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Adoption of Digital Accounting and Auditing in Developing Countries: A Case of Bangladesh

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Abstract

The paper aims to identify why the digital transformation of accounting and audit remains partially achieved in Bangladeshi firms. Even as more digital tools become available, adoption remains incipient and irregular. Moreover, to understand the relationship between skills, cost, regulatory pressure, and audit quality in relation to digital adoption, a critical dialogic approach is employed. This study uses a qualitative approach, involving detailed interviews with finance professionals and auditors from reputable firms. Thematic analysis was conducted, and themes were identified using critical dialogic theory. The framework draws attention to power, voice, and institutional context in accounting change [see Methodology section]. Apparently, the study identifies four interconnected themes that determine digital adaptation. First, the lack of digital literacy and continuous education undermines self-assurance and increases cyber threats. Second, financial scarcity stalls investment when companies balance monetary expenditure with unpredictable profit. Third, regulatory frameworks such as the Digital Verification System (DVS) and online Financial Reporting Council (FRC) portals encourage firms to make changes to become compliant; however, poor enforcement hinders further reform. Lastly, digital tools that enhance transparency and detect fraud remain subject to human oversight. In most themes, adoption is portrayed as a negotiated, gradual process rather than a one-time change. In terms of implications, the success of technology adoption should result in staff development investments equal to, or even surpassing, those made in tools. Digital mandates should be followed by knowledgeable consideration and implementation by policymakers and regulators. Uptake can be improved through donor and industry bodies providing financing and technical assistance. A teacher should modify the accounting curriculum by incorporating programs and training, as well as critical data interpretation.

Keywords: *Digital accounting, audit technology, Bangladesh, critical dialogic theory, qualitative study.*

1. INTRODUCTION

Accounting and auditing are two functions that are being transformed through digitalization, substituting routine operations and opening room for more valuable activities, such as strategic planning and risk management (Quraishi et al., 2025, p. 3). In addition to efficiency, it enables the use of big data analytics to identify financial trends, performance, risks, and growth opportunities (Tsiligiris & Bowyer, 2021, p. 16). In turn, accountants are increasingly being asked to develop business intelligence and data analytics capabilities to effectively explain a large, heterogeneous body of data to both technical and non-technical stakeholders.

The two examples of infrastructural change represent both potentiality and danger: blockchain and cloud. The distributed ledger technology linked by cryptography offers indelible and transparent records that minimize the risk of double-spending and can enrich the relations of stakeholders (Pimentel & Boulianne, n.d., p. 5; Pascual Pedreño et al., 2021, p. 12), but also evokes the issue of the boundaries of divulging information and the design of fraud-prevention strategies (Desplebin et al., 2023, p. 12). Cloud accounting enables real-time processing and multi-user recording, resulting in faster processing and reduced operating costs (Maa et al., 2021, p. 8). However, these values can be broken down by faults in application design, programming, or bank-provided automated feeds without timely diagnostic and repair (Yau-Yeung et al., 2020, p. 15).

Among these solutions, greater efficiency, accuracy, transparency, and better risk management are reportedly achieved, whereas cybersecurity and data-privacy exposures are reportedly a matter of concern (Gotthardt et al., 2020, p. 7; Mohan et al., 2023; Shafeen et al., 2025). However, the literature charts the technical opportunities of digital tools; little is understood about the practices that end users are adapting to in their digitalized environments under resource-constrained conditions.

The research has originality in that it sheds light on the understanding of digital accounting adoption in emerging economies, as practical limitations and institutional processes have influenced it. It employs a critical dialogical approach to propose a more inclusive, substantive, and contextualized perspective on digital change.

1.1 Research Gap

Research on digital accounting suggests that new tools can accelerate work and enhance audit quality; however, authors disagree over what factors contribute to successful adoption. One group points to technology itself: once firms install cloud-ledgers or real-time audit portals, gains are said to follow almost automatically. A second group insists people are the key, showing that weak digital skills, poor change management, and low trust can cancel the promised benefits. Cost is a second fault line. Economic models predict that savings from fewer errors and higher credibility will outweigh the costs of license fees. Still, small-firm studies in emerging markets reveal that thin profit margins and high loan rates keep investment low. Regulation adds further tension. Some studies frame government portals and instant-verification systems as strong pushes toward full adoption; others find that uneven enforcement allows companies to meet only the minimum requirements and delay deeper reforms.

