



Information Systems Strategy Alignment and Its Impact on audit Quality, Organizational Transparency, and Corporate Governance Outcomes

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Abstract

This study examined the effect of Information Systems Strategy Alignment (ISSA) on Audit Quality, Organizational Transparency, and Corporate Governance Outcomes. A quantitative, cross-sectional survey was conducted among professionals in auditing, accounting, information systems, risk management, compliance, and corporate governance. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS. The results indicated that ISSA had significant positive effects on Audit Quality, Organizational Transparency, and Corporate Governance Outcomes. Information Quality, Audit Quality, and Organizational Transparency significantly mediated the proposed relationships, while IT Governance Maturity strengthened the effects of ISSA on Audit Quality and Corporate Governance Outcomes. The findings highlight the importance of aligning information systems strategy with organizational objectives to improve governance effectiveness, transparency, and audit performance. The study contributes an integrated framework linking strategic alignment, information quality, audit quality, transparency, and corporate governance outcomes.

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Keywords: information systems strategy alignment, audit quality, organizational transparency, corporate governance, information quality, IT governance maturity, PLS SEM

1. Introduction

1.1. Background of the Study

Information systems have become central to organizational strategy, audit processes, financial reporting, risk management, transparency, and corporate governance. Organizations increasingly depend on digital platforms to process information, support control activities, generate audit evidence, and provide timely information to decision makers. However, the value of information systems depends not only on the existence of technology, but also on the alignment between information systems strategy and organizational objectives.

The Strategic Alignment Model explains that organizational value from information technology depends on strategic fit and functional integration among business strategy, information technology strategy, organizational infrastructure, and information systems infrastructure ^[1]. Luftman ^[2] further argues that business IT alignment maturity depends on communication, governance, partnership, value measurement, technology scope, and skills. These perspectives suggest that information systems produce stronger organizational benefits when they support strategic goals, audit requirements, risk management, and governance needs. In auditing, information systems influence the quality of audit evidence, the efficiency of audit procedures, and the reliability of internal control monitoring. The DeLone and McLean IS Success Model identifies information quality as a core dimension of information systems success ^[3]. In this study, information quality is treated as a mechanism through which information systems strategy alignment may improve audit quality and governance related outcomes.

Corporate governance also depends on reliable information, transparency, oversight, accountability, and effective risk management. The G20/OECD Principles of Corporate Governance emphasize disclosure, transparency, board responsibilities, shareholder rights, and sound governance frameworks ^[4]. COBIT presents enterprise information and technology governance as a means of creating value through risk optimization, resource optimization, and alignment with enterprise objectives ^[5].

1.2. Statement of the Problem

Organizations invest substantially in information systems, yet many still experience weak reporting quality, fragmented audit evidence, ineffective controls, limited transparency, and poor governance information. These problems may arise when information systems strategy is not fully aligned with business strategy, audit objectives, risk management priorities, or governance requirements.

The central problem addressed in this study is that the effect of Information Systems Strategy Alignment (ISSA) on audit quality, organizational transparency, and corporate governance outcomes remains insufficiently examined in an integrated model. Specifically, limited empirical attention has been given to the mediating role of information quality and the moderating role of IT governance maturity in the relationship between IS alignment and governance related outcomes.

1.3. Research Objectives

The general objective of this study is to examine the effect of ISSA on audit quality, organizational transparency, and corporate governance outcomes. The specific objectives are:

1. Examine the effect of ISSA on audit quality.
2. Determine the effect of ISSA on organizational transparency.
3. Assess the effect of ISSA on corporate governance outcomes.
4. Examine the effect of audit quality on corporate governance outcomes.
5. Determine the effect of organizational transparency on corporate governance outcomes.
6. Investigate whether information quality mediates the relationship between ISSA and audit quality.
7. Examine whether organizational transparency mediates the relationship between ISSA and corporate governance outcomes.
8. Determine whether audit quality mediates the relationship between ISSA and corporate governance outcomes.
9. Assess whether IT governance maturity moderates the relationship between ISSA and audit quality.
10. Assess whether IT governance maturity moderates the relationship between ISSA and corporate governance outcomes.

Table 1: Research Objectives and Questions Alignment

Objective Area	Research Focus
Direct effects	ISSA effects on AQ, OT, and CGO; AQ and OT effects on CGO
Mediation	IQ, AQ, and OT as mediating mechanisms
Moderation	ITGM as a strengthening condition
Method	Survey-based PLS-SEM analysis using SmartPLS

1.4. Research Questions

The study addresses the following research questions:

1. What is the effect of ISSA on audit quality?
2. What is the effect of ISSA on organizational transparency?
3. What is the effect of ISSA on corporate governance outcomes?
4. What is the effect of audit quality on corporate governance outcomes?
5. What is the effect of organizational transparency on corporate governance outcomes?
6. Does information quality mediate the relationship between ISSA and audit quality?
7. Does organizational transparency mediate the relationship between ISSA and corporate governance outcomes?
8. Does audit quality mediate the relationship between ISSA and corporate governance outcomes?
9. Does IT governance maturity moderate the relationship between ISSA and audit quality?
10. Does IT governance maturity moderate the relationship between ISSA and corporate governance outcomes?

