisations are focused on improving efficiency, creativity, and staying competitive. According to the World Economic Forum report, digitization creates new opportunities in the global value chain, accelerates automation processes, and reshapes how sectors operate and interact. In the business sector, DX enables companies to enhance customer experiences through data-driven analytics and business process automation (Vial, 2021). In education, digital technologies facilitate remote learning and broader access to educational resources (Panigrahi, 2020). Meanwhile, in healthcare, digitization supports the development of telemedicine and electronic medical records, improving the quality of healthcare services (Kay et al., 2010). This transformation not only drives innovation but also requires rapid adaptation across sectors in the face of evolving technological challenges. DX is defined as the integration of digital technologies to improve business performance and reach (Karagiannaki et al., 2017; Westerman et al., 2011). This process involves the use of new digital tools such as social media, mobile applications, and analytics to enhance customer experiences, streamline operations, and create innovative business models (Fitzgerald et al., 2014). DX strategies serve as blueprints for organizations to manage change and operational impacts (Matt et al., 2015). However, the definition of DX is often ambiguous, especially concerning the terms "digital technology" and "transformation," which can be confusing (Demirkan et al., 2016; Hartl & Hess, 2017). DX encompasses digitalization for efficiency and digital innovation to enhance products (Berghaus and Back, 2016), and is characterized by profound changes in activities, structures, and business models due to technological advancements (Nwankpa & Roumani, 2016). This process highlights the impact of information technology on organizational routines and capabilities, although it often combines the concept of DX with its outcomes (Li et al., 2018). Ultimately, DX represents a strategic shift to leverage digital capabilities in creating value and responding to market changes, even though terminological clarity remains a challenge (Remane et al., 2017; Vial, 2021).

Finally, DX can significantly add complexity to the factors influencing audit risk. First, client factors can become more complicated due to the integration of new technologies into business operations. For example, the size and complexity of a company may increase with the adoption of digital technologies, such as ERP systems and cloud-based platforms, creating additional challenges in understanding and testing existing accounting systems. Additionally, management integrity may also be affected by the level of technology adoption, where management less experienced with new technologies might be more susceptible to errors and fraud (Kiron et al., 2016). Second, environmental factors become more dynamic with the introduction of new regulations concerning data security and privacy, which often follow technological advancements (Vial, 2019). Uncertainty regarding compliance with these regulations can increase audit risk, especially in sectors vulnerable to cyber threats (Calderon & Gao, 2021) Furthermore, unstable economic conditions may be exacerbated by digital disruptions, affecting industry competitiveness and increasing the potential for fraud risk (Haffke et al., 2016) Third, audit process factors become more complex as auditors need new skills to evaluate the technologies and digital systems implemented by clients. The use of analytical tools and automation technology in audits can enhance error detection but also requires a deep understanding of how these technologies function and their associated risks. With the increasing use of technology, auditors must be more proactive in identifying and assessing risks related to data and information systems. Lastly, internal factors within companies can also be affected by DX, where changes in organizational structure and internal control systems become more complex due to the implementation of new technologies. Strong internal controls must be able to adapt to technological changes to prevent errors and fraud. Therefore, auditors need to understand how these systems operate in a digital context and evaluate their effectiveness in mitigating risks. Overall, DX not only increases audit risk but also adds layers of complexity to the factors influencing that risk, requiring auditors to be more vigilant and adapt to changes occurring in the business environment.

Despite the increasing integration of digital technologies in audit practices, prior studies have primarily focused on how digital tools improve auditor performance or audit efficiency, rather than directly investigating how they influence audit risk as a measurable outcome. Similarly, while some research has examined the impact of organizational and technological support systems on auditor capabilities, few have empirically tested the relationship between facilitating conditions—such as knowledge, resources, compatibility, and ease of technology use—and audit risk itself. This study seeks to fill that gap by shifting the focus from performance-based outcomes to risk-based outcomes, thereby offering a more nuanced understanding of how both technological adoption and supportive infrastructure can either mitigate or exacerbate audit risk.