These strands rarely intersect in the same study, leaving a gap that indicates we still lack evidence on how skills, costs, and regulation interact on a day-to-day basis inside resource-constrained firms. South Asia is especially underexamined, despite the rapid growth of digital filing mandates in the region. Our Bangladesh evidence fills this gap, showing that staff training limitations, tight budgets, and mixed regulatory signals combine to produce cautious, step-by-step adoption rather than the smooth, technology-led path described in

much of the literature. In a bid to fill this gap, we look at Bangladesh and pose the following question:

RQ1: What is the impact of digital skills, costs, and regulations on the rate and intensity of the digitalization of accounting and auditing in Bangladesh?

RQ2: How do real-time monitoring and analytics in Bangladesh influence transparency, fraud detection, and audit pronouncements, and where is human judgment and training still required?

2. LITERATURE REVIEW

2.1 *What is Digitalization in Accounting and Auditing?*

The digitalization of auditing and accounting involves the integration of digital technologies, tools, and processes with auditing and accounting activities, resulting in a fundamental alteration of the principles for capturing, processing, analyzing, and reporting financial data. The advancement of information technology has brought about significant changes, including the increased use of cloud-based systems and the availability of big data, which are being integrated to transform the working conditions of accounting professionals (Quraishi et al., 2025, p. 3). The digitalization of such processes can offer a significant increase in efficiency and accuracy to organizations, as it relieves accountants and auditors of time-consuming tasks, allowing them to focus on value-added activities such as strategic planning, risk analysis, and decision support (Gotthardt et al., 2020, p. 6). In the authors' opinion, digitalization also facilitates the use of big data analytics, which provides a more in-depth analysis of financial trends, performance indices, and new risks or opportunities. This level of analytical power is also complemented by the ability of computers to process large datasets quickly and efficiently, making decision-making possible on a timely basis (Ibrahim et al., 2021, p. 33).

2.2 *Theoretical Approaches to Technology Adoption in Accounting*

The implementation of these technologies to enhance efficiency, accuracy, and the timely availability of financial information was driven by blockchain, cloud computing, big data analysis, and enterprise resource planning (ERP) systems. They are not technological improvements, however, but transitions to the very process of processing, validation, and presentation of the accounting information to all parties (Adelowotan & Coetsee, 2021, p. 10) (Maffei et al., 2021, p. 4). An example of such technology is blockchain, which introduces a decentralized ledger system that cannot be altered, thereby significantly limiting the process of recording and transaction verification. Ease of recalling and summoning accounting information, even from a far-flung location, and the benefit of being able to make transactions in batches as opposed to one at a time are critical for adoption by drivers. In such cases, the technology acceptance models, including the Technology Acceptance Model (TAM), apply, which places a kind of heavier emphasis on the level of perception in terms of the helpful level of new technology in facilitating the acceptance of such by the users (Yau-Yeung et al., 2020, p. 4).

2.3 *Transformation of Processes*

2.3.1 *Automation of Bookkeeping and Financial Reporting*

The electronic nature of bookkeeping and financial reporting has revolutionized accounting, with activities now automated, providing maximized access to data, and enabling on-the-fly reporting. In addition to faster speed, automation enhances the quality of financial information, requiring a digitally proficient workforce with the competencies to run AI-based systems and adapt to emerging technologies. Economic systems and process managers play a crucial role in managing employee competencies, system

authorization, bot management, and cooperation with IT regarding cloud applications, interfaces, and cybersecurity (Leitner-Hanetseder et al., 2021, p. 13).

Cloud-based accounting information systems (CB-AIS) feature built-in low-cost, real-time data processing and collaboration, restructuring process flows and stakeholder relationships, particularly within outsourced environments (Alshirah et al., 2021, p. 2). There is, however, concern regarding ownership, compliance, and the issue of specialized training and vendor negotiation with increased dependency on the cloud. These complexities mean that accountants must navigate the use of systems legally and efficiently (Yau-Yeung et al., 2020, p. 21).

2.3.2 Internal Controls, Risk Analysis, and Blockchain Integrity

Automation decreases the room for manual error and increases the reliability of data; blockchain creates non-erasable records and distributes ledgers to augment data integrity and anti-fraudulent detection (Cai, 2019, p. 11; Secinaro et al., 2022, p. 23). The decentralized nature of blockchain can reinforce audit trails and facilitate anomaly detection through transparent and tamper-proof records.

Despite these advantages, digital systems also pose two additional risks. An increase in the use of cloud services presents additional risks to cybersecurity, including information leaks and unauthorized access—issues that negatively impact user trust (Altin & Yilmaz, 2021, p. 6). Although blockchain provides enhanced security for data, its decentralized organization requires robust cryptographic measures and ongoing maintenance. One additional complication to legal compliance risk is that it increases in cloud environments, as the complexity of statutory requirements and the sensitivity of financial data pose challenges (Yau-Yeung et al., 2020, p. 13). Other users who are not experts tend to rely on outsiders, thus diluting internal responsibility.