1.5. Research Hypotheses

- **H1:** ISSA has a positive and significant effect on audit quality.
- **H2:** ISSA has a positive and significant effect on organizational transparency.
- **H3:** ISSA has a positive and significant effect on corporate governance outcomes.
- **H4:** Audit quality has a positive and significant effect on corporate governance outcomes.
- **H5:** Organizational transparency has a positive and significant effect on corporate governance outcomes.
- **H6:** Information quality mediates the relationship between ISSA and audit quality.
- **H7:** Organizational transparency mediates the relationship between ISSA and corporate governance outcomes.
- **H8:** Audit quality mediates the relationship between ISSA and corporate governance outcomes.
- **H9:** IT governance maturity positively moderates the relationship between ISSA and audit quality.
- **H10:** IT governance maturity positively moderates the relationship between ISSA and corporate governance outcomes.

1.6. Significance of the Study

The study is significant to theory because it integrates strategic alignment, IS success, audit quality, transparency, and governance theories into a single model. It extends business IT alignment research by linking ISSA to audit quality, transparency, and corporate governance outcomes rather than only general organizational performance.

The study is significant to practice because it provides managers, auditors, IT officers, compliance professionals, and governance practitioners with a framework for understanding how aligned information systems can support accountability, reporting quality, audit evidence, and governance performance.

1.7. Scope and Definition of Key Terms

The study focuses on organizations that use information

systems for accounting, auditing, reporting, risk management, compliance, or governance related activities. Key terms include: ISSA (the extent to which IS strategy, resources, and capabilities support business strategy, audit objectives, risk management, and governance needs); Information Quality (degree to which IS produced information is accurate, complete, timely, reliable, relevant, and useful); Audit Quality (extent to which audit activities are reliable, evidence based, timely, and capable of identifying material errors); Organizational Transparency (extent to which relevant organizational information is disclosed clearly, accurately, and in a timely manner); IT Governance Maturity (degree to which IT governance structures, controls, and risk processes are formalized and continuously improved); and Corporate Governance Outcomes (effectiveness of governance mechanisms in promoting accountability, oversight, internal control, risk management, compliance, and stakeholder confidence).

2. Literature Review

2.1. Introduction

This section reviews theoretical, conceptual, and empirical literature relevant to ISSA, Information Quality, Audit Quality, Organizational Transparency, IT Governance Maturity, and Corporate Governance Outcomes. The review identifies the research gap and presents the conceptual framework guiding the study.

2.2. Theoretical Review

1. Strategic Alignment Model

The Strategic Alignment Model developed by Henderson and Venkatraman^[1] explains that information technology creates value when business strategy, information technology strategy, organizational infrastructure, and IT infrastructure are aligned. This model supports the study by positioning ISSA as the primary independent variable.

2. Business IT Alignment Maturity Theory

Luftman^[2] provides an alignment maturity perspective based on communication, governance, partnership, competency/value measurement, technology scope, and skills. This theory supports the measurement of ISSA through planning integration, management support, communication, and resource alignment.

3. DeLone and McLean IS Success Model

The DeLone and McLean IS Success Model identifies information quality, system quality, service quality, use, user satisfaction, and net benefits as dimensions of IS success^[3]. Information Quality is included as a mediator because aligned systems are expected to produce better information for audit and governance processes.

4. Agency Theory

Agency Theory explains conflicts and information asymmetry between principals and agents. In corporate governance, high quality information, audit processes, and transparency reduce agency problems by improving monitoring and accountability.

5. Stakeholder Theory

Stakeholder Theory emphasizes the responsibility of organizations to provide reliable and relevant information to multiple stakeholder groups. This supports the inclusion of organizational transparency and stakeholder confidence as governance related outcomes.

6. IT Governance Theory and COBIT

IT governance theory explains how organizations direct and control information technology to support enterprise objectives. COBIT 2019 provides a framework for governance and management of enterprise information and technology^[5]. IT Governance Maturity is therefore included as a moderator.

2.3. Conceptual Review

ISSA refers to the strategic fit between IS strategy and organizational objectives. Information Quality refers to accurate, complete, reliable, relevant, and timely information. Audit Quality refers to the ability of the audit process to generate reliable assurance and identify errors, risks, and control weaknesses. Organizational Transparency refers to disclosure, clarity, and accuracy of organizational information. IT Governance Maturity refers to formal governance structures, controls, decision rights, and continuous improvement. Corporate Governance Outcomes refer to effective oversight, accountability, risk management, compliance, and stakeholder confidence.