Specifically, this research contributes to the literature by: (1) empirically examining the partial and simultaneous effects of Information Technology and Facilitating Conditions on audit risk, (2) operationalizing audit risk into its three constituent components (inherent, control, and detection risk), and (3) providing practical insights for Public Accounting Firms, especially in Central Java, on how to manage audit risk within the context of digital transformation. By focusing on a regional setting and using field data from practicing auditors, this study offers both theoretical advancement and context-specific recommendations for audit risk management in the digital era.

2. Methods

This study employs a descriptive quantitative approach aimed at describing the audit phenomenon in Public Accounting Firms in Central Java. The quantitative method allows for statistical analysis of the numerical data collected through questionnaires, while the descriptive method is used to explain the relationships between the variables being studied. The population in this study consists of all auditors working in Public Accounting Firms in Central Java. Purposive sampling is utilized to select samples based on specific criteria, namely auditors with a minimum of three years of experience who have audited various types of companies. From the distribution of questionnaires to auditors across Central Java, 60 completed questionnaires were returned and deemed usable for analysis.

The structured questionnaire utilised for gathering data consists of various questions aimed at assessing multiple factors. The primary factor being examined is Audit Risk, as discussed in the study by Askary et al. (2018), which encompasses Inherent Risk (IR), related to the potential for errors in intricate business operations; Control Risk (CR), concerning the possibility of internal controls failing to identify inaccuracies; and Detection Risk (DR), involving the likelihood of auditors not detecting significant errors. The second variable is Facilitating Conditions, as outlined by Anjani & Mukhlis (2022). This encompasses Knowledge and Skills, which reflect the level of knowledge and skills of the auditor; Availability of Resources, referring to the auditor's access to supporting resources; Compatibility, which assesses the suitability of new technology with existing audit practices; and Ease of Use, indicating how easily the auditor understands the usage guidelines for technology. The third variable is Information Technology, based on sources such as SAS (2020). This includes Utilization of AI, which refers to the frequency of AI usage in audits, and Utilization of Cloud Computing, which examines the extent to which cloud services are employed in the audit process.

Data were analyzed using SPSS software. The statistical techniques employed include validity and reliability testing, which ensures that the research instrument is reliable and valid. Traditional assumption testing was carried out, which involved testing for normality, multicollinearity, autocorrelation, and homoscedasticity to verify that the fundamental assumptions of linear regression have been satisfied. Furthermore, multiple linear regression analysis was employed to examine the connection between the independent variables and the dependent variable.

This study has several limitations, including the use of purposive sampling, which may not represent the overall population of auditors. Furthermore, data collection through questionnaires may introduce respondent bias, such as inaccuracies or inconsistencies in responses. The analytical methods used are also limited to linear regression, which may not capture more complex relationships between the studied variables.

3. Results and Discussion

3.1. Research Results

3.1.1. Validity Test

Table 1. Validity Test Results

Variable	p-value Validity	Validity Description
Information Technology (X1)	0.000	Valid
Facilitating Condition (X2)	0.000	Valid
Audit Risk (Y)	0.000	Valid

The results of the validity test suggest that the Information Technology (X1) variable is considered valid as its significance value (p-value) of 0.000 is lower than 0.05. Similarly, the Facilitating Condition (X2) variable also shows a significance value of 0.000, indicating its validity. The Audit Risk (Y) variable has a significance value of 0.000, reinforcing its validity. Based on these findings, it is inferred that all variables in the survey are suitable for continued data gathering as they have been established as valid.

3.1.2. Reliability Test

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Reliability Description
Information Technology (X1)	0.870	Reliable
Facilitating Condition (X2)	0.827	Reliable
Audit Risk (Y)	0.733	Reliable

The results of the reliability test show that the questionnaire for the Information Technology (X1) variable has a Cronbach's Alpha value of 0.870, which is clearly greater than 0.60. This indicates that the questionnaire for this variable has good reliability. For the Facilitating Condition (X2), the Cronbach's Alpha value is 0.827, which is also greater than 0.60, indicating very good reliability. Meanwhile, the Audit Risk (Y) variable has a Cronbach's

Alpha value of 0.733, which is still greater than 0.60, indicating that this questionnaire is also reliable. Thus, all tested questionnaires demonstrate a very good level of reliability.