2.3.3 Digital Evidence Collection and Continuous Auditing

Digitalization has disrupted auditing, making it faster, more accurate, and more comprehensive in terms of evidence gathering. Cloud-initiated systems have enabled auditors to access their clients' records remotely and in real-time, thereby reducing the need for physical presence and accelerating the transaction verification process (Maa et al., 2021, p. 14). This has made it easy to conduct continuous auditing, whereby evidence collection and assessment are performed continuously, rather than at set intervals.

Another way blockchain technology enhances audits is through the use of decentralized, tamper-proof ledgers. It is possible to collect evidence with the help of its cryptographic integrity, and the use of triple-entry systems provides additional transparency, eliminating the need for intermediaries (Secinaro et al., 2022, p. 22). The analysis is compiled by the auditors, who can follow the entire transaction history, making it credible.

2.4. Benefits of Digitalization

2.4.1 Precision, Efficiency, and Real-Time Monitoring

It has enhanced accuracy and efficiency in accounting and auditing through the adoption of digitalization, which involves advanced technologies such as big data analytics, AI, and cloud-based systems. Such tools can enable organizations to process extremely high volumes of financial data within a short period, while maintaining accuracy. Its speed, or the so-called velocity of big data, will allow real-time monitoring of risks and proactive identification of fraud cases, as seen in companies such as Alibaba and the Royal Bank of Scotland (Ibrahim et al., 2021, p. 15).

Automation is beneficial in that it minimizes human error, as it eliminates inconsistencies introduced by manual processes. Digital tools are being used in Bangladesh to enhance the efficiency and reliability of workflow, transparency, and financial information (Quraishi et al., 2025, p. 9). Professionals can concentrate on value-added work by reducing manual interference, hence enhancing productivity. Cloud platforms that provide accounting services also enhance the accuracy of reporting, as they help ensure that all parties involved are on the same page and thus always up to date when it comes time to make decisions (Maa et al., 2021, p. 2). Nevertheless, it needs to be effectively applied, which entails making adequate plans, ensuring compatibility of the infrastructure, and compliance with regulations (Reza & Quraishi, 2025; Yau-Yeung et al., 2020, p. 19).

In addition to automation, AI accelerates advanced financial analysis with tools such as neural networks and genetic algorithms, enabling them to identify patterns and make informed, strategic decisions at a high level. Its ability to learn constantly ensures that systems become increasingly capable of presenting truths over time (Leitner-Hanetseder et al., 2021, p. 13).

2.5 Transparency and Traceability

Transparency and traceability in accounting and auditing have also been significantly enhanced by the convergence of technologies, including blockchain and cloud-based systems. DLTs enable the secure, time-stamped, and non-tamperable recording of transactions, which helps stakeholders understand the financial data flow with confidence. It was developed by Haber and Stornetta, whose work has been continued by Nakamoto consensus mechanisms, which have the potential to create verifiable and tamper-proof records (Secinaro et al., 2022, p. 2).

2.6 Challenges and Constraints

2.6.1 Cybersecurity and Data-Privacy Risks

Cybersecurity concerns and data privacy issues escalate during the digital transformation of accounting and auditing, mainly when blockchain, cloud computing, and robotic process automation are utilized. Since vast amounts of confidential financial information are stored and transferred online, there are high chances of unauthorized access and violations, which present considerable legal and reputational threats (Sherif & Mohsin, 2021, p. 23).

Blockchain offers the benefits of transparency and immutability but also introduces privacy-related issues. Its distributed structure may at times be incompatible with conventional ideas of privacy because a party can access the data carried out by transactions in the network. The questions of how to encode non-digital resources and align smart contracts to the norms of law and ethics will also not be answered, and this can have some consequences on human dignity and the protection of data (Pimentel & Boulianne, n.d., p. 17).

2.7 Technology Dependence and Professional Judgment

The increasing use of digital technologies in accounting and auditing raises concerns about the excessive reliance on automated tools and their potential negative impact on professional judgment and critical thinking. Since the tasks that AI and expert systems are replacing become more complicated and routine, specialists might seek to remain obedient to such products, especially in such segments as audit planning, risk analysis, and internal control assessment (Zemankova, 2019, p. 3).

2.8 Resource Limitations and Cost Implications

Resource limitations and the associated cost implications often hinder the transition to digital technologies in accounting and auditing. To transition into digital systems, enormous upfront costs are required for hardware, software, and connectivity infrastructure. Even software sold to small companies in the cloud may not be available due to a poorly developed network infrastructure or expensive upgrades, i.e., the replacement of slow ADSL lines (Maa et al., 2021, p. 9). This digital divide restricts equal access to organizational resources across different scopes and locations.

