

AUDIT QUALITY DURING THE COVID-19 PANDEMIC

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ABSTRACT

The COVID-19 pandemic has clearly become a challenge for all sectors to undergo a new normal, including auditors. KAP has made many adjustments during the audit process during the pandemic. This adjustment includes audit procedures, employment, and work culture. Researchers want to know how audit quality is during the Covid-19 pandemic. In this study the researchers positioned themselves as participant observers and conducted observations and interviews with KAP X employees. Researchers observe that during a pandemic, auditors will be vulnerable to audit bias. The researcher succeeded in concluding several audit biases and how the influence of each of these biases affects audit quality and concludes several aspects of the auditor's self, such as the right to disconnect, which can affect audit quality. The audit quality factor emphasized in this study is more towards internal factors, namely the auditor himself. The researcher raises the audit bias factor as one aspect that arises from within the auditor.

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1. INTRODUCTION

The corona pandemic was announced for the first time entering Indonesia on March 2 2020 to 2021, meaning that it has been almost a year that Indonesia has been dealing with the corona virus. Various areas were panic-stricken and immediately responded by announcing a lockdown system, physical distancing, and work from home (WFH). These systems change people's lifestyles socially and affect the economic situation in a wide variety of sectors. The economy is one sector that has received a lot of attention from various groups. During the pandemic, many companies worrying for the survival of their company, many companies also lay off their employees. All of these events were carried out to maintain the going concern of the business. Many business entities both large and small scale must adapt to their environment to survive. A pandemic is an event that can cause uncertainty and affect investor confidence in financial reports (KPMG, 2020).

On March 10 2020, the Indonesia Stock Exchange (IDX) announced a trading halt (Kontan, 2020). The first time the Composite Stock Price Index (IHSG) experienced a pretty bad decline apart from the economic crisis. This pandemic has brought negative sentiment to the market. In addition to the JCI, the value of the rupiah against the dollar also dropped drastically and touched Rp. 16,500. This bad news makes the government have to make policies to maintain the economic situation in Indonesia such as tax relief, credit taking, cost of living and many more.

In addition, many foreign investors withdrew their funds from developing countries and chose to invest their money in safer assets. Many investors choose safe haven instruments and make stocks sluggish. Many stock prices have fallen dramatically. There are some investors who think this is an opportunity to buy shares in large quantities, but there are also investors who are risk averse. This event caused Indonesia's economic growth to slow down and was proven qualitatively. According to the Central Statistics Agency (BPS), Indonesia's economic growth in the first quarter of 2020 only reached 2.97 percent. This growth is one of the lowest growth, which previously occurred in 2001 when Indonesia's economic growth was only 2.88 percent.

Almost all industries from various sectors are affected by this. Industries that have been able to survive during the COVID-19 pandemic include the gas, electricity, clean water, agriculture, animal husbandry, plantation, fishery, automotive and banking industries. All of them are related to basic needs, so it is predicted that they will survive even though they are hit by a pandemic. These sectors were able to survive even though they did not experience significant performance. The medical device industry,

pharmaceuticals, medicines, is in high demand during the pandemic because the public's need for these goods is high. The medical devices in question include personal protective equipment (PPE/hazmat suits), hand sanitizers, ethanol, masks and gloves.

The corona pandemic has clearly become a challenge for all sectors to live a new normal life, and the auditor profession is no exception. The work from home (WFH) system, which has been proclaimed by the Indonesian government, requires auditors to develop an effective audit strategy so that it runs alongside the WFH system. The task of the auditor itself is clear to provide reasonable assurance to users of financial statements (Arens et al., 2017). This will be a challenge for the auditor because the external party's confidence crisis occurred during the corona pandemic era. This is a challenge for auditors and for business people. The problem of going concern (GC) is one of the main highlights, because GC is the basic assumption for making financial reports (Curse, 2016).

The work environment of the auditor, namely the KAP and the client's office, is tightening their regulations to follow health protocols. The limited space for auditors to move during a pandemic can be a challenge for this profession. Business risk assessments by auditors must also be adjusted to the ongoing Covid-19. Auditors must force themselves, how to carry out alternative procedures that are effective and remain reliable during a pandemic. Covid-19 has accelerated remote working and digitizing data.

Bias will be the main enemy of auditors during the corona pandemic. The auditor will experience many limitations in carrying out field work procedures. This study aims to review the biases that can occur in auditors during the corona pandemic and how auditors respond to these biases. Such as self-serving bias (Thornton et al., 2015), recency bias (Ashton & Kennedy, 2002) and streetlight effect (Ramamoorti et al., 2017).

The existence of these biases brings our attention to quality which is one of the important points that must be considered during an audit in the pandemic era. Given that there are several procedures that cannot be carried out by the auditor in full, of course this will raise questions about the quality of the audit carried out. The quality of the audit process can affect the auditor's ability to detect material errors in the financial statements (Lenz & Ulrich, 2015). This audit quality can be seen from the GC assessment, audit procedures performed, the auditor himself as an aspect of human capital, auditor salary, and audit fees (Albitar et al., 2021).