2.4. Empirical Review

Empirical studies support the relationship between business IT alignment and organizational performance. Chan *et al.*^[9] found that strategic IS alignment is associated with organizational performance. Wu *et al.*^[10] showed that IT governance mechanisms influence organizational performance through strategic alignment. Bushman *et al.*^[8] discussed corporate transparency as an information infrastructure that supports governance. Audit quality literature, including DeAngelo^[6] and IAASB^[7], emphasizes the role of reliable evidence, audit processes, and contextual factors in audit quality. Together, these studies support the proposed relationships in this study but do not fully integrate IS alignment, information quality, audit quality, transparency, IT governance maturity, and governance outcomes in a single model.

Table 2: Literature Review Matrix

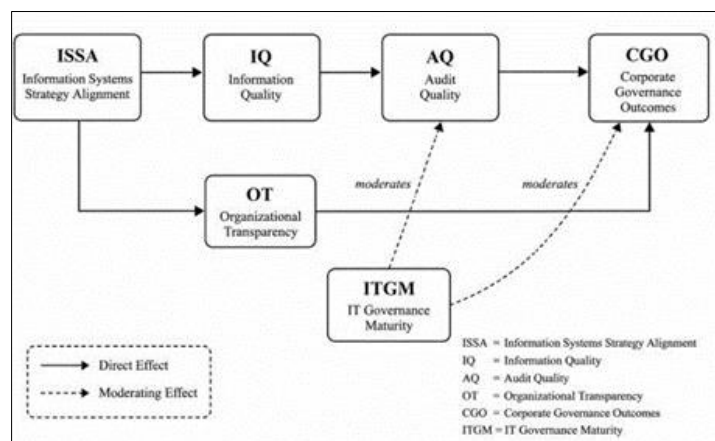
Author(s)	Year	Methodology	Findings	Gap
Henderson & Venkatraman	1993	Conceptual	Strategic alignment requires fit between business and IT domains.	Did not test audit or governance outcomes.
Luftman	2000	Alignment maturity framework	Alignment maturity depends on communication, governance, partnership, value measurement, technology scope, and skills.	Focused on maturity assessment rather than audit and governance outcomes.
DeLone & McLean	2003	Model update	Information quality is a key IS success dimension.	Did not model audit quality and transparency as IS net benefits.
DeAngelo	1981	Conceptual/economic analysis	Audit quality relates to detecting and reporting misstatements.	Did not address digital IS alignment.
IAASB	2014	Professional framework	Audit quality depends on inputs, processes, outputs, interactions, and context.	Framework is not an empirical IS alignment model.
Bushman <i>et al.</i>	2004	Empirical/conceptual review	Corporate transparency involves the availability of firm-specific information.	Did not test IS strategy alignment as a driver.
Chan <i>et al.</i>	2006	Empirical survey	Strategic IS alignment relates to organizational performance.	Focused on general performance rather than audit and governance.
Wu <i>et al.</i>	2015	Matched survey	IT governance mechanisms influence performance through strategic alignment.	Did not test audit quality or organizational transparency.
Schnackenberg & Tomlinson	2016	Conceptual synthesis	Transparency involves disclosure, clarity, and accuracy.	Did not model IS alignment as an antecedent.
OECD	2023	Governance framework	Corporate governance depends on disclosure, transparency, and board responsibilities.	Does not test IS alignment effects empirically.

2.5. Research Gap Analysis

The reviewed literature shows that IS alignment, information quality, audit quality, transparency, IT governance, and corporate governance have each been studied separately. However, there is limited empirical integration of these constructs in a single model. The main gap is the lack of a comprehensive framework examining how ISSA affects audit quality, organizational transparency, and corporate governance outcomes through information quality and under conditions of IT governance maturity.

2.6. Conceptual Framework

The conceptual framework proposes that ISSA influences Information Quality, Audit Quality, Organizational Transparency, and Corporate Governance Outcomes. Information Quality mediates the relationship between ISSA and Audit Quality. Audit Quality and Organizational Transparency mediate the relationship between ISSA and Corporate Governance Outcomes. IT Governance Maturity strengthens the effects of alignment on Audit Quality and Corporate Governance Outcomes.

**Fig 1:** Conceptual Framework of the Study

3. Research Methodology

3.1. Research Philosophy and Design

The study adopted a positivist research philosophy. A quantitative, cross-sectional, survey-based research design was employed to examine the direct, mediating, and moderating relationships among the study variables using structured questionnaire data. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software, which was selected because of its suitability for analyzing complex structural models involving multiple mediating and moderating relationships as well as reflective measurement constructs ^{[15], [16]}.