In addition to any initial investment, there are recurring costs for maintenance, licensing, and upgrades associated with digital adoption. Vendor-managed environments, such as cloud-based ERP, ease internal IT needs at the expense of being tied to an external provider, whose needs dictate system evolution and pricing. Such dependencies may reduce managerial leeway and result in long-term unanticipated expenditures (Carlsson-Wall et al., 2021, p. 7).

Adoption is also complicated by limitations in human capital. Digitalization requires upskilling in AI, data analytics, and blockchain, which also necessitate significant investments in training and change management. This is prohibitive to resource-limited organizations (Belachew, 2021, p. 9). Although automation will eliminate mundane tasks, it will also change professional profiles, requiring lifelong education that companies may not always be capable of delivering.

In addition, automation makes processes more efficient, but it can also enable flawed operations to run faster, which may increase the likelihood of control failure and costly mistakes (Author, 2021, p. 7). Necessitating mechanisms of strong oversight can balance cost savings, as Stein Smith observes.

2.9 Regulatory and Standard-Setting Problems

Regulatory gaps as well as standard-setting present a significant barrier to the adoption of digital technologies in accounting and auditing. The prevalence of legal and professional uncertainty and the problem of uncoordinated application of regulations across regulatory regimes due to the unstable development of such tools as blockchain, artificial intelligence (AI), and big data analytics cannot be compared to the pace of its ideation and implementation, which has grown by leaps and bounds (Quraishi et al., 2025, p. 13; Pimentel & Boulianne, n.d., p. 31). To cite a notable example, the varying national regulations governing taxation and disclosure of digital assets create a compliance uncertainty problem for several multinational companies.

The digital transformation is further hindered in most of the emerging economies due to the absence of regulatory support. Quraishi et al. mention that regulators do not provide sufficient guidance or enforce it frequently, which fragments the digital environment and causes firms to hesitate when investing in innovative solutions. These problems are compounded by political obstacles, corruption, and low levels of digital development of regulatory institutions, which compromise the effectiveness of standard-setting and oversight.

Although blockchain technologies are celebrated for increasing transparency and trust, they also result in new regulatory challenges. The application of the private, permission blockchains requires transparent principles of access control, data privacy, and third-party assurance engagement (Schmitz & Leoni, 2019, p. 5; Adelowotan & Coetsee, 2021, p. 9). With the models of governance being discussed among governing bodies, the lack of conventions makes such implementations tedious and problematic in building trust within such systems.

The reporting practice still faces issues with standardization. According to Perkiss et al. (2020, p. 12), the emotional and behavioral stability component allows for commentary on the use of static formats that are still prevalent in the sustainability reporting process, which hinders data extraction and comparability. Migration to machine-readable and interoperable formats occurs slowly, although it is essential for automating business processes and harnessing big data analysis.

These developments necessitate a reconsideration of fundamental accounting regulations. As automation eliminates human input in decision-making processes, governments must identify ways to sustain professional responsibility and accountability in centers that utilize algorithms. Losbichler and Lehner (2021, p. 8) propose adaptive regulatory practices to this end, which can adapt to the pace of technological development and acknowledge the interdependencies among organizational, technological, and social processes.

3. THEORETICAL FRAMEWORK

We not only perceive digitalization in Bangladesh accounting and audit as a technical implementation, but also as a transformation of who is allowed to speak, what constitutes evidence, and how to resolve disputes. Critical dialogic theory claims that there are too many voices that should be heard and acknowledges that some voices are systematically privileged; dialogue must be used to reveal previously unheard voices and keep knowledge open to question (Bebbington et al., 2007, p. 370). Practically, this implies connecting disclosure rights to participation rights, thereby building dialogic entitlements and dialogic institutions to argue and test claims (Bebbington et al., 2007, p. 372).

After critical dialogic accountability, we move to accountability-based accounting (design information to meet criteria set by affected constituencies) and eliminate the initial accounting-based accountability approach (report what current systems can show) (Dillard & Vinnari, 2019, p. 3). In this way, accounting, disclosure, and transparency are seen as insufficient; these are all necessary, but they must all be in the service of an accountability process that varies depending on the different groups involved (Dillard & Vinnari, 2019, pp. 3–4). This lens explains each of our four themes.

3.1 Skills (Theme 01)

Dialogic practice emphasizes mutual learning and reflexivity, rather than one-time training. It raises the question of who dictates the program and whether it is the staff who regularly interact with systems who determine how the systems are implemented and run (Bebbington et al., 2007, p. 372). This is one way to answer the question of why systems that are regarded as smarter have enhanced the pressure of shared competence, and why cyber-risk cannot be outsourced to IT.