2. METHOD

The methods used to collect data are interviews, observation, and analysis of documents that have been collected. The interview was conducted semi-structured. The author will make points of questions used during the interview. Interview data was obtained from several staff from KAP X to find out how the audit procedure was going during the pandemic. Interviews were also conducted with clients from KAP X regarding the company's condition during the pandemic and how the working conditions were in their offices. The media used in the interviews were cellphones as recording devices and also writing tools used for recording.

3. RELUST AND DISCUSSION

History of KAP X

KAP X is office accountant public and business advisory registered. Stand since 1973, with offices located in Jakarta, Surabaya, Yogyakarta and Semarang. this company represent bunch specialists who provide advice and services business to various organization business, incl Private, Public, State Owned Enterprises and Organizations Nonprofit. KAP X has 7 offices in four city big all over Indonesia. Every office own responsible partner -in-charge answer For give service quality to clients and supported by more of 250 staff. KAP X & Rekan has build strong reputation in local and projecting market identity clear and common international, combines skill local with ability Strong international.

Structure Organization of KAP X

KAP X is a KAP in the form of firm and own structure organization like following:

Junior Auditors

Auditors assigned juniors For follow as well as in planning audits, reviewing internal control, perform audit test and prepare report finance use Standard Reporting Financial regulations that apply in

Indonesia or PSAK. Junior auditors can to compile status reports (audit processes) and internal communications (eg minutes meeting).

Senior Auditors

Give briefing to work Field audit conducted by junior auditors. Share assignment and job details to junior auditors. Do reviews to whole the work of junior auditors, incl paper Work nor completed audit report made by junior auditors;

Supervisors

Do supervision to work of senior and junior auditors. Be responsible answer on audit program approval. Make timeline audits for member as well as scheduling personnel. Do reviews on paper audit work and audit reports. Do control to bill on audit services.

Assistant Manager/Manager

Do function marketing. Prepare audit proposal When entering new audit period. Also, be responsible Java in a manner direct to partners.

Technical Advisors

Do function control quality to notes on report finance in audit report. Give direction and direction top audit team experienced audit issues during ongoing audit process. Give training to supervisors, senior and junior auditors.

Partners

Define and do review repeat to cost any audit services the year. Do reviews stage end to report audits; guard communication day-to-day to client about issue significant nor progress audt. Be responsible answer to public on completed audit report published.

Paper Audit Work (Audit Working Paper)

Paper audit work is documentation prepared/made by the auditor, in do audit services. Based on (IFAC, 2009)–Audit Documentation, audit documentation is notes about audit procedures performed, relevant audit evidence obtained, and the conclusions reached by the auditor. In accordance with ISA 230, audit documentation is required can function as: (1) Evidence used as basis by the auditor to take conclusion about results something procedures that have done; (2) Evidence that the audit has taken place done in accordance with applicable auditing standards.

Characteristics Source person

Study This done with technique interview Where researcher interview a number of sources ever worked at KAP X Surabaya branch. Researcher choose source person from various position (junior, senior, supervisor, and partner) in KAP, more Specific is employee nor ex- employees who experience and undergo the current audit process pandemic Covid-19.

Profile Source person

Following is profile from sources who have interviewed by researchers:

Table 1 Profile Source person

No	Initials	Position
1	YAN	<i>manager</i>
2	LIA	<i>manager</i>
3	HYK	<i>HR Manager</i>
4	EEN	<i>Technical advisor/quality control</i>
5	ELL	<i>Supervisors</i>
6	YES	<i>Supervisors</i>
7	RH	<i>senior</i>
8	VIN	<i>senior</i>
9	RSL	<i>juniors</i>
10	RACE	<i>juniors</i>
11	JW	<i>juniors</i>

Source: processed researcher

Operational Overview of KAP X

KAP X has give audit services to 199 companies in 2019 and 222 companies in 2020. The following are details regarding type business clients and percentages of total clients:

Table 2. Number of Clients and Business Fields

Business Sector	2019	2020
Trade and Services	95	108
Industry Processing/Manufacturing	36	33
Property and Construction	33	24
Mining and Energy	12	9
Agriculture, Plantation, Forestry, Animal Husbandry, Maritime Affairs and Fisheries	10	23
Information, Communication and Transportation	2	3
Governments, International Agencies and Organizations NonProfit	1	1
Financial Sector–Others	2	4
Industry Other	8	17
Total	199	222

Source: KAP X internal data

The 199 companies audited by KAP X in 2019, 194 companies obtain opinion reasonable without exceptions (WTP) and 5 companies obtain opinion reasonable with exception (WDP). Whereas in 2020, 204 companies obtain WTP opinion, 16 companies acquired WDP and 2 companies obtain opinion No state opinion (TMP).

