BIG DATA AND BIG DATA ANALYTICS IN EXTERNAL AUDITING: MOTIVATIONS AND CHALLENGES

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Big Data (BD) and Big Data Analytics (BDA) has become an increasing trend all over the world and has gained popularity across various sectors; areas of accounting and auditing are not an exception. Even though there are benefits and optimistic views from experts to the use of BD and BDA in External Auditing (EA), application in real circumstances results in challenges. Therefore, the objective of this study is to examine the motivations and challenges of using BD and BDA in the Sri Lankan EA context. This paper is significant in terms of its objectives of both motivation and inhibitors for the use of BD and its research context of Sri Lanka which is a developing country. The study used a qualitative methodology by employing a general qualitative inquiry approach with the use of multi-perspectival analysis of Big 4 audit firms in Sri Lanka, Audit client companies, respective Regulators, and Professionals for data analytics in Sri Lanka. As per findings, it was evident that the Sri Lankan external auditing industry is still at the start of adopting innovative technologies and changing fast with expanding the usage of innovative tools mainly driven by both internal and external pressures. Using BD to EA is coming from both the demand and supply sides. The most challenging factor for using BDA is the lack of knowledge on BD and BDA of external auditors. The study emphasized the need for audit companies to implement BD driven approach by overcoming the challenges faced and customizing the audit strategy to gain long-term efficiency in the external auditing industry of Sri Lanka.

Keywords: *Big data and big data analytics; External Auditing; New Institutional Sociology*