3.2 Costs (Theme 02)

Dialogic brings the focus to the material realities of making do on thin margins, dealing with financing constraints, and relying on vendors that define which options are even discussable. It also focuses on epistemic accountability, where professionals ought to rationalize their decisions and explain the trade-offs that may be acceptable to the affected parties (Dillard & Vinnari, 2019, p. 4).

3.3 Regulation (Theme 03)

Dialogic scholarship appreciates the emerging features of a shift from command-and-control to participatory governance. However, also the occurrence of multiple roles of accountability (constitutional, democratic, epistemic, and trust-building) and some of these roles might be unevenly met in practice (Dillard & Vinnari, 2019, pp. 8–10). Different in

areas of patchy enforcement, the companies can comply with the constitution (filing, registration), but democratic inclusion (being heard in control redesign) remains low, as reflected in the interviews.

3.4 Quality of auditing and transparency (Theme 04)

Both the real-time dashboards and immutable logs can expand scrutiny in a manner that dialogics requires the signals to be decipherable and challengeable by those concerned; otherwise, transparency can end up being a one-way performance (Dillard & Vinnari, 2019, p. 3).

Operationally, dialogic notions guide us in charting out stakeholders and standards before passing judgment on technologies. The structure of responsibility networks, evaluation criteria, and accounting systems determines who is affected, which criteria they need to assess whether the action is good or bad. Then it matches systems to these requirements (Dillard & Vinnari, 2019, p. 21).

This, in our case, would imply such things as engaging auditors, managers, staff, clients, and regulators in the same discussion regarding training, access rights, thresholds on costs, and standards of evidence so that tools become part of an explicitly shared accountability system (Bebbington et al., 2007, p. 372).

Briefly, a critical dialogic framework contributes to answering the question of why tentative steps in adoption are taken and how to develop a voice-centered, capacity-aware intervention. It binds all our findings, as it connects skills, costs, regulation, and transparency to the qualities of dialogue and the extension of power in the ordinary practice of accounting.

4. METHODOLOGY

This study employed a qualitative research design informed by a critical dialogic perspective to investigate how digital skills, costs, regulatory pressures, and audit quality considerations shape the digitalization of accounting and auditing in Bangladesh. Data was generated through semi-structured, in-depth interviews with finance professionals and external auditors from reputable firms, focusing on experiences with cloud AIS/ERP, dashboards, and statutory portals (e.g., DVS and FRC). The dialogic lens-oriented interpretation focuses on issues of power, voice, and institutional context. All interviews were conducted in accordance with standard ethical procedures, including obtaining informed consent and ensuring de-identification.

Analysis followed thematic procedures: transcripts were coded iteratively, and candidate themes were refined using sensitizing concepts from critical dialogic theory. The resulting structure organizes evidence around four interrelated domains—digital literacy and skills, financial constraints and cost–benefit logics, regulatory cues and enforcement (including DVS/FRC), and transparency/fraud detection/audit quality—capturing adoption as negotiated and stepwise rather than technologically deterministic; the study’s scope is limited to medium and large private-sector entities and is cross-sectional.

5. FINDINGS

5.1 Theme 01: Resistance to Digital Literacy and Skill Adoption

Many interviewees agreed that technology, on its own, does not change practice; rather, it is people’s skills that determine whether digital tools help or hurt. One finance manager explained that “training, education over the IT ... is important,” stressing that workers first need to understand basic functions before firms can move on to advanced analytics. Another respondent concluded, stating, “We need to invest in manpower; if enough training

is not given, then humans will face difficulties in using the technologies.” That is, digital projects will soon become continuous staff development projects.

The issue of a lack of skill also influences people's perception of risk. Concerned about the cybersecurity failure, one of the executives cautioned that, through examples, how cybersecurity compromises often start with end users, not the IT teams far away. One of the partners of an audit firm had agreed that “there is a possibility of data theft... because the access to data is given to everyone in the firm.” This is because in this case, there are wide rights to use with few skills among users, making employees the weakest link and the first line of defense.

Even though the prevailing majority accepted the “opportunities for innovation and improvement” presented by audit software, they also pointed out that each new program demands extra “training and sound knowledge.” The irony is obvious: the more intelligent the system is, the more dependent it will be on scarcely available expertise. One of the senior lecturers described this tension: “Because no matter how automated you get; you need somebody to run it on the other end ... to analyze that information.” Digitalization, therefore, is not a straight road to efficiency. Therefore, digitalization is not a direct path to efficiency. Instead, it does not go anywhere when companies view software purchases as substitutes to continuous learning.