3.2. Population and Sampling

The population comprised professionals working in organizations that use information systems for accounting, auditing, reporting, risk management, compliance, and corporate governance activities. Respondents included internal auditors, external auditors, IT managers, finance managers, risk officers, compliance officers, governance officers, and senior management personnel. Purposive sampling was adopted to ensure that respondents possessed adequate knowledge of information systems, auditing, reporting, compliance, or corporate governance. Snowball sampling was also employed to identify additional qualified participants where direct access was limited. A total of 250

valid responses were obtained and used for the final analysis, consistent with the sample size recommendations of Krejcie and Morgan ^[12] and Hair *et al.* ^[13] for PLS-SEM studies.

3.3. Instrument Design

Data were collected using a structured questionnaire based on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire consisted of two sections. The first section collected respondents'

demographic information, while the second section measured the study constructs using reflective measurement items. The constructs included Information Systems Strategy Alignment (ISSA), Information Quality (IQ), Audit Quality (AQ), Organizational Transparency (OT), IT Governance Maturity (ITGM), and Corporate Governance Outcomes (CGO). Table III presents the constructs and their corresponding measurement items.

Table 3: Constructs and Measurement Items

Construct	Code	Role	Items	Measurement
Information Systems Strategy Alignment	ISSA	Independent Variable	8	Reflective
Information Quality	IQ	Mediator	8	Reflective
Audit Quality	AQ	Dependent/Mediator	8	Reflective
Organizational Transparency	OT	Dependent/Mediator	8	Reflective
IT Governance Maturity	ITGM	Moderator	8	Reflective
Corporate Governance Outcomes	CGO	Final Dependent Variable	8	Reflective

3.4. Reliability, Validity, and Ethical Considerations

Reliability was assessed using Cronbach's Alpha, rho_A, and Composite Reliability. Convergent validity was assessed using Average Variance Extracted (AVE), while discriminant validity was assessed using the HTMT ratio. Common method bias was examined using the full

collinearity VIF approach. Ethical principles of voluntary participation, informed consent, confidentiality, anonymity, and data protection were observed throughout the study. The data were analyzed using SmartPLS with 5,000 bootstrap subsamples to evaluate path coefficients, indirect effects, and moderating effects.

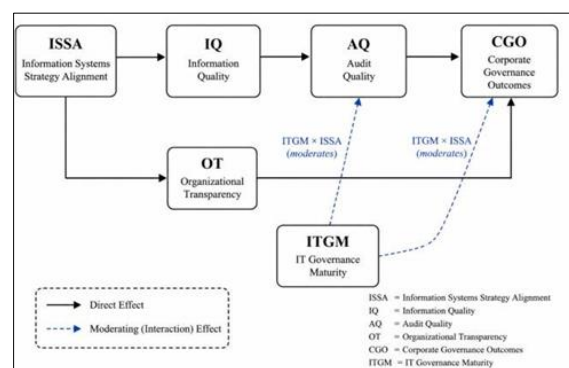


Fig 2: Research Model for SmartPLS Analysis

4. Data Analysis and Findings

4.1. Response Rate and Demographics

The final dataset consisted of 250 valid responses obtained from professionals working in auditing, accounting, information systems, compliance, risk management, and corporate governance roles. Table IV presents the response rate, while Table V summarizes the demographic characteristics of the respondents.

Table 4: Response Rate

Description	Frequency	Percentage
Questionnaires distributed	300	100.0%
Responses received	265	88.3%
Invalid responses removed	15	5.0%
Valid responses used	250	83.3%

Table 5: Demographic Profile of Respondents

Variable	Category	Freq.	Pct.
Gender	Male	138	55.2%
	Female	106	42.4%
	Prefer not to say	6	2.4%
Age	25 34 years	82	32.8%
	35 44 years	91	36.4%
	45 54 years	45	18.0%
Role	Internal auditor	54	21.6%
	IT manager/officer	46	18.4%
	Finance/accounting mgr.	48	19.2%
	External auditor	28	11.2%
Experience	6 10 years	82	32.8%
	11 15 years	59	23.6%
	More than 15 years	38	15.2%

4.2. Descriptive Statistics

Table VI presents descriptive statistics. High mean values were observed across all constructs (range: 3.78–4.02),

suggesting generally favorable respondent perceptions. IT Governance Maturity recorded the lowest mean, indicating room for improvement in formal IT governance structures.

Table 6: Descriptive Statistics of Constructs

Construct	Code	Mean	Std. Dev.	Interp.
IS Strategy Alignment	ISSA	4.02	0.61	High
Information Quality	IQ	3.94	0.64	High
Audit Quality	AQ	3.89	0.67	High
Org. Transparency	OT	3.86	0.70	High
IT Gov. Maturity	ITGM	3.78	0.72	High
Corp. Gov. Outcomes	CGO	3.91	0.66	High

4.3. Reliability and Validity Results

All reliability coefficients exceeded the recommended threshold of 0.70 (Table VII). AVE values exceeded 0.50 and

all HTMT ratios were below 0.85 (Tables VIII and IX), supporting convergent and discriminant validity.