3.1.3. Classical Assumption Test

The classical assumption test is an essential step in regression analysis, aimed at ensuring that the model built can produce valid and unbiased estimates. In this context, several assumptions need to be tested, including multicollinearity, autocorrelation, heteroscedasticity, and normality. Each assumption has specific criteria for testing, and the results help researchers determine the feasibility of the regression model used.

a. Multicollinearity Test

The findings from this research reveal that the Tolerance value for the Information Technology (X1) variable is 0.583, and for Facilitating Condition (X2) variable also stands at 0.583. Furthermore, the VIF values for both variables are 1.716, each. These findings suggest that the regression model does not exhibit multicollinearity, as demonstrated in Table 3.

Table 3. Multicollinearity Test Results

Variable	Tolerance	VIF
Information Technology (X1)	0.583	1.716
Facilitating Condition (X2)	0.583	1.716

b. Autocorrelation Test

Autocorrelation arises when the errors in a regression model show a relationship with one another, leading to less precise coefficient estimates. The Durbin-Watson test is employed to test for autocorrelation. The evaluation involves checking if the Asymp. Sig. (2-tailed) value is below 0.05, indicating the presence of autocorrelation. Conversely, a value above 0.05 suggests an absence of autocorrelation (Koutsoyiannis, 1994). In this study, the analysis results show an Asymp. Sig. value of 0.435, which is greater than 0.05. This indicates that there is no autocorrelation in the model, meaning that the residuals are independent of one another, as shown in Table 4.

Table 4. Autocorrelation Test Results

Test	Asymp. Sig. (2-tailed)
Durbin-Watson	0.435

c. Heteroscedasticity Test

In the initial results, the p-value for the Information Technology (X1) variable is 0.034, which is less than 0.05, indicating the presence of heteroscedasticity. However, the p-value for the Facilitating Condition (X2) variable is 0.662, which is greater than 0.05, indicating no heteroscedasticity for this variable. To address the heteroscedasticity issue, all variables were transformed into their natural logarithmic (LN) forms. After the transformation, the p-value for X1 became 0.102 and for X2 it became 0.502. Therefore, after the transformation, the regression model is free from heteroscedasticity, as shown in Table 5.

Table 5. Heteroscedasticity Test Results

Variable	p-value	Explanation
Information Technology (X1)	0.034	Heteroscedasticity present
Facilitating Condition (X2)	0.662	No heteroscedasticity present
After Transformation		
Information Technology (X1)	1.102	Free from heteroscedasticity
Facilitating Condition (X2)	0.502	Free from heteroscedasticity

d. Normality Test

The purpose of the normality test is to determine if the residuals of the regression model follow a normal distribution (Koutsoyiannis, 1994). The analysis results show a p-value of 0.056, which is greater than 0.05. Therefore, it can be concluded that the residuals are normally distributed, as shown in Table 6.

Table 6. Normality Test Results

Test	p-value
Kolmogorov-Smirnov	0.056

Overall, the results of the classical assumption tests indicate that the regression model used in this study meets the required criteria. All assumptions—multicollinearity, autocorrelation, heteroscedasticity, and normality—have been tested and confirmed. Therefore, the regression coefficient estimates can be considered valid and reliable for further analysis.

3.1.4. Multiple Linear Regression Analysis

The main objective of multiple linear regression analysis is to examine how various independent variables (denoted as X) affect a single dependent variable (denoted as Y). Within this particular model, the independent variables under scrutiny are Information Technology (referred to as X1) and Facilitating Condition (referred to as X2), whereas the dependent variable is Audit Risk (represented as Y). The influence of the independent variables on the dependent variable is indicated by the regression coefficient (b). If the regression coefficient (b) = 0, then there is no significant influence of the independent variables on the dependent variable. Conversely, if $b \neq 0$, a significant influence exists. The regression equation model used is:

$$Y=a+b1X1+b2X2+e$$

where: Y is Audit Risk, a is the constant, representing the value of Y when X = 0, b1 represents the regression coefficient of the Information Technology variable (X1), b2 represents the regression coefficient of the Facilitating Condition variable (X2), e is the error term, representing external factors that are not analyzed but still influence Y.
Based on the research results, the regression equation is:

$$Y=5.668-0.108X1+0.154X2+e$$

The interpretation of this equation is as follows:

1. The constant (a) of 5.668 indicates that if Information Technology (X1) and Facilitating Condition (X2) are both zero, Audit Risk (Y) has a value of 5.668.

