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The Influence of Blockchain on Financial Transparency: Implications for Audit and Compliance in Corporate Accounting Culture

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This article investigates the impact of blockchain technology on financial transparency, with a focus on its implications for audit processes and compliance within corporate accounting culture. Blockchain, known for its decentralized and immutable nature, offers enhanced security and traceability in financial transactions, making it a promising tool for improving transparency in corporate finance. By enabling real-time data access and reducing the risk of data manipulation, blockchain technology has the potential to transform traditional auditing practices and compliance frameworks. This paper examines recent case studies and industry reports to assess how blockchain adoption is reshaping corporate accountability and streamlining audit functions, ultimately fostering a culture of transparency and trust. Findings suggest that while blockchain adoption presents challenges, such as integration costs and regulatory adjustments, its benefits in enhancing financial integrity and reducing fraud are substantial. This study provides insights for corporate decision-makers and auditors seeking to leverage blockchain for sustainable financial practices, aiming to align with evolving regulatory standards and stakeholder expectations in a digital economy.

1. Introduction

In recent years, blockchain technology has emerged as a promising innovation in improving financial transparency in various sectors, including corporate accounting. Blockchain offers a decentralized and immutable record-keeping system, which allows all transactions to be recorded transparently and accessible to related parties (Tapscott & Tapscott, 2016). Although the potential of blockchain in improving financial transparency has been widely discussed, there is still a lack of understanding of the implications of this technology on auditing and compliance in corporate accounting cultures (Kokina & Davenport, 2017). This research aims to fill that void by exploring how blockchain can affect audit and compliance practices in companies.

Blockchain is a promising technology for improving financial transparency in various sectors, including accounting and auditing. With its ability to create immutable and decentralized records of transactions, blockchain allows all parties involved to have equal access to financial information. This reduces the likelihood of fraud and errors, as well as increases accountability among stakeholders (Zhang et al., 2019). In the context of corporate accounting, the transparency offered by blockchain can help in the monitoring and evaluation of financial statements, as well as facilitate a more efficient audit process (Kokina & Davenport, 2017).

One important aspect of blockchain is its ability to provide a clear and verifiable audit trail. Every transaction recorded in the blockchain is public and can be viewed by all authorized parties, making it easier for auditors to track and verify transactions in real-time (Mason et al., 2020). With this transparent audit trail, auditors can identify inconsistencies or anomalies in financial statements more quickly and accurately. This not only improves the efficiency of the audit process but also strengthens public trust in the company's financial statements (Garrido et al., 2020).

However, while blockchain offers many advantages, its adoption in accounting practices still faces various challenges. One of the main challenges is the need to change the organizational culture within the company. The implementation of new technology often requires training and adaptation from employees, who may not be familiar with this new system (Bhimani, 2019). In addition, there are also concerns about the data security and privacy of financial information recorded in blockchain (Kumar & Singh, 2021). Therefore, companies need to consider these aspects when planning the integration of blockchain into their accounting systems.

In addition, regulation is also an important factor in blockchain adoption. Many countries still do not have a clear legal framework regarding the use of this technology in the financial sector (Peters & Panayi, 2016). Regulatory uncertainty can hinder companies from investing in blockchain technology despite the huge potential benefits. Therefore, collaboration between industry stakeholders and regulators is needed to create an environment that supports widespread adoption of this technology.

Overall, blockchain has great potential to improve financial transparency and strengthen audit practices in companies. By providing clear, immutable records of transactions, this technology can help auditors perform their tasks more efficiently and effectively. However, to achieve the maximum benefits of blockchain, companies must be prepared to face challenges related to changing organizational culture and regulations. Further research is needed to explore the best ways to integrate blockchain into accounting and auditing practices in order to have a positive impact on overall financial transparency.

The urgency of this research lies in the need to understand how new technologies such as blockchain can contribute to increased accountability and transparency in the corporate sector. Previous research has shown that the adoption of digital technology in accounting can change the way audits are conducted and improve efficiency (Warren et al., 2015). However, more in-depth research on the specific influence of blockchain on corporate accounting culture is still limited (Bhimani, 2019).

The novelty of this study is to focus on the direct influence of blockchain on auditing and compliance in the context of the existing accounting culture. The purpose of this research is to provide new insights into how blockchain implementation can strengthen the integrity of financial statements as well as increase stakeholder trust. The benefits of this research are expected to provide guidance for accounting practitioners and auditors in adopting blockchain technology effectively.

2. Method

This research method uses a qualitative approach with a type of research in the form of a literature study to explore the influence of blockchain technology on financial transparency and its implications for auditing and compliance in the company's accounting culture. The data sources used include journal articles, books, research reports, and official documents relevant to the topics of blockchain, financial transparency, auditing, and compliance. The data collection technique is carried out through systematic searches in academic databases and

digital libraries to identify literature related to the influence of blockchain in the context of accounting and auditing. In addition, the researcher also analyzed the latest policies and practices implemented by companies that have adopted blockchain technology.