Table 7: Reliability Results

Construct	Cronbach α	ρA	CR	Decision
ISSA	0.921	0.925	0.936	Reliable
IQ	0.928	0.931	0.941	Reliable
AQ	0.925	0.927	0.939	Reliable
OT	0.929	0.932	0.942	Reliable
ITGM	0.926	0.929	0.940	Reliable
CGO	0.931	0.934	0.944	Reliable

Table 8: Convergent Validity Results (AVE)

Construct	AVE	Decision
ISSA	0.648	Accepted
IQ	0.666	Accepted
AQ	0.657	Accepted
OT	0.669	Accepted
ITGM	0.661	Accepted
CGO	0.679	Accepted

Table 9: Discriminant Validity Results: HTMT

Construct Pair	HTMT	Decision
ISSA–IQ	0.702	Accepted
ISSA–AQ	0.744	Accepted
ISSA–OT	0.681	Accepted
ISSA–ITGM	0.653	Accepted
ISSA–CGO	0.731	Accepted
IQ–AQ	0.767	Accepted
AQ–CGO	0.788	Accepted
OT–CGO	0.771	Accepted
ITGM–CGO	0.724	Accepted

4.4. Structural Model Results

Table X presents the R^2 , adjusted R^2 , and Q^2 values. The model explains a substantial proportion of variance in Audit Quality ($R^2 = 0.613$) and Corporate Governance Outcomes ($R^2 = 0.681$), and a moderate proportion in Information Quality (0.412) and Organizational Transparency (0.377).

Table 10: Structural Model Results

Endogenous Construct	R^2	Adj. R^2	Q^2	Interpretation
Information Quality	0.412	0.410	0.263	Moderate
Audit Quality	0.613	0.606	0.391	Substantial
Organizational Transparency	0.377	0.374	0.244	Moderate
Corporate Gov. Outcomes	0.681	0.673	0.438	Substantial

4.5. Hypothesis Testing

Tables XI and XII present direct effects and mediation/moderation results, respectively. All ten

hypotheses were supported at the 5% significance level.

Table 11: Direct Hypothesis Testing Results

Hyp.	Path	β	t val.	p val.	Decision
H1	ISSA $\rightarrow$ AQ	0.281	4.217	0.000	Supported
H2	ISSA $\rightarrow$ OT	0.614	12.086	0.000	Supported
H3	ISSA $\rightarrow$ CGO	0.196	3.041	0.002	Supported
H4	AQ $\rightarrow$ CGO	0.356	5.724	0.000	Supported
H5	OT $\rightarrow$ CGO	0.297	4.688	0.000	Supported

Table 12: Mediation and Moderation Results

Hyp.	Path	β	t val.	p val.	Decision
H6	ISSA $\rightarrow$ IQ $\rightarrow$ AQ	0.276	5.936	0.000	Supported
H7	ISSA $\rightarrow$ OT $\rightarrow$ CGO	0.182	4.214	0.000	Supported
H8	ISSA $\rightarrow$ AQ $\rightarrow$ CGO	0.100	3.628	0.000	Supported
H9	ISSA $\times$ ITGM $\rightarrow$ AQ	0.124	2.491	0.013	Supported
H10	ISSA $\times$ ITGM $\rightarrow$ CGO	0.109	2.103	0.036	Supported

4.6. Model Fit Assessment

Table XIII presents model fit indices. All indices fell within recommended criteria, providing confidence in the adequacy of the structural model.

Table 13: Model Fit Indices

Fit Index	Estimated	Criterion	Decision
SRMR	0.061	< 0.08	Accepted
d_ULS	1.368	< HI95	Accepted
d_G	0.529	< HI95	Accepted
NFI	0.904	Closer to 1	Accepted
RMS_theta	0.103	< 0.12	Accepted

4.7. Summary of Findings

All ten hypotheses were supported at the 5% significance level. The findings indicate that Information Systems Strategy Alignment (ISSA) significantly improves Audit Quality, Organizational Transparency, and Corporate Governance Outcomes. Information Quality, Audit Quality,

and Organizational Transparency were found to be significant mediating mechanisms, while IT Governance Maturity significantly strengthened the relationships between ISSA and Audit Quality as well as ISSA and Corporate Governance Outcomes.

5. Discussion of Findings

5.1. Discussion of Descriptive Findings

The descriptive findings showed high mean scores across all constructs, suggesting that respondents generally perceived their organizations as having strong IS alignment, reliable information quality, effective audit processes, transparent information practices, mature IT governance, and positive governance outcomes. IT Governance Maturity recorded the lowest mean value, suggesting that formal IT governance structures may require further improvement.