2. The regression coefficient b1 of -0.108 suggests that Information Technology has a negative influence on Audit Risk. This means that an increase in Information Technology will lead to a decrease in Audit Risk.
3. Conversely, the coefficient b2 of 0.154 indicates that Facilitating Condition has a positive influence on Audit Risk, meaning that an improvement in Facilitating Condition will increase Audit Risk.

3.1.5. t-Test (Partial Significance)

The t-test is utilised to determine the impact of independent variables on the dependent variable separately. In this particular research, a significance level of 0.05 or 5% is selected, indicating a maximum error tolerance of 5%. A p-value above 0.05 signifies a lack of significance in the impact of independent variables on the dependent variable. Conversely, a p-value below 0.05 indicates a significant influence. The hypothesis statement for this test is as follows:
H0: $\beta = 0$, meaning there is no significant influence of the independent variables on the dependent variable.
Ha: $\beta \neq 0$, meaning there is a significant influence of the independent variables on the dependent variable.

In this study, the t-test result for the Information Technology variable (X1) shows a p-value of 0.100, which is greater than 0.05. Therefore, H0 is accepted, meaning there is no significant influence of Information Technology on Audit Risk. This indicates that an increase in the use of information technology does not significantly reduce audit risk. On the other hand, for the Facilitating Condition variable (X2), the p-value is 0.008, which is smaller than 0.05. Therefore, H0 is rejected, and Ha is accepted, meaning there is a significant influence of Facilitating Condition on Audit Risk. This indicates that the better the facilitating condition, the higher the audit risk.

3.1.6. F-Test (Simultaneous Significance)

The F-test is used to assess the overall accuracy of the regression model in predicting the influence of the independent variables (Information Technology and Facilitating Condition) on the dependent variable (Audit Risk). The hypothesis formulation for this test is as follows:
H0: $\beta 1 = \beta 2 = 0$, meaning the model is not accurate in predicting the influence of Information Technology (X1) and Facilitating Condition (X2) on Audit Risk (Y).
Ha: $\beta 1 \neq \beta 2 \neq 0$, meaning the model is accurate in predicting the influence of Information Technology (X1) and Facilitating Condition (X2) on Audit Risk (Y).

The results show that the F value is 3.755 with a p-value of 0.029, which is smaller than 0.05. Therefore, H0 is rejected, and Ha is accepted, meaning that the regression model is accurate in predicting the influence of Information Technology and Facilitating Condition on Audit Risk. This indicates that both independent variables together significantly influence the dependent variable.

Based on the results of regression analysis and hypothesis testing, it can be concluded that although Information Technology does not have a significant partial influence on Audit Risk, the overall regression model shows accuracy in predicting the influence of both independent variables. These results suggest that Facilitating Condition plays a more significant role in increasing or decreasing Audit Risk, and while the direct effect of Information Technology is not significant, it still contributes to strengthening the overall model.

3.2. Discussion

3.2.1. The Influence of Information Technology on Audit Risk

The findings of this research suggest that audit risk is not greatly impacted by information technology. According to the regression analysis, the relationship between information technology and audit risk is deemed insignificant, as evidenced by a significance value of 0.100, a t-statistic of -1.671, and a negative regression coefficient of -0.108. In line with the criteria for hypothesis testing, since the significance value exceeds 0.05, the t-statistic falls below the t-table value (-1.671), and the regression coefficient is negative, the null hypothesis (Ho) is upheld. This indicates that information technology does not significantly affect audit risk. Although these results suggest that the higher the implementation of information technology, the lower the audit risk tends to be (as indicated by the negative regression coefficient), this effect is not significant enough to draw strong conclusions. Various factors could explain this, including the organization's lack of preparedness in implementing information technology or insufficient controls over the technology systems being used.

