

AUDIT QUALITY ANALYSIS DURING UNCERTAIN ECONOMIC CONDITIONS

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ABSTRACT

This study aims to analyze the audit quality at the People's Credit Agency (BPR) ABC in uncertain economic conditions. This research uses a case study approach through a combination of data collection in the form of scientific observation, in-depth interviews, and literature review. This study involved three key research informants, academics, the head of the audit team, and members of the BPR auditor team. The results of the analysis conclude that remote auditing, time pressure, and going concern assessment have no significant implications for audit quality. Audit quality is still acceptable in the Covid-19 pandemic as long as the BPR ABC auditors have disclosed the situation and conditions in the audit opinion. The limitations of the research are related to the analysis carried out during the Covid-19 pandemic which affects the results and can change if analyzed in different situations. This research contributes to efforts to maintain audit quality at BPRs in uncertain economic conditions.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis kualitas audit pada Badan Perkreditan Rakyat (BPR) ABC dalam kondisi ekonomi yang tidak menentu selama pandemic covid 19. Penelitian ini menggunakan pendekatan studi kasus melalui kombinasi pengumpulan data berupa observasi ilmiah, wawancara mendalam, dan telaah literatur. Penelitian ini melibatkan tiga informan kunci penelitian, akademisi, ketua tim audit, dan anggota tim auditor BPR. Hasil analisis menyimpulkan bahwa audit jarak jauh, tekanan waktu, dan penilaian kelangsungan usaha tidak secara signifikan berimplikasi pada kualitas audit. Kualitas audit masih bisa diterima dalam kondisi pandemi Covid-19 sepanjang auditor BPR ABC telah mengungkapkan situasi dan kondisinya pada opini audit. Keterbatasan penelitian terkait pada analisis yang dilakukan dalam masa pandemi Covid-19 yang mempengaruhi hasil dan bisa berubah jika dianalisis pada situasi yang berbeda. Penelitian ini berkontribusi pada upaya mempertahankan kualitas audit pada BPR dalam kondisi ekonomi yang tidak menentu.

INTRODUCTION

Pandemic Covid-19 was first announced by The World Health Organization on 31st January 2020 and the rapid spread of the virus has posed a significant challenge to economic stability. Pandemic Covid-19 has decreased the business activity and during the pandemic many people are unemployed. Badan Perkreditan Rakyat ABC is one of the lending institutions in Indonesia that is affected by this situation. The uncertain economic condition brings difficulties for the debtors to carry out their credit obligation. The Non-Performing Loan rate of BPR ABC has increased by 10,5% in 2020. According to SE BI the acceptable rate of NPL is 5%, this situation indicated that BPR ABC is in a serious situation and this condition may disturb the continuity of the institution.

Based on the preliminary survey, the problem of BPR ABC during uncertain economic conditions doesn't stop there. The economic uncertainty also posed a significant challenge to the auditor of BPR ABC in conducting the audit procedure. BPR ABC is lowering the audit fees, arguing that they're losing big number of income from credit interest. This is also got worsen by annual audit mandatory regulation and competition among auditors in acquiring or getting clients. Every industry has its own risk, including BPR ABC especially during uncertain economic conditions, logically higher client risk and audit complexity will be associated with higher audit fees (Kim et al., 2012). When the inherent risk is high, an auditor is needed to inquire about additional evidence. An auditor is also expected to collect more evidence to assign experienced auditor staff to review the audit result that has been done by the junior auditor, therefore the audit fee should be increased (Wedari & Oktorina, 2017).

Due to the spread of Covid-19, the auditors of BPR ABC are no longer able to perform the audit using traditional or face-to-face methodologies. The conventional audit procedure has changed into remote audit, even though several procedures are still done conventionally in a very short time, but most of the audit procedure was done online. For example, cash opname used to be offline but due to the situation, it changed into an online cash opname. The auditor supposedly inspects every branch office to get more evidence, but once again due to Covid-19, all of the data from the client has to be given online. The major difference between conventional audit and remote audit is the face-to-face interactions and rely on the data processing using technology (Eulerich et al., 2021). Remote audit, unconsciously, leads the audit into another problem because remote audit might affect the auditor responsibility to get sufficient and appropriate evidence before issuing the auditor's report and the performance of the companies and quality of audit evidence could also affect the audit quality (Rose et al., 2020).

