

THE IMPACT OF E-COMMERCE TOWARDS ACCOUNTING SYSTEM AND AUDIT PROCESS IN MALAYSIA

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ABSTRACT

The use of electronic commerce has become more popular in Malaysia. Sooner or later, it will become a trend in our country, which means that all the businesses are being done electronically in the future. E-commerce and its technological environment will have a significant impact on accounting system and audit process. Since there is such effect, the researcher is interested to study the impact of it.

The main objective of this research is to find out the possible impacts of e-commerce towards accounting system as well as audit process. If there is such impact, the researcher will go further to determine whether it is positive or negative impacts. Moreover, the researcher will also evaluate the current accounting system and audit process and determine the current accounting system and audit process whether they are capable of handling the transaction of e-commerce. The theoretical framework for supporting this research topic will be covered in literature review.

Meanwhile, the researcher had decided the research design is descriptive research; this is mainly because this research is expected to give conclusions from data collected. The primary data and secondary data have been collected through questionnaires and relevant books, articles, journals, and so on.

In addition, the major findings proved that e-commerce has brought some positive and negative impacts towards accounting system as well as audit process. E-commerce causes the accounting system to reduce time of processing, transaction cost and so on. Besides, e-commerce also affects the audit process by increasing the audit risk, lack of visible audit evidence and so on. As a conclusion, e-commerce has affected the accounting system in a positive way, whereas it affected audit process more in a negative way. Furthermore, the researcher has discussed the issue on real-time accounting system and continuous auditing as a reference for the readers.

This research is useful for the accountants and auditors who are conducting e-commerce companies or those people will conduct e-commerce activity in the future. It is important for accountants and auditors in Malaysia to have a clearer picture about the impact on e-commerce so that they can get ready for the future challenge.