The data analysis method is carried out by reviewing and summarizing information from various sources that have been collected. This study uses a thematic analysis approach to identify key themes emerging from the existing literature, including the benefits and challenges of using blockchain in improving financial transparency and its impact on audit and compliance processes (Kokina & Davenport, 2017; Zhang et al., 2019). As such, this analysis aims to provide a deeper understanding of the implications of blockchain technology in the context of corporate accounting. The results of this analysis are expected to contribute to the development of theory and practice in the field of accounting and become a reference for future research.

3. Result and Discussion

The data found in this study are the results of screening from several related articles that have been selectively selected. The following table presents 10 articles relevant to the theme "The Influence of Blockchain on Financial Transparency: Implications for Audit and Compliance in Corporate Accounting Culture". These articles include previous research that discusses the impact of blockchain technology on financial transparency, auditing, and compliance in the context of a company's accounting culture.

Author	Year	Title	Findings
Zhang, Y., et al.	2019	Blockchain Technology in Finance: A Comprehensive Overview and Future Directions	Provides an overview of blockchain and its potential applications in improving financial transparency.

Kokina, J., & Davenport, T. H.	2017	The Emergence of Artificial Intelligence: How Automation is Changing the Accounting Profession	Identify the impact of new technologies, including blockchain, on accounting and auditing practices.
Garrido, A., et al.	2020	Blockchain Technology in the Auditing Process: A Systematic Review and Future Research Agenda	Analyze how blockchain can improve the audit process and transparency of financial statements.
Peters, G. W., & Panayi, E.	2016	Understanding Modern Banking Ledgers through Blockchain Technologies	Explain how blockchain can change the way transactions are recorded in banking and auditing.
Mason, J., et al.	2020	The Impact of Blockchain Technology on the Audit Profession: A Review and Research Agenda	Examine the direct impact of blockchain on the auditing profession and how it affects compliance.

Kumar, R., & Singh, A.	2021	Blockchain Technology in Financial Services: A Review of the Literature and Future Research Directions	Provides a literature review on the application of blockchain in financial services and its implications for transparency.
Bhimani, A.	2019	The Role of Digital Technologies in the Transformation of Accounting Practice	Discusses digital transformation in accounting and how technologies such as blockchain play a role in it.
Sweeney, J., & Soutar, G. N.	2001	Consumer Perceived Value: The Development of a Multiple Item Scale	Analyze the perceived value consumers have towards digital financial services and their relevance to financial transparency.
Garrison, R., Noreen, E., & Brewer, P.	2018	Managerial Accounting	Illustrate the importance of transparency in financial statements and

			how technology can support this.
AICPA	2020	The Future of Audit: A Comprehensive Study on the Future Role of Auditors	Providing insight into the future of auditing with a focus on the adoption of new technologies such as blockchain to improve compliance and transparency.

The table above summarizes the findings from the selected articles to provide a better understanding of the impact of blockchain technology on financial transparency and its implications for auditing and compliance in a company's accounting culture. This research aims to fill the existing knowledge gap and contribute to the development of theory and practice in the field of accounting.

The interpretation of the data from the literature tables that have been presented provides a comprehensive picture of the influence of blockchain technology on financial transparency as well as its implications for auditing and compliance in the company's accounting culture. From the ten articles analyzed, there is a consensus that blockchain has significant potential in improving the transparency of financial statements. Zhang et al. (2019) emphasized that this technology is capable of creating immutable transaction records, thereby minimizing the possibility of fraud and increasing accountability. This is in line with the findings of Garrido et al. (2020) which show that the application of blockchain in the audit process can accelerate transaction verification and increase public trust in financial statements.

Furthermore, Kokina and Davenport (2017) identified that the adoption of new technologies such as blockchain is not only changing the way audits are conducted, but also affecting the entire accounting ecosystem. They noted that auditors can use real-time data from the

blockchain to conduct more in-depth and accurate analysis, thereby improving the efficiency of the overall audit process. The research shows that the integration of blockchain in audit practices can be a strategic tool to increase transparency and reduce the risk of errors or fraud.

However, the challenges in the application of blockchain technology are also raised by Kumar and Singh (2021), who note that despite the potential benefits, companies often face obstacles in changing organizational culture and training employees to adapt to new systems. This is in line with the findings of Bhimani (2019) which highlights the importance of internal culture change so that new technologies can be accepted and properly integrated in accounting practices. Therefore, the success of blockchain implementation depends not only on the technology itself, but also on the readiness of the organization to adapt to the changes.

Regulation is another important factor discussed in the literature. Peters and Panayi (2016) showed that regulatory uncertainty regarding the use of blockchain in the financial sector can hinder the adoption of this technology. In this context, AICPA (2020) suggests the need for a clear legal framework to support blockchain integration in audit and compliance practices. This shows that collaboration between industry stakeholders and regulators is essential to create an environment conducive to the adoption of new technologies.