During the pandemic, the time budget also got reduced to decrease mobility and part of the virus prevention. Audit time budget is the time limit for the auditors to complete their audit work at a specified time (Lestari et al., 2020). The existence of time pressure can affect audit quality, where it is based on assumption that related to the audit pressure experienced by the company during the acceleration period, the presence of time pressure will cause difficulties in the audit process, so many companies try to ease the audit time pressure so that audit quality generated can be accelerated and can still provide accurate information to users of financial statements (Lambert et al., 2017). Based on prior research, audit quality is not affected by audit time-pressured (Agustini & Siregar, 2020). On the contrary, time pressure affected the audit quality of manufacturing companies listed on the Indonesia Stock Exchange in 2014-2018 (Kirana, 2020).

The uncertain economic condition also affects the auditor's point of view on assessing the going concern issue of BPR ABC. This is in accordance with the increasement in credit congestions that certainly causes financial distress. Although it is not an auditor's responsibility for the survival of an entity, it is the auditor's responsibility to give an opinion whether the company has a going concern or not (Jamaluddin,

2018). According to Standard Audit 570, it is an auditor's responsibility to collect precise evidence and to conclude whether the entities have already created their financial statement based on accounting going concerned by their management. Based on the result of an audit, the auditor is expected to conclude whether there is an uncertain material issue that could affect the going concern of the entities or not. Going concern assessment is important for the company because the opinion of going concerned from the auditor can indicate or show the current situation of the entities, going concern opinion will affect the trust of external parties such as a creditor, investor even client or customer (Nugroho et al., 2018). Therefore, through the audit changes and difficulties, the author is interested to conduct a deepen study on the factors that can affect the audit quality of BPR ABC during the uncertain economic conditions.

LITERATURE REVIEW

Health Level of BPR

BPR is a mediator between the fund owner and the parties that need the funds. BPR distributes credit or financing to the public that unfortunately cannot be separated from various risks, including uncollectible loans called Non-Performing Loans (NPL) that affected the BPR (Fitria et al., 2020). Non-Performing Loan (NPL) is a ratio to calculate the percentage of problematic credit with criteria *kurang lancar*, *diragukan*, and *macet* (Sofyan, 2019). The criteria of NPL according to *Surat Edaran Bank Indonesia No. 13 tahun 2011* will be explained in table below.

Table 1. Matrix Criteria of Non-Performing Loan

Ratio	Ranking	Predicate
< 2%	1	Very Good
2% ≤ NPL < 5%	2	Good
5% ≤ NPL < 8%	3	Enough
8% ≤ NPL < 12%	4	Not Good
NPL ≥ 12%	5	Very Not Good

Source: Bank Indonesia Circular No. 13/30/DPNP

Audit Quality

Audit quality can be defined as the joint probability that an existing material misstatement is detected and reported by an auditor (Harris & Williams, 2020). The word quality doesn't have a common concept that people can agree upon unanimously. The quality of audit can be found in various aspects, firstly, it must be defined and measured to improve and control every aspect of quality. It can be described as a characteristic of an entity; sometimes as a commodity, and sometimes as a superiority indicator (Shahzad et al., 2018). Audit quality is important as it may gives negative impact to the third parties (Alareeni, 2018). Audit quality, is not enough just relied on the competence of the auditor, but also the psychological or behavioral experienced by the auditor (Farhani & Fitriana, 2021). Thus, audit quality is associated with the capability of an auditor to find errors or misstatement through audit tools (Darmayasa & Putrayasa, 2019) and also could give a holistic picture of the entities through the audit report.

Audit Fee

Peraturan Otoritas Jasa Keuangan No. 48/POJK.03/2017 states that every year a BPR should be audited and the audit result must be submitted to the OJK. Unfortunately, the annual mandatory audit of BPR ABC is causing a low fee budget of the audit, yet it got worsen by Pandemic Covid-19 that made BPR ABC ask for another lower audit fee. A similar phenomenon had happened in the United States during the global

financial crisis, the audit firms were under pressure from their clients and audit committee members to share the economic pain by cutting audit fees (Bozec & Dia, 2017). Indonesian Institute of Certified Public Accountants also give concern on the audit fee, since a low audit fee is potentially posed a threat to audit ethical code violation and it could disturb the audit quality (Institut Akuntan Publik Indonesia, 2018).