Discussion

How can Covid-19 Influence Audit Quality during Pandemic

Covid-19 Already become shocking global events world economy. Whole operational business from various type sector too _ affected, no except the parties involved inside it including auditors. Enter 2020, issue the main thing that is always highlighted in report audit finance is about uncertainty will future economy consequence pandemic. Auditors sued For do evaluation will ability something entity For face uncertainty and include result in audit report, regardless from is pandemic bring influence bad or Good to business entity.

In times like this, the auditor has important role, remember that the auditor has not quite enough big answer to interested parties _ with entity. Task main of the auditors is zoom out asymmetry information between principals and agents. Pandemic become challenge main for auditors in the 2020 audit period. This has proven, and affect the auditor of various type aspect. A number of example his is adjustment on audit procedures, adjustments auditors themselves with policy work from home (WFH), and an audit fee of course will leading to audit quality alone.

Audit quality has Lots once parameters, then from That researcher want to know opinion from each source about How the quality of the audits measured. Most from source person answer that quality audit is an audit with complete procedure. Procedure usually listed in working paper (WP) as part from program audits. The more complete something procedure signifies the audit will be the more quality. A number of sources also explained what is meant with complete. Complete means every material accounts have rated based on assertion management. Assertion management here's what will become internal auditors' judgment reach objective the audit. Checklist from assertion management This usually listed _ in program audits.

How Does Covid-19 Affect Audit Procedures

When doing interview whole source person given chance For tell What just the challenge they are facing moment carry out audits in the pandemic era (2020). First thing's for sure spoken by the speaker entirely lead to audit procedures. But from whole procedures performed, there one always interesting attention more, ie supplies. Prohibition For go visit to client become reason main why at the moment That difficult For do procedure stock taking (SO). Based on confession from Mr. YAWN (as spv) as following: "... the most important account yes.. yes related listen the existence assertion is like a supply "

Even from Mrs. ELA's statement (as spv) as following: "... this is one interesting thin yes.. also challenging for auditors, because we know inventory sales and so on burden tree sales.. usually That is

the accounts that are the inner core A company especially manufacturing ..." Supply Certain will own pervasive impact in company, especially Again manufacturing. this account will in a manner direct influence profit make a loss when transaction sale happened. In a few case, because auditor's movements are limited, the auditor is forced reduce amount and type supply For made sample.

Assertion existence is one assertion management For prove right that something component in report finance truly there. With do SO, meaning the auditor has fulfil objective the audit in matter existence. So result is strong document For prove that supply the truly there. So from That necessary procedures assertion This need done alternative procedures in order to achieve audit objectives fulfilled. Procedure alternative This is SO done virtually with use video call. Whole source person argue that SO will more effective when SO is done in a manner physique rather than virtual because the auditor is not can see in a manner direct condition from supply the.

SO virtual doesn't either escape from a number of related obstacles with communication distance far. SO done with use video calls via WA, usually will own problem when Internet connection is experiencing distraction. one as a result is appearance broken video calls resulted difficult for auditors to see code medium stuff indicated by the stocker. So from it's the auditor and the client need ensure that internet network used That strong For avoid constraint this. The device used will also effect. Most from client will use smartphones for do video calls, because more mobile when must do deep SO warehouse. But the auditors are not Can demand that the resulting video from smartphones the Can clear.

Next obstacle is related documentation. Most from client when given request document sampling, client will need longer time for look for document because amount Employee attendance is also limited. Based on Mr. YAWN's statement is as following: "... usually they That you're lazy... or too long look for the ... effect we follow search right. Well that definitely like. That right We No Can down plunge direct to field. If client want to scan ndapapa yes ... if not want to scan it lo, for sure Later procedure his Later not enough Later that ..." Then from YAN's statement (as manager) also can be listened to as following: "... the weakness is in a number of case data _ too big, for example like us _ Want to check account newspaper. Account newspaper we know, if company his big, account the newspaper Can until sheets and when This scan the softcopy size Can big once ..."

From the auditors themselves No Can force client For prepare document the in accordance with specified time, knowing _ that clients also have internal work to be they finish. Not yet If client own big data. Neither did the auditors can wait Because must demanded For finish proper audit report time, consequently There is a number of sampling document that is not fulfilled and lead to less procedures complete. From statement the can seen that pandemic can push lively his practice premature sign-off. Incident This arise when an auditor reports that he has do audit procedures without do procedure the. Practice this, as said by) [1], in a direct influence audit qualitat

In addition, Mr. YAWN and Mrs. HYK (as hrd) says that stretch time that was given by the Indonesian government regarding obligation collection report neither is finance impact significant in reduce factor time pressure. Referring to the constraints that had delivered by Mr. YAWN regarding documentation, because client difficult For provide data with period normal times, resulting in the auditor also having to Work overtime like before pandemic. Lots of data from clients are also given in the near future with deadlines alreadyrelieved by the Indonesian government. So from Mrs. HYK has income that mitigation time pressure regulator not so effect. The following constraints his is communication with team and client. This is one _ the obstacles expressed by Mrs. EEN (as technical advisor) as following: "so since everyone is working from home, you need to take hold of your handphone from time to time, check your email, check your handphone, check whether there are calls or there are any messages following up, monitoring..."