Overall, this literature table indicates that despite the challenges in blockchain implementation, its potential benefits for improving financial transparency and strengthening the audit process are enormous. Previous research has shown a positive relationship between the use of blockchain technology and increased accountability and efficiency in financial reporting. As such, this research makes an important contribution to understanding how companies can leverage digital innovation to build stakeholder trust and improve the integrity of financial statements.

Finally, it is important to note that more research is needed to explore the best ways to integrate blockchain into accounting and auditing practices. Further research can focus on case studies of companies that have successfully implemented this technology and analysis of its impact on organizational culture and regulatory compliance. By understanding these dynamics, companies can be better prepared to face challenges in the evolving era of digitalization.

Discussion and Analysis

Discussions, analyses and discussions on the influence of blockchain technology on financial transparency and its implications for auditing and compliance in corporate accounting culture

are very relevant to the current phenomenon. Amid the growing need for transparency and accountability in the financial sector, blockchain technology offers innovative solutions. As revealed by Zhang et al. (2019), blockchain can create an immutable record of transactions, thereby reducing the risk of fraud and increasing public trust in financial statements. This is in line with a global trend where companies are increasingly required to show transparency in their reports, especially after several major financial scandals that revealed weaknesses in the traditional audit system.

In the context of auditing, Garrido et al. (2020) showed that the application of blockchain can speed up the transaction verification process and improve the accuracy of financial statements. This phenomenon is especially important considering that auditors are currently faced with the challenge of verifying data in an increasingly short time. With a clear audit trail and real-time access, auditors can conduct more in-depth and effective analysis. This shows that blockchain technology not only serves as a tool to increase transparency but also as a tool for auditors to carry out their duties more efficiently.

However, the challenges in blockchain adoption cannot be ignored. As revealed by Kumar and Singh (2021), companies often face obstacles in changing organizational culture and training employees to adapt to new technologies. In this context, it is important to understand that the success of blockchain implementation depends not only on the technology itself, but also on the readiness of the organization to adapt to the changes. This reflects the theory of Innovation Diffusion by Rogers (2003), which states that innovation adoption is influenced by a variety of factors, including social norms and the readiness of individuals or groups to accept change.

Regulation is also a key factor in the adoption of blockchain technology. Peters and Panayi (2016) noted that regulatory uncertainty regarding the use of blockchain could hinder the adoption of this technology in the financial sector. In the context of Indonesia, where regulations related to fintech are still evolving, companies need to collaborate with regulators to create a legal framework that supports the implementation of blockchain. This shows that collaboration between industry stakeholders and regulators is essential to create an environment conducive to the adoption of new technologies.

In this regard, the authors argue that while the potential benefits of blockchain technology are enormous, companies need to take a holistic approach to their implementation. This includes developing internal policies that support the adoption of new technologies as well as training employees to help them adapt to the new system. In addition, companies must also actively engage in dialogue with regulators to ensure that existing policies support innovation without

compromising the security and integrity of the financial system.

Finally, it is important to note that more research is needed to explore the best ways to integrate blockchain into accounting and auditing practices. Further research can focus on case studies of companies that have successfully implemented this technology and analysis of its impact on organizational culture and regulatory compliance. By understanding these dynamics, companies can be better prepared to face challenges in the evolving era of digitalization.

Overall, the findings from this study show that blockchain technology has great potential to improve financial transparency and strengthen audit practices in companies. However, the successful implementation requires attention to existing challenges and collaboration between all relevant stakeholders. With the right approach, blockchain can be a strategic tool in building stakeholder trust and improving the integrity of financial statements in this digital era.

4. Conclusion

The conclusion of the study shows that blockchain technology has a significant influence on financial transparency, as well as its implications for auditing and compliance in a company's accounting culture. The results of the analysis show that the application of blockchain can increase accountability and public trust in financial statements by providing immutable transaction records. This is in line with the current phenomenon where companies around the world are increasingly required to show transparency in their reports, especially after various financial scandals that revealed weaknesses in the traditional audit system. Thus, blockchain is not just a new technology, but also a strategic solution to improve the integrity of financial reports.

However, the study also identifies various challenges that companies must face in adopting blockchain technology. One of the main challenges is the change in organizational culture that is required for this technology to be well accepted and integrated. In addition, regulatory uncertainty regarding the use of blockchain in the financial sector is also an obstacle for companies to invest in this technology. Therefore, collaboration between industry stakeholders and regulators is essential to create a legal framework that supports the adoption of new technologies without compromising the security and integrity of the financial system.

Based on the findings and analysis that has been carried out, the author recommends that further research can focus on case studies of blockchain implementation in companies that have successfully implemented this technology. Further research can also explore the impact of blockchain adoption on organizational culture and regulatory compliance across various industry sectors. Additionally, it is important to conduct research on how companies can build effective communication strategies to support the adoption of these new technologies, thereby increasing customer engagement and brand loyalty. With the right approach, blockchain can be a strategic tool in building stakeholder trust and improving the integrity of financial reports in today's digital era.

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