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REMOTE AUDIT FOR INTERNAL AUDIT AS A FORM OF TECHNOLOGY OPTIMIZATION TOWARDS INDONESIA 5.0

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Abstract— The company's focus on dealing with the Covid-19 pandemic crisis opens opportunities for fraud perpetrators in companies who take advantage of these conditions to take actions that are detrimental to the company. During the Covid-19 pandemic, remote auditing is the right choice to be carried out with various advantages and disadvantages of remote auditing itself, remote auditing is an alternative so work activities and inspection processes can continue and the role of internal audit in making it happen is increased. Value for the company to assist management and director in improving internal control processes and optimizing fraud detection. This research is expected to provide insights and solutions regarding the application of the remote auditing approach to internal audit in promoting technology and detecting fraud during the Covid-19 pandemic. The data are used articles that discuss remote audits, in 2017-2021. The results of this study can be concluded that the implementation of IT-based on audit is an opportunity for auditors. This is because IT-based on audit provides more opportunities both to simplify the audit process they carry out and to develop their skills and knowledge.

Keywords— Remote Audit; Internal Control; IT Audit

I. INTRODUCTION

The development of technology nowadays has expanded comprehensively to various sectors, starting from the education sector, politics, administration, economy, and especially in the field of accounting. The presence of technology can be both an opportunity and a challenge for all professions, especially internal auditors. Internal auditors are obliged to provide information regarding the completeness and effectiveness of the company's control system and the quality of the assigned responsibilities (Sari, 2014). Auditors are expected to be able to apply information technology in the implementation of the audit process in order to improve the presentation of the quality of financial reports. (S. Gautama & Arfan, 2010). The complexity of business activities due to the rapid development of information technology has also led to a greater risk of presenting the company's financial statements, which makes it difficult for stakeholders (in this case those who use financial statements) in assessing and evaluating the issuance of

financial statements made by internal parties, where stakeholders must entrust the financial statements that have been audited by an independent party (in this case the auditor) to ensure the issuance of the financial statements of the company concerned. Advances in information technology, especially in the information age, will have a significant impact on the accounting information system (AIS) in a business entity (Marwanto, 2010).

Unfortunately, the situation in the field is still few auditors who are able to take advantage of access from the development of information technology when auditing computerized accounting-oriented information systems both at the input, process and output stages. This is because auditors who are literate in information technology are still relatively few in number and not many are suitable to answer scientific standards in the current era of information technology. Thus, in the decision-making process that is oriented to professional considerations and complex tasks, an information system that supports auditors is needed (Herusetya, 2010). The development of Accounting Information Systems and the audit process as a result of increasingly sophisticated information technology and accounting developments can create excellent opportunities for auditors around the world. This opportunity can be benefited by auditors who have adequate knowledge of Accounting Information Systems and IT-based auditing. On the other hand, auditors who do not understand the latest knowledge are very likely to be evicted due to not being able to provide the services needed by institutions in today's sophisticated era.

If the client's accounting records use a computer-based accounting system, then the computer-assisted audit technique (TABK) can be used by the auditor to carry out the audit process (Amilin & Susanto, 2014). This technique can increase the effectiveness and efficiency of audit procedures in obtaining and evaluating audit evidence. On the other hand, information technology-based audits can assist management in making decisions based on available information to develop company systems (Nugroho, 2009). By having adequate professionalism and knowledge about computer-based auditing

techniques, it is hoped that the stages of audit procedures that are passed can ultimately improve auditor performance (Amilin & Susanto, 2014)

II. RESEARCH METHODS

The purpose of this study is to find out whether Remote Audit for internal audit can optimize technological advances in Indonesia and can detect fraud. This study uses qualitative research methods that aim to see a fact and reality as a whole. In addition, qualitative research methods tend to be flexible, which is easy to adapt to changing circumstances.

In this study, the researcher used a literature review approach. This study uses secondary data, which was obtained from the results of previous research conducted over the last 5 years, namely the period 2017-2021. The results of these studies will then be extracted and analyzed to obtain information about the topic in this study. The data analysis method used in this study is a qualitative descriptive analysis method. In writing this journal, the author uses documentation data collection techniques where the data sources come from journals, books and reports related to the data needed in this journal. The steps for conducting data analysis are as follows:

1. Data Reduction this technique is done by collecting data in the field continuously through observation, in-depth interviews, and documentation, so that the data collected becomes large and complete. After all the data has been collected, the researchers then describe the data in more detail and depth.
2. Data Display or data presentation is the stage of qualitative data analysis techniques. Data presentation is an activity when collecting data arranged in a systematic and easy to understand manner, so that it can produce conclusions.
3. Conclusions/Verification, the conclusion in the desired qualitative research is the final stage in the qualitative data analysis technique which is carried out to see the results of data reduction continue to refer to the analysis objectives to be achieved. This stage aims to find the meaning of the data collected by looking for the relationship of similarities or differences, conclusions can be drawn as answers to the problems that occur.