The communication that occurs during WFH is not the same like before WFH. With exists technology Of course just matter This Can overcome, but difficult for auditors to do function monitors. when working in the office so communication will more intensive and functional monitors can run with easy. Same thing it's also communication with client. Frequency communication No will Can as big as at the moment before pandemic. Whereas according to (Handoko & Widuri, 2017)) communication with client and due professional care is factor important that can influence success or nope A audit assignment. one the components mentioned by) (Handoko & Widuri, 2017)are appropriate two way communications.

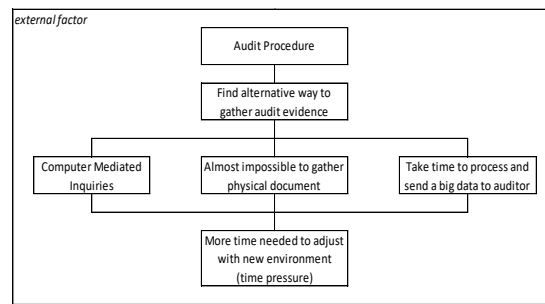


Figure 1 External Factors
Source: Processed Researcher

If seen from International Standard on Auditing (ISA), precisely No There is change specific special addressed for auditors to facing a crisis like covid-19. This is shown through information submitted by Mrs. EEN. "The standards are already fitted whether there is a pandemic or no pandemic, because even before the pandemic there was already a revision... we are speaking of auditing standards. Effective per 2019, so the pandemic happened in 2020. So what are those changes... number one is the risk assessment, the ISA 315 and also ISA 520 which is discusses about the fraud. The pandemic did not change the standard, but however, because the changes of the standard before the pandemic... it was like a key turn... like if the economy or auditing profession will face a certain pandemic like covid-19..."

The changes that have occurred in ISA 315 (Revised 2019) are how auditors do technology focused risk assessment information. Change This as said by Mrs. EEN happened before pandemic. According to Mrs. EEN standard the Already in accordance although There is or nope pandemic, in other words standard Already prepare umbrella before rain. It's just that, at the moment pandemic procedure Computer Assisted Audit Technic (CAAT) will more Lots adopted. Research conducted by [2] even expect will exists subsequent (post pandemic period) reforms on audits, but precisely at the time pandemic rather No show exists impact significant on the report finance.

Mrs. ELA also said that moment pandemic he lose the sense of auditing. Usual audits done with visit Now entirely done online. Mechanism communication made by the auditor during pandemic move from Face-to-Face (FtF) to be Computer Mediated Communication (CMC). Face audit face is normal called with conventional audits. Biased audit evidence was obtained is in the form of client inquiries, where the auditor conducts interview to client about various type matter regarding auditees. According to Holderness (2013), auditors need be careful when do communication with CMC mechanism, because CMC mechanism can bring up deceptive client. With CMC client will own control more to method they communicate, a lot time for plan, practice, and edit their data before given to auditors.

Change mechanism caused communication Because pandemic too push the occurrence of persuasive evidence. persuasive means every possible evidence cause somebody trust something facts. conclusive means firm and convincing. In a lot case the auditor should depend on the only evidence contain element persuasive or not own element conclusive. This Because generally difficult for get proof conclusive. Pandemic worsen matter this. See the difficulty of collecting data and inspection almost direct No Possible For performed by the auditor, this cause the auditor will more often rely on persuasive audit evidence. this naturally can lower audit quality.

According to [3], auditors will depend more on persuasive audit evidence when No there is a clear accounting treatment of the problem facing accounting. When the pandemic the auditor will demanded For face changing environment whole mechanism they work and fast change This No supported with adjustment applicable auditing standards give instruction for auditors. In case like this the auditors will look for A exemplary, or [3] call this with precedent sentence. Example This own characteristic persuasive for auditors. In short, a pandemic make the auditors do Lots tolerance to audit procedures. Tolerance This done beyond normal limits, with reason limitations time (time constraints). Tolerance done from reduce sample, premature sign-off, and justification on estimate less accounting right this can raises high self-serving bias in the auditor.

How Covid-19 Affects Auditors

Mrs. EEN also mentioned that mental health and right to disconnect become influencing internal factors himself moment doing WFH.

"Because during the pandemic everyone was in a lockdown situation... especially for people who live alone, like in my case, I live alone. I don't live with my family or friends. So it is difficult because you

don't see anybody for like 2 or 3 months, so your mental state and your mental well-being are affected. So you cannot think reasonably because you don't interact with other people."