Resistance is often not an outright refusal. It could only seem like conservative, day-to-day doubt based on skills deficiency, anxiety, security concerns, and price. The adoption will not be smooth until organizations invest in tools as much as they do in people, as it is constrained by the degree to which workers feel ready to operate and to believe in new systems.

5.2 Theme 02: Financial Constraints and Cost–Benefit Trade

The element of Money was discussed by the interviewees almost every time they mentioned digital tools. The figures do not work in many companies. As one manager put it bluntly, *“You have a company, and you generate a yearly revenue of 100 cr with an annual net profit of 2-3 cr. Now, do you want to spend on a software for this company, which will cost you around 30 cr?”* These figures render big platforms to be unrealistic, especially for small and medium-sized. Where the initial cost of the license is acceptable, the out-of-pocket expenses continue to mount. Like one of the other participants warned, *“Maintenance cost is also very high, and employees need training to adapt to the technologies and make fewer mistakes.”* These comments overlook costs that can be forgotten: the annual subscription cost, hardware updates, and ongoing staff development. Nevertheless, despite all these burdens, respondents did not refuse digitalization. They weighed the costs against the opportunity to reduce the risk of audit and gain credibility. One audit supervisor noted that producing control and reliability tests as digital systems has the added benefit of lowering control risk, which can otherwise result in reduced audit hours and penalties in the future. However, this can be achieved only when technology is not a counterfeit one that may fall apart at any time. One of the trainees in an international corporation warned that, on this point, a company can never be in operation when the software is cracked or pirated. The reduced cost of pirated copies brings along legal liability and technical breakdowns, which cancel out any benefits.

What crops up is a threshold mindset. Firms implement when they anticipate that the reduction in mistakes, increased speed in the auditing process, and a better image are bound to surpass the costs of acquiring and maintaining. Many Bangladeshi organizations are operating at this level due to thin margins and a lack of credit. Consequently, the digital adoption is very disjointed and gradual; businesses begin with low-cost solutions, postpone integration, or use foreign audits to provide higher analytics. The figures thus indicate that

financial limitations are not a straightforward inhibitor or motivator; they mold an incremental, penny-by-penny investment design where each taka needs to justify its value.

5.3 Theme 03: Government and Regulatory

The stories of digital change participants center on government action. According to interviewees, there was a definite shift towards state-dictated portals, which now serve as the primary conduit for determining what form of financial evidence is considered appropriate. As one of the auditors put it, banks are required to file through several online gateways, and our institution has established a system, referred to as the DVS (Data Verification System). Contrary to the previous system of manual and auditing (see Quraishi and Reza, 2015; Quraishi and Islam, 2014), financial institutions and banks must submit reports on various online gateways. The Digital Verification System and online enrollment at the Financial Reporting Council are an indication that regulators desire data they can verify immediately. We previously had a case where audit firms had to be registered by ICAB, but now they must also be registered by the Financial Reporting Council (FRC) online/offline.

However, as seen in the inte

views, regulation also acts in disparate ways, both in pushing and pulling. A deputy manager at a local firm said that “sometimes it’s the regulatory actually to maintain the digitalization, but sometimes not,” adding that what most of these companies are doing is simply digitalizing to file their headline filings and not restructure their internal controls. In this gap, global standards offer a second layer of pressure. Of course, in this gap, there are global standards that present a second layer of pressure. An academic in the field of finance added: “We already use international standards in our countries, we use IFRS and IAS. There are no drawbacks to using international technologies.” No disadvantages are also experienced when employing international technologies. In her case, the IFRS language introduces the normalization of digital instruments in a less stringent manner compared to domestic legislation, and this is already being experienced in the profession. The reputation aspect is also very high. One of the trainees postulated that foreign investors seek to know audits signed by qualified firms. “So, if the firm is audited by an enlisted Audit firm, for example, the Big 4, the foreign country will have faith in the audit report regarding the company’s fair view.” Digital compliance is, therefore, a trend in the market that is consistent with national branding. In the words of another participant, an expression which our government keeps repeating is that we are a digital Bangladesh, and that means that there is a budget. Respondents, however, were not sure that state resources are sufficient to finance mass modernization. A few of them identified the need for external capital; one finance manager noted that international donors might assist in overcoming the initial expense. At the same time, another said that donors may support the development and implementation of digital financial management systems by providing funds and expertise.

Collectively, these accounts create a picture of a regulatory landscape that is being constructed. Emerging filing gateways, global practices, and aid schemes all encourage companies to adopt online bookkeeping and audit analytics. Meanwhile, non-uniformity in enforcement and a shortage of domestic resources enable organizations to manipulate those demands and even allow them to be softened at times. Digitalization is, thus, promoted by multiple, inconsistent regulations in the form of edicts, market expectations, and influences on external funding, rather than a planned, consistent government agenda.