III. RESULTS AND DISCUSSIONS

A. Result

The current state of the COVID-19 pandemic, the work from home policy, and the PSBB have hampered the implementation of the audit. Remote audit is one of the effective and influential methods when performing audit assignments. The results of the analysis above show that remote audit has a significant effect on improving audit quality. The implementation of remote audits is considered to make it easier for the banking industry because almost all banking activities are technology-based.

Remote auditing is not the only right solution to all problems. This is also not a substitute for direct audits. However, as part of a long-term assurance program, remote auditing can play a role in providing assurance when special circumstances do not allow normal business conduct. In research conducted by Setiatin (2018), it is revealed that every auditor must understand computer systems. If the computer system is used to process accounting and financial data, the auditor must understand the concepts, terminology, data processing and controls used to communicate with the electronic data process department regarding computerized activities and systems.

Elisabeth (2019) states that there are new opportunities that may be achieved by auditors in relation to the use of technology and information audits, including skills and knowledge, system usage and perceived usefulness have a significant positive effect on auditor performance. Aditya, Hartanto & Nugroho (2018) reveal that the digital transformation that occurs in audits is a good opportunity for information technology-based audits to play a more positive role and contribute to business development. With the existence of information technology, the opportunities for professionals who have auditing and attestation skills have increased, and the financial reporting system also has a very broad impact.

Cristea (2020) revealed, by understanding emerging technologies, auditors will acquire new job skills such as advanced techniques in data analytics, prescriptive and prospective approaches, performance in financial audit missions and others. This statement is in line with the results of Amoush's research (2019) which assumes that most auditors in Jordan use IT-based auditing to achieve better results, and develop skills to use the required software. Auditors use information technology in all audit processes, and they find that information technology affects the audit process, which means they will try to acquire more skills to keep up with information technology developments happening in their companies.

According to Nazarova (2021), audit digitalization is a new level of audit that is developing in companies, especially those using accounting automation. The software used by auditors needs to be improved according to the needs of the

modern world. Technology-based performance audits can be applied to remotely review audit quality during the COVID-19 pandemic, but many internal auditors are not ready to use them. Even so, digitizing this audit has the advantage of real-time data collection and faster inspection times due to analysis and testing using technology (Efendi, 2020).

Al-Khasawneh (2021) argues that remote auditing requires auditors to ensure and plan according to their abilities in assessing the audit process by being aware of the limitations that may occur due to the pandemic. Remote auditing also requires auditors to identify the impact of the pandemic on its prevention policies and procedures.

B. Discussion

Considering that remote auditing can restore the audit process during the Covid-19 pandemic, namely through easy acquisition of audit evidence, remote audits have the same effectiveness and efficiency as conventional audits, of course, with support from the audited party. This remote audit was also implemented as a form of auditor response and adaptation in continuing the audit process during the Covid-19 pandemic (Eulerich, Wagener, and Wood, 2021). Remote auditing has its benefits and limitations. Remote auditing can reduce travel costs for the auditor team, strengthen documentation and reporting through the use of good technology (Tedjasuksmana, 2021), and improve document review results (Litzenberg and Ramirez, 2020). In an effort to produce quality audits, auditor improvements need to be made, the impact of which is being able to find out about the timeliness in completing the audit (Syafidinal, Laksono, et al, 2020).

2 IT Progress in Audit Development and Opportunities for Prospective Auditors

Changes in the process in the accounting system regarding harmony affect the audit process, because auditing is a science that is engaged in the field of practice that requires financial statements (Financial Statements) as the main object in analyzing. The existence of IT can also affect the continuity of practice in the audit process, both from analyzing data in the field and making opinions. Developments in audit software provide an electronic (computer) based approach to audit services. Accountants are services whose activities are often related to information technology. This change in policy on control and processing methods resulted in a change in auditing methods. A number of auditors have used special software designed to be used in implementing audit systems using digital applications. Auditors generally must learn or deepen digital skills in order to work effectively and efficiently in a computerized business environment. Some of the skills that emerge with technology cover three areas:

1. Required to understand computer concepts and system design.
2. Ability to assess and solve the risks that arise with the presence of technology and carry out effective control in an effort to reduce risks that will occur in the future

3. The concept of science regarding procedures for using computers to support the technology audit process.

IV. CONCLUSION

The auditor assumes that the existence of an IT-based audit is a challenge for auditors to better understand the computer system used by a company because it is related to the company's business. Auditors assume that an IT-based audit will lead to a much shorter audit process. IT-based audits can also increase the flexibility of the auditor's work, and will reduce costs incurred as a result of audit assignments. In addition, auditors feel that the use of IT-based auditing will increase their work skills and expand their knowledge related to technological developments in the company.

The advantages of remote auditing are that it can reduce travel costs, expand coverage, increase document review results, increase the use of technology in strengthening audit documentation and reporting, and mitigate audit burden on operational facilities. Limitations in the remote audit process include, direct observation which cannot replace the direct viewing process. On the other hand, the implications of this research for auditors can be used to see opportunities for the audit profession in the future by developing their knowledge related to information technology in order to be able to survive and compete in the digital era.

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