



Stakes and Challenges Regarding the Financial Auditor's Activity in the Blockchain Era

Univ. Prof. Nicoleta FARCANE, Ph. D.,
Faculty of Economics and Business Administration,
West University of Timișoara, Romania, financial auditor,
e-mail: nicoleta.farcane@e-uvvt.ro

Research & Teaching Assistant
Delia DELIU, Ph. D.,
Faculty of Economics and Business Administration,
West University of Timișoara, Romania, financial auditor,
e-mail: delia.deliu@e-uvvt.ro

Abstract

The relevance of the audit profession (in general) and the quality of the audit (in particular) in a rapidly changing business world, determines that practitioners, regulating authorities and academics should be informed about the recent technological developments that have the potential to disrupt the business ecosystems and, consequently, the audit ecosystem.

The present paper strives to formulate an objective perception of reality in a rational, structured and positivist manner, trying to examine the current debates regarding the new digital age, to identify both the advantages and the weaknesses or the fundamental deficiencies of the elements of the Blockchain technology and, therefore, to provide a critical observation on how these changes would affect the soundness and effectiveness of audit reporting.

Audit profession needs to embrace and "lean" toward both the opportunities and challenges generated by a large-scale adoption of Blockchain. Auditors are encouraged to monitor the evolution of Blockchain technology because they have the opportunity to evolve, learn and capitalize on the proven ability to adapt to the needs of a rapidly changing business world.

Moving towards a 4.0/continuous audit/hybrid audit model that includes the Blockchain-type, intelligent Smart Audit Procedures will be able to improve the quality of audit, responding much better to the informational needs of the stakeholders.

Key words: 4.0 financial audit; hybrid audit; digitalization; Blockchain; Big Data; Smart Audit Procedures; Smart Contracts; modified professional behaviours

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