5.4 Theme 04: Transparency, Fraud Detection, and Audit Quality

The eyes of both audit partners and finance managers are on the transformation of assurance, influenced by digital tools that enable auditors to view transactions in real-time, rather than hours or even months afterward. According to one manager, “by storing large volumes of data, doing real-time monitoring... fraud in the organization” can be identified before it can go rampant. The respondents also associated this perpetual exposure with new analytic rituals. One of the lecturers noted that “now when you’re putting everything under one table... it’s easier to detect any changes or frauds,” while another accountant pointed out that software “can be used to analyze large volumes of financial data to identify patterns and anomalies.”

This movement has reshuffled the audit process itself. One participant recruited from a Big 4 firm compared some previous processes in sampling to the current control-first approach: “We do the vouching at the very end, first we understand their control and identify their risk.” Visual dashboards are augmenting the exact change, in the words of one auditor, “auditing is getting dependent on digital tools... they use Power BI and Tableau for analyzing the data in different dimensions.” Using such tools, outliers come to light promptly, allowing teams to pay professional attention where it is most needed. As front-line personnel explained, alerts lead to instant investigation: “We can sense any problem or any fraud or any misstatement or any unusual movement. And then we can take probable steps to solve it.”

There is also the enhancement of evidence integrity through the use of electronic records. As one senior practitioner explained, “the digital report, once it is published, cannot be changed... if there is a voucher which is intentionally deleted or removed from the system, then this can be easily noticed by the auditor.” At the same time, however, interviewees cautioned that human skepticism remains necessary. One stated that exclusive attention to checking at the statement level was dangerous, since unless the auditors begin at the basis of each journal entry, the audit will not be productive.

The stories highlight transparency, fraud detection, and audit quality as key benefits of using data-driven technology in conjunction with human oversight. The ongoing ability to receive full-scope sets of data makes the burden of assurance easier; however, professionals still view professional interpretation as the final shield against advanced manipulation.

6. DISCUSSION

This paper aimed to gain insight into the factors contributing to the phenomenon of the proclaimed potential of digital accounting and audit technology, despite its limited or reluctant adoption in Bangladeshi companies. This gap can be explained by four interrelated themes: skills, cost, regulation, and transparency, which made it possible to reconcile the conflicting findings presented in previous studies.

The apparent opposition to digital literacy, firstly, resonates with socio-technical and technology-acceptance explanations in terms of the high priority of human capacity becoming a prerequisite for any technological payoff. Whereas the pre-existing literature assumes that the task of training is a one-off undertaking, our interviews will show that it is, in fact, a continuously recurring process. Each new module, dashboard, or analytic script will require a fresh round of effort to train the staff on it. This need is increased by cyber-risk. The participants referred to inexperienced users as both first defenders and weakest links, an aspect that was underexplored in the literature. Security solutions are typically found in dedicated IT units, rather than among daily operators. The underlying message of this paradox, according to which the more intelligent the system, the less common proficiency is, reveals that technological sophistication is not merely a counterweight to the shortage of skills; it may balloon it. This discovery confirms and qualifies the previous

caution sign of the existence of capability traps, providing new data on the experience of a developing market setup.

Second, monetary limits serve as a moderator to the skill issue, as they shift adoption from a binary yes-or-no decision to a calculation of a binomial threshold. Cost-benefit models argue that efficiency payback ultimately surpasses license fees. However, based on our evidence, thin margins, expensive borrowing, and invisible maintenance costs (such as subscriptions, upgrades, and training) constantly bring the break-even point back to zero. Companies, although convinced of the advantages of digital, still use staggered purchases or even pirated copies, which in turn increase both the legal risk and the instability of their systems. This type of incrementalism aligns with the diffusion-of-innovation concept of trialability, except that the current paper emphasizes that trial stages may take years in cases where there is a capital shortage. Through this account of this long interval, the results contribute to small-firm studies that tend to define under-investment as resistance, as opposed to staged practicality.

The government and regulatory forces establish the third level of complexity. As institutional theory would predict, state gateways and real-time identification systems create both normative and coercive pressures, which legitimize digital evidence and develop indicators of official transformation of paper documents into digital data. Nevertheless, participants depicted the regulatory environment as uneven. There are aggressive agencies that insist on online filing, tolerant agencies that have not yet enforced the requirement for manual filings, and inconsistent enforcement. This malleability allows the companies to meet surface needs but delay more radical process redesign, a tendency also reflected in any study of decoupling, but never clearly depicted with thick description. In addition, interviewees also associate regulation with reputation, given that Big 4 signature and IFRS compliance provided market cues to foreign investors. This kind of signaling serves to strengthen adoption ambition but has little effect on alleviating the skill and cost issues that delay it.