Based on Mrs. EEN 's statement, mental health can disturbed. Because policy restrictive lockdown interaction social Mostly society. Policy his lockdown make public can experience depression, anxiety and stress [4]. Rinse poor mental state well, then can influence auditor performance which led to a decline audit quality. Mrs. EEN also mentioned Right to disconnect (RTD) as one of them factor important necessary noticed moment pandemic. Covid-19 make a boundary between work and home become eroded. RTDs are matter important in normal state for ensure work-life balance and for prevent anxiety, depression, burnout, and being more important when face time long work from home (WFH). Right to decide relationship to help relieve level stress and anxiety in a manner perceived whole employee consequence impact coronavirus [5]. Mrs. EEN said that he often find phone about work when not should.

[6] has find exists connection significant negative between work stress and audit quality. But influence significant This only happen when the auditor is given assignment client new. When there is assignment client new, usually the auditor will need more effort for do understanding business client. However according to [6], along walk time, with the auditor doing learning by doing, effects negative the can minus. When the environment pandemic, communication not as intensive like communication face-to-face (FtF), then will So more difficult for auditors to understand business client, result stress increases and affects audit quality.

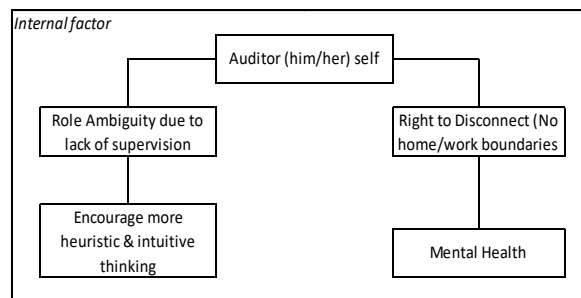


Figure 2. Internal Factors

Source: Processed Researcher

Additionally, based on statement from whole source person with position supervisor to top, enough difficult for they for do function supervision moment WFH policy applied. Lack of supervision can impact bad for senior and junior auditors. [7] in study his mention that not enough his supervision (uncertain supervision) can raises role ambiguity in auditors themselves. this case will Lots occurs at the level of senior and junior auditors, so force they for guess and predict action they alone. arising high role ambiguity can trigger affecting stress _ auditor performance and lead to decline his audit quality.

Missing boundaries between home and place Work as long as WFH makes the auditor will prone to experiencing stress, due to more working hours long. Besides that for junior and senior auditors will be more prone to experience confusion in do work they because supervision from supervisors don't tight like before the pandemic. Auditors will lost right to disconnect and poor mental health Good Because restrictions interaction social during WFH.

How Covid-19 Affects Audit Fees

Audit fee is one factor that is not Can escape when discuss about audit quality. Audit fees are results from factor supply, where KAP might be wearing cost more for more audits big, more risky and more complex in the moment circumstances No Certain like pandemic covid-19 made risk business the more high, and can impact to how the auditor determines their audit fees. KAP faced intense competition in offer audit services and some big impact competition This leads to competitive bidding, so client can choose KAP with easy. Following Mr. YAN 's statement: "... there is many ask down price, but many also maintain. So the price The same with that year then. Yes, we are aware too right. Understand also want help, so there are us lower But No many ..."

Mr. YAN explained that moment That Lots clients requesting an audit fee lowered. Another source also said same thing _ such as Mr. YAWN, Mrs. LIA, and Mrs. HYK. A number of reason client is difficult his cash flow, result arrears receivables from their customers. Whereas know height risk business moment pandemic should audit fees experience increase due to increased audit work hours increase (Bell dkk., 2001). The efforts made by the auditor will more Lots when business risky, which leads to increased audit hours.

[8] mention behavior This as fear of losing client. Faced with a crisis economy and circumstances the economy does n't erratic Of course just This also makes KAP difficult will cash flow for activity operational. For example just like wages employee. With so price forced lowered for the client No move to another KAP. A number of successful information collected from KAP X, sec pandemic to appear order from senior partner for reduce overtime. Statement from Mrs. EEN, mentioned that matter This done because KAP X is worried that audit fees No can close cost KAP operational, has confirmed on Mrs. HYK though most audit fees No raised moment pandemic (even some have experienced decrease). None subtraction wages for employee nor rates overtime. All reward wages paid with normal and proper rates time.

During the pandemic KAP X was faced with a state of "fear will lost client". Pandemic worsen circumstances this, because Lots client difficulty cash flow. Finally, request for lower audit fees from client No can unavoidable. Many of complaining clients when audit fees raised. this cause audit fees installed with price like 2020 beforepandemic though more audit risk high Even in a number of case. There is mandatory audit fees lowered.

Pandemic – A Catalyst for Audit Bias

A accountant public own obligation to stakeholders For determine fairness from A report finance through opinion. For can create A available audit reports reliable by stakeholders, public accountants must independent and free from clash interests. Institute Indonesian Public Accountants (IAPI) also stated in code ethics professional as following: "Member must obey principle integrity, which requires Member For behave straightforward and honest in all connection professional and business." This be very important, remember not quite enough auditor's responsibility is very large to Lots party such as investors and creditors. However, no no auditors really independent [9]. The auditor model assumed by IAPI is an independent auditor from biased judgment.