This finding is supported by a previous study from Moorthy et al. (2011), which states that information technology can introduce new risks in auditing. However, these risks can be mitigated through specific controls over the information technology systems. In the context of auditing, this means that while information technology may reduce audit risk overall, inadequate controls over the systems may lead to new risks emerging. Furthermore, the study by Al-Taee and Flayyih (2023) aligns with this conclusion, stating that the use of e-audit in internal auditing influences audit risk, depending on the type of technology used. The complexity of the information technology systems implemented will affect the variation in audit risk. Therefore, organizational preparedness, including human resource readiness, as well as the application of effective controls, are crucial in determining the impact of information technology on audit risk. Without adequate preparedness in implementing information technology, significant new risks may arise that auditors must address.

3.2.2. The Influence of Facilitating Condition on Audit Risk

Next, the results of this study indicate that facilitating conditions significantly influence audit risk. The analysis shows that the effect of facilitating conditions on audit risk has a significance value of 0.008, a t-statistic of 2.738, and a positive regression coefficient of 0.154. Since the significance value is less than 0.05, the t-statistic is greater than the t-table (2.738), and the regression coefficient is positive, the null hypothesis (Ho) is rejected, meaning that facilitating conditions significantly affect audit risk. In this study, the higher the facilitating condition, the higher the audit risk. Facilitating conditions refer to the supportive conditions or environments for implementing certain systems or technologies. The better these conditions—such as adequate technological infrastructure, proper training, and available technical support—the higher the audit risk, especially in technology-based auditing. This may occur because the more complex and advanced the technology systems used, the more potential risks auditors must manage.

The study by Bates et al. (2001) supports this finding, stating that in a computerized environment, strict controls are needed to reduce the risk of errors. These controls are necessary to ensure that data produced by the system is accurate and reliable. In the context of auditing, this shows that although facilitating conditions for implementing technology may help the audit process, without adequate controls, the risk of errors or data manipulation increases. Another study by Mulyadi and Wiyantoro (2018) also supports these findings, stating that facilitating conditions influence expected performance. When organizational performance improves due to good facilitating conditions, the audit risk may increase, as auditors must verify more data generated from more complex systems. Therefore, in technology-based auditing, facilitating conditions play a crucial role in determining the level of audit risk faced. However, these findings are inconsistent with the study by Ling Keong et al. (2012), which states that facilitating conditions for using Enterprise Resource Planning (ERP) do not significantly affect user behavior intention to manipulate data. In this context, they argue that even if conditions supporting technology use are present, if users do not intend to manipulate data, audit risk will not be significantly affected. In other words, human intent and behavior in using technology also play a crucial role in determining audit risk, in addition to the conditions facilitating the implementation of the technology.

4. Conclusion

Based on the results of regression analysis and hypothesis testing, it can be concluded that the Information Technology variable (X1) does not have a significant partial effect on Audit Risk (Y), despite its negative direction of influence. This indicates that an increase in information technology tends to reduce audit risk; however, this effect is not significant enough to conclude that information technology directly reduces audit risk substantially. Several factors that may influence this finding include the organization's readiness to implement information technology and inadequate control over the technology systems being used.

On the other hand, the Facilitating Condition variable (X2) has a significant partial effect on Audit Risk (Y), with a positive direction of influence. This means that the better the supporting conditions, such as technological infrastructure and technical support, the higher the audit risk faced. This occurs because the more complex the technological system being used, the greater the potential risk that auditors need to manage.

The F-test results show that simultaneously, this regression model can accurately predict the influence of both independent variables (Information Technology and Facilitating Condition) on Audit Risk. Although information technology does not have a significant partial effect, its contribution, along with the facilitating condition, still plays an important role in the overall model. Overall, this study highlights the importance of organizational readiness, adequate control, and technological complexity in influencing audit risk.

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