In accordance with the author's observation, the process of audit may influenced the audit quality. During the process, the auditors should work in a new method called remote audit yet it is done in a very short time. The difference between conventional audit and remote audit is the absence of face-to-face interactions, which changes how things like walkthrough, visuals inspections, interviewing, and other audit procedures must be performed also remote audit is relying upon the audit to the technology, such as interactive and web-based video conference, data sharing and remote access to financial and operational system of the auditee. On the other hand, since the auditor didn't have much chance to do an audit directly on the field, the BPR might have several times to prepare the evidence. Thus, the remote audit might affect the quality of audit evidence which very important to ensure that the conclusions of the auditor are correct as it is the auditor responsibility to obtain sufficient and appropriate evidence before issuing the auditor's report and the performance of the company also the quality of audit evidence could affect the audit quality (Rose et al., 2020).

Another problem that affected the audit process is the time pressure. Time budget in audit is very crucial to the audit quality because inappropriate time budget could cause the audit that is done less qualified. Audit time budget is the time limit for the auditors to finish up their audit work at the time specified.

Going Concern Assessment

During uncertain economic conditions (Pandemic Covid-19), many companies have experienced the fall of income or sales, surely it could be hard for the auditors to assess whether the current situation cast critical doubt on the company's ability to continue as a going concern. A higher risk level and growing concern of a company force auditor to have broader audit work when evaluating the going concern assumption of a company because during a financial crisis some conditions might violate the continuity of a company (Chen et al., 2019).

Mind of Mind Research

From the perspective of theory, the factors that could affect the audit quality in this research are associated with agency theory, expectancy theory, and signaling theory. Agency theory discusses the contractual relationship between agents, the principal, and the problem as well. This relationship is regulated in a contract known as an agency contract (Velte, 2019). Agency theory is related to the audit because both of them are agreed upon by two parties (agent and principal). The main purpose of agency theory is to explain how two parties conduct and design an audit contract through different necessities and causing agency costs (audit fee) (Kurniasih & Rohman, 2014). Agency theory also relatable for this research because during the uncertain economic conditions, there is an agreement between BPR ABC and the audit firm to make a contact that has an agreement for the audit fee.

Expectancy theory is a theory that explained individual behavior in deciding any one point in time or over accumulated time (Eccles & Wigfield, 2020). Eccles and Wigfield also describe expectancy as momentary belief followed by a particular outcome. It means the expectancy theory is based on an individual's belief that a certain effort will lead to a given performance (expectancy) and that performance will lead to attainment (instrumentality) of a desirable or undesirable (valence) reward. In this research, expectancy theory is related to time pressure. Time pressure may cause the auditor to behave contrary to the audit procedure so the auditor could finish the work on time (Widodo et al., 2016).

Another theory for this research is signaling theory. The signal is defined as the information which the provider attempted to describe the problem accurately to the party so that the other party could use that information for making a certain decisions, for example investing or giving a credit (Setiawanta & Hakim, 2019). Signaling theory also explains that the information (news) is conveyed by companies can be classified into two, namely good news and bad news (Su et al., 2016). Due to this, signaling theory is associated with the going concern opinion of the company as it represents the final condition of a company.

METHODOLOGY

This research is a qualitative research with an interpretive approach. An interpretive approach is appropriate to use to understand the views of research informants. Qualitative research is an iterative process in which improved understanding of the scientific community is achieved by making new significant distinctions resulting from getting closer to the phenomenon studied (Aspers & Corte, 2019). This research is using a combination of naturalistic observation, in-depth interviews, and literature review. Data collection is a process of inquiry aimed at understanding human behavior by building complex, holistic pictures of social and cultural settings in which such behavior takes place, and one of the research tools to get data are through natural observation (Angrosino, 2016). An in-depth interview is the type of interview that allows the interviewer to deeply explore the respondent’s feelings and perspective on the subjects, furthermore, an in-depth interview is considered more effective and less structured than another method like a survey to uncover more detailed and in-depth information from a small number of the respondent (Showkat & Parveen, 2017).

Data were collected from three key research informants as representatives of auditors and academic. Auditor informants are informants who audit the BPR ABC during uncertain economic. Academic informant is informant who understand and are members of the association of the Indonesian Institute of Certified Public Accountants. The qualitative data in the form of interview manuscripts are then arranged in the same themes and then equipped with contemplation of the researcher's subjectivity, as a manifestation of the researcher being the main instrument of research.