"Members must comply with the principle of objectivity that requires Members to exercise professional or business judgment without being compromised by (a) bias; (b) Clash interest; or (c) Influence or dependency that is not should to individual, organization, technology or other factors".

[9] say that This is a very not model realistic. Structure from audit relationship with client this is what makes not very independent maybe. Moments where the auditor has agreed engagement letters with client, is moment an auditor has grind independence them. Bias will too Lots arise in decision taken in a manner heuristics. Auditors will be especially vulnerable to matter this. Fixed time pressure become enemy current principal auditor pandemic. As has been expressed by Mrs. HYK and Mr. YAWN, that easing the time given by the Indonesian government, followed with how difficult For get data, create extension time No own impact significant. Under pressure time like. This auditors will more tend make decision heuristics. Alternative Of course considered, however No studied more in, even There is trend For sticking to one strategy and not look for alternative, increase speed in process information, however accuracy from consideration will reduce when is at in pressure time [10]. The tendency of the auditor is use system 1 thinking, more thinking fast, automatic, without effortless, implicit and emotional [11]. Intuitive decision This subject to downward bias auditors aware. Researcher find that Covid-19 is audit bias catalyst. Covid-19 drives a trend that results in an increase in auditors vulnerable against these biases. Any biases are likely arise? Following is a number of explanation on the above biases If connected with auditors and covid-19:

- a. rush to solve is the first bias to be with easy appear from thinking many people, remember stereotype public general to the profession of an auditor is deadline very tight time. Even when pandemic, this bias is the most common. Extension given time more give beto work technical and managerial in corporation rather than audit work. A number of client from KAP X was also found No change deadline time when pandemic.
- b. Audit work performed with the audit team will vulnerable with exists groupthink bias. [12] mention that KAP is full place with cohesive group (compact group) and striving for unanimity (roundness something decision). groupthink can cause failure for apply level skepticism appropriate professional or bother evaluation professional auditors, and can impact negative to audit quality. During a pandemic the difference only contained in the discussion media used, because the audit process is demanding exists communication between intense team and client so this risk of bias still will there.
- c. When researchers ask about analytical procedure to supervisor (SPV) and audit manager, many from those who find that profit make a loss fulfilled with reason "because covid-19". However analysis This most No There is follow up. Whereas There is possibility that decline sale No part big

caused Because covid-19, however caused from accommodation events then more impact. How the media has been give framing to covid-19 can affect internal auditors do evaluation risk.

- d. Researcher find this confirmation bias through one _ assessment carried out on going concern for something entity. this case is type I misclassification, where the partner ejects Going Concern Opinion (GCO) but fact No there is detrimental events _ entity in the period subsequent. On the contrary entity the book profit in 2021. The auditor decides granting GCO in the pandemic era will exposed to a variety of information about confirmed covid- 19 action them. Indonesia's economy is weakening moment That Lots become headlines in various kinds of media.

This bias can too found when the auditor wants do documentation for inner GCO form projection finance. Report projection the provided by management as material consideration internal auditors rate GC. However, from statement source person report projection the No Once compared to with actual. Following expression from Mr YAWN and Mrs HYK: " Miss Once yes, us only ask for no, but No Once compare with actual" If projection the own high variance with actual, maybe basis used by management For make projection the can So question. Possibility second is exists shock caused economy Because events yet Once unimaginable before (black swan).

- a. From observation as well as interviews conducted by researchers, found that anchors appear when the auditor determines level materiality in the era before and during pandemic. Many of source person mention that No Lots change level materiality when pandemic. Materiality counted approach or even like year then. This is action anchoring. Whereas change risk business Enough drastically in the era before and when pandemic.
- b. Availability bias can found through paper audit work. Usually the auditor will see risk significant from paper Work year then. Leave from information this the auditors will do same procedure For the same account in the year walk without evaluate return procedure the. one case observed by researchers is determination backup based on PSAK 71 before and when a pandemic that doesn't Lots experience change.

Several other biases are also likely appear besides from what has been mentioned on is as following:

- a. Streetlight effects, a lot found in the procedure hospitalization supplies. From the interviews conducted, the auditors improved tolerance they Enough drastic when do SO moment pandemic. this Because scope limitations that appear from regulation lockdown. As a result the auditor only do SO on easy supplies dcount and the areas covered course, because of this data more easy available. Mr. YAN and Mrs. LIA (as manager) disclosed that at some existing entity he handle experienced matter similar: "us There is hospitalization for PT X but only a number of location just ... that's close only in the Surabaya area"
Whereas Mrs. LIA's case, SO only easy stuff counted just. Finally resulted inventory sampling must minus.
- b. A number of source person say that There is same client very No can undergo SO procedure. One of them is Mr. YAN: "For PT Y, time That We ask for inventory movement report But must marked handled by the directors nya".