5.2. Discussion of Direct Effects

The positive relationship between ISSA and Audit Quality supports the Strategic Alignment Model ^[1] and Luftman's alignment maturity logic ^[2]. When information systems are aligned with organizational and audit objectives, auditors are more likely to have reliable, timely, and relevant evidence. This aligns with the IAASB audit quality framework ^[7], which emphasizes inputs, processes, outputs, interactions, and contextual factors in audit quality.

The positive effect of ISSA on Organizational Transparency indicates that aligned systems support better disclosure, clarity, and accuracy. This is consistent with Schnackenberg and Tomlinson ^[11], who conceptualized transparency through disclosure, clarity, and accuracy.

The positive relationship between ISSA and Corporate Governance Outcomes suggests that aligned information systems improve oversight, accountability, control, and decision making. This is consistent with COBIT governance logic ^[5] and the G20/OECD Principles of Corporate Governance ^[4], which emphasize sound governance frameworks, disclosure, transparency, and board responsibilities.

5.3. Discussion of Mediation Findings

Information Quality partially mediated the relationship between ISSA and Audit Quality, supporting the DeLone and McLean IS Success Model ^[3]. The result suggests that alignment improves audit quality partly because it improves the quality of information available for audit evidence and control assessment.

Organizational Transparency partially mediated the relationship between ISSA and Corporate Governance Outcomes, and Audit Quality also partially mediated this relationship. This implies that audit quality serves as a governance mechanism through which aligned systems improve accountability, control, and stakeholder confidence.

5.4. Discussion of Moderation Findings

IT Governance Maturity strengthened the effect of ISSA on Audit Quality and Corporate Governance Outcomes. This indicates that alignment produces stronger benefits where governance structures, IT controls, risk monitoring, and decision rights are mature, consistent with COBIT based governance logic ^[5] and prior IT governance literature ^[10].

Table 14: Comparison with Prior Studies

Current Finding	Prior Study	Comparison
IS alignment improved audit quality.	Henderson & Venkatraman ^[1] ; Luftman ^[2] ; IAASB ^[7]	Consistent with alignment and audit quality logic.
IQ mediated ISSA and AQ.	DeLone & McLean ^[3]	Consistent with IS success model.
Transparency improved governance outcomes.	Schnackenberg & Tomlinson ^[11] ; OECD ^[4]	Consistent with transparency and governance literature.
ITGM strengthened alignment effects.	ISACA COBIT ^[5] ; Wu <i>et al.</i> ^[10]	Consistent with IT governance and alignment literature.
IS alignment improved governance outcomes.	COBIT ^[5] ; OECD ^[4]	Consistent with governance frameworks emphasizing reliable information and oversight.

5.5. Theoretical and Practical Implications

The study extends the Strategic Alignment Model ^[1] by applying it to audit quality, organizational transparency, and corporate governance outcomes. It extends the DeLone and McLean IS Success Model ^[3] by treating information quality as a mediator between IS strategy alignment and audit quality, and contributes to IT governance literature by positioning IT Governance Maturity as a moderator.

Practically, organizations should align information systems strategy with audit, reporting, risk management, compliance, and corporate governance objectives. Managers should improve information quality and strengthen IT governance maturity through documented controls, decision rights, risk monitoring, and continuous improvement.

6. Conclusion and Recommendations

6.1. Conclusion

The study concludes that ISSA is a critical strategic capability for improving audit quality, transparency, and corporate governance outcomes. When information systems strategy is aligned with organizational strategy, audit objectives, risk

management, and governance requirements, organizations are better positioned to generate high quality information, strengthen audit evidence, improve disclosure practices, and enhance accountability.

Information Quality is a key pathway through which IS alignment improves Audit Quality. Organizational Transparency and Audit Quality serve as important mechanisms through which IS alignment contributes to Corporate Governance Outcomes. IT Governance Maturity strengthens the effectiveness of IS strategy alignment by providing clearer decision rights, documented controls, monitoring practices, and risk management structures.

6.2. Recommendations

1. Organizations should integrate information systems strategy into corporate strategy, audit planning, risk management, compliance, and governance processes.
2. Senior management should provide active support for IS alignment initiatives and ensure that IT investments are linked to audit, transparency, and governance objectives.
3. Audit, finance, IT, risk, and governance departments

- should collaborate to ensure that system generated information meets audit evidence and reporting requirements.
4. Organizations should improve information quality by strengthening data accuracy, completeness, timeliness, consistency, reliability, and accessibility.
 5. Organizations should strengthen IT governance maturity by formalizing IT policies, documenting controls, assigning decision rights, monitoring IT risks, and evaluating IT performance.
 6. Boards and governing bodies should use information systems to improve oversight, accountability, risk monitoring, disclosure, and strategic decision making.
 7. Auditors should evaluate the reliability of information systems and system generated evidence as part of audit planning and execution.
 8. Regulators and professional bodies should encourage organizations to adopt IT governance frameworks that support transparent reporting and audit quality.