Lastly, digital tools are evidently increasing transparency, fraud identification, and audit quality, which agrees with international results regarding continuous auditing and data analytics. Real-time dashboards enable auditors to transition from backward-looking sampling to a control-first risk perception. Our data, however, qualifies the black-walled optimism that, in part, underpins analytics research: practitioners cry that determinant records and flagging of abnormalities must still be met by human skepticism and journal-footprint tracking. Even upon impeccable data trails, a lack of trained interpreters cannot provide any certainty. Such a caveat causes Theme 04 to be rooted back to Theme 01 in a way that forms a circular dependency: technology with transparency will only increase when people are equipped to interrogate the outputs, to which funding and regulatory nudges are necessary to cultivate.

The themes, taken as a whole, indicate a complex dynamic of adoption. The scarcity of skills leaves companies nervous; financial restrictions prolong the cautious period; unequal regulation permits nervousness to persist; and the benefits of transparency are contingent upon overcoming the first two constraints. The article also revealed that in resource-poor environments, adoption occurs through successive low-stakes negotiations, as opposed to the linear curve typically apparent in numerous diffusion models.

Practice implications are obvious. Managers should plan to provide constant education, software licenses, and view cybersecurity not as an IT expense, but as a workforce investment. Regulators can accelerate actual adoption by aligning filing requirements with capacity-building subsidies and minimizing compliance uncertainty among regulators. Funders and industry organizations are advised to focus on mixed interventions of low-interest loans that are collateralized with approved training to ensure that both cost

alleviation and skills increment are made simultaneously. Accounting teachers could restructure courses to equilibrate competence in tools with applicable data-interpretation concepts that can satisfy the evolving risk base of the accounting profession.

One of the limitations of the study is that it will focus solely on the audit role of medium and large-sized Bangladeshi companies. In contrast, micro-businesses and government-owned businesses may follow different logics in their adoption. Perceptions are also measured within a cross-sectional design; a longitudinal study would help track the evolution of the threshold calculation as prices fall and regulatory pressure increases. Surveys of the South Asian economies would further determine whether the stepwise pattern is sustained with diversities of institutional mixes

7. CONCLUSION

The proposed paper aimed to provide reasons why the apparent potential of digital accounting and audit tools appears to be met with confused and incomplete adoption in Bangladeshi companies. In four themes — skills, costs, regulation, and transparency — we demonstrate that adoption is not a simple flip but rather a gradual process. Digital initiatives soon turn out to be human-capital ventures; they have skinny profit margins and periodic payments extend experiments well beyond a year; inconsistent enforcement permits a token amount of compliance, and the benefits of transparency require trained employees who can challenge what dashboards present. Combined, such forces create a prudent, step-by-step approach rather than the seamless, technology-driven route envisioned in the literature.

The paper will add value in three ways to the field. First, it provides an integrative understanding of adoption within a resource-constrained environment, as it addresses digital-skill readiness, cost benchmarks, and regulatory cues in the same discussion. Second, it captures the so-called paradox of both a more intelligent system and rarer skills: the more advanced the tools are, the higher, rather than the lower, is the need for specialized competences and mundane cyber-hygiene. Third, it redefines visibility and fraud discovery as occasional contingent results: unalterable records and in-real-time flags will help achieve a higher level of assurance, only when organizations invest time in continuous education and consistently adopt regulations.

These insights have practical implications. Cybersecurity managers should plan training in a perpetual cycle and address the problem in terms of the workforce, rather than focusing on IT as a standalone line item. By accompanying digital filing requirements with focused support of new capabilities and steady, comprehensible enforcement actions, regulators can turn the problem of compliance into a leverage point of strength. Via the provision of low-cost finance alongside certified training, industry bodies and donors can catalyze the actual uptake. By integrating the use of tools and wise data analysis, educators will be able to match curricula to the requirements of the profession.

There are limitations to the study: this paper focuses on natural people, specifically auditors and finance personnel, working in privately owned sectors. It freezes their perceptions at a given moment. This work can be built on through future research with longitudinal tracking of firms as costs decrease and mandates increase; experiences in other South Asian contexts; evaluations of bundled interventions at scale (finance and training), and their impact on take-up; investigations of micro-enterprises and the public sector; and a quantification of when the benefits recoup the repeat costs. The practical experience provided by practitioners serves as the lens through which this paper offers a practical, practice-oriented perspective on the debate worldwide and sets an agenda for developing trust notification and digitally enabled assurance in emerging markets.

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