In case like this is the usual auditor given data in the form mutation inventory signed by the parties warehouse and directors. Usually This happened to old clients already held by KAP X. This being one example from inductive thinking bias. In years previously No Once There is problem with supplies, for sure year neither is this There is problem. Know matter this, the auditor does not will bother when only given a list of mutations supplies.

How Auditors Defend Audit Quality

Difficulty For control audit quality, for one leave from difficult SPV and manager do control to senior and junior audit work Mr. YAN and Mrs. ELA handled it matter This with the same way that is day-to-day meetings with audit team discussed about work which already done day it was and what will be done the next day come this action can reduce role ambiguity from the seniors and juniors so can increase audit quality.

Multilevel review process has applied to KAP X, but Because restrictions interaction social then there will be A little adjustment How this review done. The bottom line is the review process No Can surfing moment before WFH is applied Because pandemic. KAP X realized matter this and overcome problem with start switch use feature full from Microsoft 365. All employee laptops in a manner gradually given installation Microsoft 365 with One account main set accounts microsoft employee. Proven that utilization This can increase efficiency time needed for do reviews, because paper work and audit reports can be accessed in a manner together in a manner real time

KAP X auditors also have to change method system think from system I to system II [11]. System II is system more thought slow If compared to with system I, however can produce more decisions accurate rather than system I. View no time pressure Possible unavoidable so change system This must offset with application good risk-based audits. Understanding business must deepened by the auditor, to recurring client. collect informed and always do evaluation to information the. Don't fixated on persuasive evidence [3]. But search more evidence toward conclusive evidence [13]. With this auditor can create documentation sufficient and reliable audit evidence. Always consider alternative, and no stick to one strategy.

Trend confirmation (confirmation bias) can affect the auditor's assessment process, then technique helpful mitigation is with look for case that has fact fight and seek no evidence can confirmed or contrary. Auditors can do perspective taking [14], where the auditor will do consideration more deep A case from all corner view with this way the auditor can produce more consideration reliable. Perspective taking can also mitigate groupthink bias. other terms is with do brainstorming. Each audit team is required for own opinion on A audit cases encountered, with so groupthink can reduced [15] [16]. Self-serving is very difficult for mitigated, knowing This is risk default that occurs in audit work. Self-serving bias can reduced with build strong strong affiliate group in KAP [11]. one the implication is that KAP should Keep going create and maintain cohesion strong group in between audit team, and encourage auditors to affiliated with organization professional.

Auditor independence can improved through divestment full on service consulting and tax. However, because auditors are hired and fired by the companies they audit, so problem independence This will still there for remove source of this bias, threats dismissal Because perform audits that do not profitable for company must omitted. Auditors must own period fixed and limited contract, as long as in period contract they No can terminated by the client. All costs and details contractual other must determined at the start contract and must No can changed [17]. Besides that, client must forbidden employ return audit firm at the end contract; otherwise, office accountant big will requested For rotate client. However, this defined as change lead partner in KAP. Nothing provision for rotate the KAP that performs the audit, and those that do not There is provision For prevent client fire the auditors. With thus, the auditor will Keep going own strong incentive For make client they happy.

Minimizing Engagement Risk

KAP X did preliminary a about possible things happened to the auditee during the pandemic era covid-19. Question This used so that the auditor can identify issue main moreearly. Especially issues that arose at the time the pandemic brought influence bad condition global economy. Following is necessary questions filed at the time stage The initial audit process is carried out:

1. How performance Entities in 2020–2021?
2. Transaction significant done moment pandemic:
 - a. is There is additions/acquisitions/sales asset significant?
 - b. is There is entity own contract new with customer new or disconnect contract with old customer?
3. is entity made layoffs in walk?
4. is entity do submission delay obligation debt payment? Or there is the customer submits delay payment of debt to entity?
5. Is the pandemic era influence future cash flow from entity?

Fifth question on will how it ends auditor's assessment of going concern company auditee and zoom out possible engagement risks happened. Question This submitted to old clients as well client new. All question focus on how covid-19 influence company auditee. For operational clients the business affected significant, of course just will There is notes special about matter the in report auditing finance. Auditors need notice how much capable entity can maintain continuity business they in the middle uncertainty global economy. Auditors are also necessary evaluate disclosure entity about impact covid-19 to business them, fine in a manner qualitative nor quantitative. If in the appraisal process, the auditor finds that management Not yet in a manner adequate do disclosure impact covid - 19, then the auditor is necessary consider modification on report the audit or do disclosure emphasis in something p.

Employee

During covid-19, KAP X tightened up control to time report every employee. meeting progress done every day. this done Because decree mandatory work from home from government. With here you go, employees Can still efficient although supervision No done in a manner direct. KAP X did training especially online to existing employees tiered senior and supervisor, because more own experience in do identification audit risk. Know that the auditors do not can do stare advance at the office, then training

must done in a manner online, and online special discuss How planning and audit response to face situation economy at the time covid-19. Auditors are required do Photo in front of screen computer as sign proof presence.