Table 15: Summary of Conclusions and Recommendations

Finding Area	Conclusion	Recommendation
IS alignment	Alignment supports audit, transparency, and governance outcomes.	Integrate IS strategy with business, audit, risk, and governance objectives.
Information quality	Information quality is a key mediator.	Improve accuracy, completeness, timeliness, reliability, and consistency of data.
Audit quality	Audit quality strengthens governance outcomes.	Improve auditor access to reliable system generated evidence.
Org. transparency	Transparency supports accountability and stakeholder confidence.	Enhance reporting clarity, disclosure, and information accessibility.
IT gov. maturity	Maturity strengthens the effect of alignment.	Formalize IT governance structures, controls, and monitoring practices.

6.3. Contributions of the Study

The study contributes theoretically by integrating strategic alignment, IS success, audit quality, transparency, IT governance, and corporate governance constructs into one research model. It contributes methodologically by applying a survey-based PLS-SEM approach for testing direct, mediating, and moderating relationships.

It contributes practically by providing a framework that organizations can use to evaluate how IS alignment supports audit and governance effectiveness.

6.4. Limitations and Future Research

The study was limited by its cross-sectional design, purposive sampling strategy, and reliance on self-reported questionnaire responses, which may introduce common method bias and limit generalizability. Although the study provides important insights into the relationship between Information Systems Strategy Alignment and governance

outcomes, the findings were obtained from a specific respondent population and organizational context. Future research may validate the proposed framework across different industries, countries, and organizational settings using longitudinal or mixed-method research designs. Additional studies may also examine the influence of cybersecurity maturity, digital transformation maturity, enterprise architecture capability, and board IT expertise as additional moderating variables.

6.5. Final Remark

Information Systems Strategy Alignment is not merely a technical concern; it is a governance capability. Organizations that align information systems strategy with audit, transparency, risk management, and corporate governance objectives are better positioned to produce reliable information, improve audit quality, strengthen transparency, and enhance corporate governance outcomes.

Appendix A: Survey Instrument

A1: Information Systems Strategy Alignment (ISSA)

Code	Survey Item
ISSA1	Our organization's information systems strategy is clearly aligned with its overall business strategy.
ISSA2	Information systems planning is integrated into the organization's strategic planning process.
ISSA3	Senior management actively supports the use of information systems to achieve organizational objectives.
ISSA4	Information systems priorities are regularly reviewed to ensure alignment with business needs.
ISSA5	IT, audit, finance, and governance functions communicate effectively about system related risks and controls.
ISSA6	Information systems investments are directed toward improving accountability, reporting, and control processes.
ISSA7	The organization's information systems support key decision making and governance activities.
ISSA8	There is a clear link between information systems capabilities and audit, risk, and compliance objectives.

Response Scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree.

A2: Information Quality (IQ)

Code	Survey Item
IQ1	The information produced by our information systems is accurate.
IQ2	The information produced by our information systems is complete.
IQ3	The information produced by our information systems is timely.
IQ4	The information produced by our information systems is reliable.
IQ5	The information produced by our information systems is relevant to audit and governance decisions.
IQ6	The information produced by our information systems is easy to understand.
IQ7	The information produced by our information systems is consistent across departments.
IQ8	The information produced by our information systems supports effective monitoring and control.

A3: Audit Quality (AQ)

Code	Survey Item
AQ1	Audit activities in our organization are supported by reliable information systems.
AQ2	Auditors have timely access to relevant system generated information.
AQ3	Audit findings are based on accurate and sufficient evidence.
AQ4	The audit process effectively identifies material errors, risks, or control weaknesses.
AQ5	Information systems improve the efficiency of audit procedures.
AQ6	Audit reports are timely and useful for management decision making.
AQ7	The audit function contributes effectively to internal control improvement.
AQ8	The audit function enhances accountability within the organization.

A4: Organizational Transparency (OT)

Code	Survey Item
OT1	Relevant organizational information is accessible to authorized stakeholders when needed.
OT2	The organization provides accurate information for internal and external reporting.
OT3	Information systems improve visibility into organizational processes and performance.
OT4	The organization communicates financial and operational information clearly.
OT5	The organization's reporting practices support accountability.
OT6	Stakeholders can obtain timely information about organizational performance.
OT7	Information systems reduce information gaps between management and stakeholders.
OT8	The organization discloses relevant governance, risk, and compliance information appropriately.