Determination Materiality

Auditors must more be careful when want to determine metrics For materiality. Identification to non-recurring items really important Because accounts This need excluded especially formerly before the auditor determines materiality for materiality unbiased. at the moment covid-19, accounts This will Lots popping up, especially when business experience termination operation and perform transaction operational significant in foreign currency accounts This can raises number burden nor sufficient income high, which is just happen during the time of covid-19 just.

Assessment Process Risk

KAP X did evaluation to procedure audit planning, especially the appraisal process risk. Design and methodology planning which is tightened by KAP X aims For increase effectiveness and efficiency in audit work. Modifications made aim For zoom out the risk of KAP X auditor failing in detect a material misstatement in an company. Evaluation risk done with quantify the level of risk it comprises from high (H), medium (M), low (L). Evaluation risk This done at risk inherent risk, control risk, and analytical risk, with their audit areas is accounts in report financial (such as cash equivalents receivables payables, etc.). of the way this the auditors will obtain HML combination of third risk that will rated the. Combination This will produce later risk factors Act as the denominator of performance materiality. From the results calculation the obtained sampling intervals. Sampling intervals will used as divider from balance account For obtain How many amount sample required.

Evaluation risk This Then tightened again by KAP X with do evaluation risk on each assertion management For each account in balance sheet nor profit loss. this way especially applied when the auditor will do evaluation risk to inherent risk and control risk. On account balance sheet, assertion management consists from (1) existence; (2) rights and obligations; (3) completeness; (4) valuation and allocation; (5) presentation and disclosure; (6) classification and understandability. Whereas For account profit loss (1) occurrence; (2) cutoffs; (3) completeness; (4) presentation and disclosure; (5) classification and understandability. For every assertion will rated with consider things following This For produce level inherent risk ((IAPI, 2013) paragraph A40; (IAPI, t.t.-a) paragraphs 140-144; (IAPI, t.t.-b) paragraphs 2, 4, 12(c), A8, and A66):

1. Predominant manual intervention in obtain and process data;
2. Complexity calculation, nature, and method prepare information.
2. Subjectivity manager in use estimates and judgments.
3. vulnerability against misstatement and fraud.
4. Affected to development technology And
5. Significant non - routine transactions.

Same way done For do assessment on risk control risk with consider things as following:

1. Limitations default on controlling, eg possibility high human error and controls circumvented by management.
2. Many transactions are operational Not yet automatic.
2. Internal control design and how design the implemented.
3. How much consistent the internal control done.
4. Whereas for determine analytical risk auditor will consider level through existing inherent risk and control risk determined before. Analytical risk table can depicted as following:

Table 3. Analytical Risk Matrix

Inherent Risk	Control Risk	Analytical Risk
high	high	high
high	Medium	Medium
high	Low	Medium
Medium	high	Medium
Medium	Medium	Medium
Medium	Low	Low
Low	high	Low
Low	Medium	Low
Low	Low	Low

Matrix table above will influence coefficient risk factors used For take into account How many Lots the sample the auditor requires for take sample. In determining procedure substantive performed, the auditor will see from conclusion risk from each assertion For each account. Substantive procedure only will done For assertion management with risk high (H). Low (L) and medium (M) risks no need done procedure substantive. Auditors only need compile program audits on assertions with risk tall just. During covid-19, KAP X auditors are required for always consider factor qualitative covid-19 on each type risk. On account sale will given pre-assumptions that management vulnerable do override control because condition Covid-19 that resulted part big operation business disturbed. So from That evaluation risk to account sale during pandemic always set HHH. With this the auditors will do procedure more detail above sales and sampling transactions will increase for convincing reasonableness and reliability audit evidence.

The results of observations made by researchers, several of the existing audit working paper procedures which have not been fully met, due to time constraints faced by the auditor. Some auditors also rationalize that the working papers will be completed after the audit report is released. Even though the audit work papers are complete after the report is released, this practice will increase the risk of incidental matters arising that are only detected after the audit report is released, thus not getting an appropriate audit response. When this event occurs, the auditor will try to justify it, this is where self-serving bias arises.

4. CONCLUSION

The audit quality factor emphasized in this study is more towards internal factors, namely the auditor himself. The researcher raises the audit bias factor as one aspect that arises from within the auditor. Qualitative analysis is an appropriate analysis for examining these internal factors, because qualitative methods lead to closeness between researchers and the object under study, namely auditors at KAP X. This study as a whole found a tendency that audit quality experienced erosion during the Covid-19 pandemic, however KAP X has made efforts to mitigate this risk. Research can be used as one of the guidelines in conducting research on factors that can affect audit performance and quality during a pandemic or other events that can have a similar impact. However, this research can be developed by adding a deeper analysis on external factors.

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