A5: IT Governance Maturity (ITGM)

Code	Survey Item
ITGM1	Our organization has clearly defined IT governance policies and procedures.
ITGM2	Roles and responsibilities for IT decision making are clearly assigned.
ITGM3	IT related risks are regularly identified, assessed, and monitored.
ITGM4	IT controls are formally documented and periodically reviewed.
ITGM5	IT performance is measured against organizational objectives.
ITGM6	IT governance practices support compliance with laws, regulations, and internal policies.
ITGM7	Management regularly evaluates whether IT delivers value to the organization.
ITGM8	IT governance processes are continuously improved based on performance results and risk assessments.

A6: Corporate Governance Outcomes (CGO)

Code	Survey Item
CGO1	The organization has effective oversight mechanisms for management decisions.
CGO2	The board or governing body receives reliable information for decision making.
CGO3	The organization has strong accountability mechanisms.
CGO4	Internal controls are effective in supporting good governance.
CGO5	Risk management processes are integrated into governance decision making.
CGO6	The organization promotes ethical conduct and compliance.
CGO7	Governance decisions are supported by accurate and timely information.
CGO8	The organization's governance practices strengthen stakeholder confidence.

Appendix B: Smartpls Analysis Plan

Table B1 presents the recommended SmartPLS assessment

criteria. Table B2 provides a hypothesis testing template for use when actual data are available.

Table B1: SmartPLS Assessment Criteria

Assessment	Output	Criterion	Recommended Threshold
Indicator reliability	Outer loadings	≥ 0.70	0.70 or above preferred
Internal consistency	Cronbach α , ρA , CR	≥ 0.70	0.70 or above
Convergent validity	AVE	≥ 0.50	0.50 or above
Discriminant validity	HTMT	< 0.85	Below 0.85 or 0.90
Collinearity	VIF	< 3.3	Below 3.3 preferred; below 5.0 acceptable
Structural relationships	Path coefficients	sig. p values	Significant p values and expected direction
Assessment	Output	Criterion	Recommended Threshold
Mediation	Indirect effects	CI excl. zero	Bootstrapped confidence interval excludes zero
Moderation	Interaction terms	sig. interaction	Significant interaction effect
Explanatory power	R ² and adj. R ²	Context based	Interpret based on context
Predictive relevance	Q ² /PLSpredict	Q ² > 0	Q ² greater than zero
Model fit	SRMR, NFI, RMS_theta	As reported	Report as supplementary evidence

Appendix C

C1. Expanded Research Gap

Although prior studies have established relationships between business–IT alignment, information quality, audit quality, organizational transparency, and corporate governance, these constructs have generally been investigated independently. Existing alignment research focuses primarily on organizational performance, whereas governance research emphasizes accountability and oversight. Few studies integrate Information Systems Strategy Alignment, Information Quality, Audit Quality, Organizational Transparency, IT Governance Maturity, and Corporate Governance Outcomes into a single moderated mediation framework. This study addresses that gap by presenting an integrated governance model.

C2. Research Contributions

- Introduces an integrated governance framework linking IS strategy alignment to audit quality, transparency, and corporate governance outcomes.
- Extends Strategic Alignment Theory to audit and governance domains beyond general organizational performance.
- Positions Information Quality as a mediating mechanism between IS strategy alignment and audit quality.
- Demonstrates the moderating role of IT Governance Maturity in strengthening alignment outcome relationships.
- Provides a reusable SmartPLS framework and survey instrument for governance research.

C3. Justification for PLS SEM

PLS SEM was selected because the study emphasizes prediction, theory extension, and estimation of a complexModel containing multiple mediators and moderators. It is suitable for reflective constructs, moderate sample sizes, and exploratory theory development in information systems research. PLS SEM is robust to non normality and provides flexibility for moderated mediation testing using interaction terms and bootstrapped confidence intervals ^[13].

C4. Additional Model Evaluation

Future empirical analysis should also report effect sizes (f^2), predictive relevance (Q²), PLSpredict results, and multicollinearity diagnostics (VIF). Measurement invariance and multi group analysis (e.g., comparing across industry sectors or organization sizes) can further strengthen the robustness and generalizability of the findings.

C5. Recommended Control Variables

Recommended control variables include organization size (number of employees or annual revenue), industry sector, ownership type (public vs. private), respondent experience level, organization age, and digital transformation maturity. Including these controls will help isolate the effect of ISSA on the outcome variables and reduce the risk of omitted variable bias.

C6. Expanded Practical Implications

Organizations should institutionalize strategic alignment through formal IT governance, enterprise architecture, integrated risk management, and continuous monitoring. Boards should monitor alignment using governance metrics aligned with COBIT 2019 ^[5] and the G20/OECD Principles ^[4], while auditors should evaluate the reliability of system generated evidence as part of assurance activities. Chief Information Officers (CIOs) should collaborate with Chief Audit Executives (CAEs) and Compliance Officers to embed IS alignment objectives into audit charters and governance scorecards.

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