Table 2. List of Respondent

No.	Name	Role	Information to be Gain
1	Ms. Meta	Team Leader	Opinion relating to indicators that could affect the audit quality of BPR ABC
2	Ms. Ratna	Auditor Team	Opinion relating indicators that could affect the audit quality of BPR ABC
3	Mrs. Nanda	Academician	Opinion of academicians toward the audit changing process during the pandemic.

RESULT AND DISCUSSION

The Essential of Auditing

The analysis of BPR ABC’s audit quality during uncertain economic conditions due to Pandemic Covid-19 firstly brings us to the overview of audit from the auditors themselves, the interview manuscript as follows.

Ms. Ratna:

Hmm...It's called audit, we evaluated the performance of financial statements. So, actually we evaluate whether the financial statements have accordance with the standard or the applicable rules or not.

Ms. Meyta:

Audit in general in my opinion is an activity to evaluate. In this term audit of financial statement, an auditor should be able to prove that the value of the financial statement is accordance with the evidences and information related with the financial statements.

Mrs. Nanda:

Audit in general in my opinion is an activity to evaluate. In this term audit of financial statement, an auditor should be able to prove that the value of the financial statement is accordance with the evidences and information related with the financial statements.

The author can notice the similarity of the audit definition between the auditor and the academician. It is an indication that as an auditor, Ms. Meyta and Ms. Ratna understand what they do as an auditor. In summary, an audit according to them is an assurance service that is provided by the audit firm to give the assurance upon financial statements and the internal management of a company by finding the errors from the audit evidence and standards (Pramaswaradana & Astika, 2017), which this definition is in line. Thus, from the definition of audit above, the author could conclude that the qualified audit is when the existing material misstatement, a common error is detected and reported by an auditor so the audit report could give a comprehensive picture of entities. This definition of audit quality is also in line with Harris and Williams (2020) definition.

Audit During Pandemic

Audit before the pandemic is certainly different comparing to the present days where pandemics still happening. An audit during a pandemic may bring its challenge to the auditor. Since the audit of BPR ABC has changed due to pandemics, where it used to be done offline but now it remotely conducted from the office. From infinity time off work to limited time. From able to meet or see the first of the data, document, or system to assess it from office. This is in line with the perspective of Ms. Nanda. As the academician, she feels that audit has changed a lot during the pandemic. One of the popular methods to conduct an audit during a pandemic is a remote audit. Ms. Nanda argues that the confidence level during a pandemic is questionable since the remote audit deters the auditor to look first hand at the condition or data of the client. However, this situation is acceptable since pandemic is everybody's issue:

.... Since audit is actually if we take a look at is a profession that still to be changed by the AI or Artificial Intelligent..... Because auditors work don't only observe the data but also the fact on the field yet also how the behavior of the auditee. If, eee the auditee is asked for certain data and goes mad nah that's where the auditors rise their sceptical..... And it already in the technical flash of Indonesian Certified of Public Accountant where they give ee the alternative procedure for audit in company during pandemic like this. In theory or the concept actually it's a trouble, from the perspective of academician we certainly will give how is it in ideal condition if the audit will be presented. But, audit itself is something not persistent ya it could be changed following the era.... Ya that's it the confidence level still not enough but still acceptable due to pandemic because it is not an individual problem but also the problem of the world.

The above interview has shown personal opinion of audit during the pandemic and in conclusion, audit during a pandemic is harder because the auditor must be adapted to a new audit method called a

remote audit. From the perspective of an academican, the confidence level of audit during a pandemic is also questioned. Not to mention the audit fee that got reduced by the client due to the pandemic. From the interview above, the author could conclude that the auditor has faced some difficulties in conducting audits during the pandemic and Albitar et al (2020) views, this difficult situation due to pandemics may pose a threat to the audit quality.

Low Audit Fee

Indonesia Institute of Certified Public Accountant publication in 2018 has realized an audit quality publication that mentions audit fee as one of the indicators. Low audit fee during a pandemic is associated with agency theory that explains the contractual relationship between the agents (management of BPR ABC) and the principal (the stakeholder of BPR ABC). During her on the job training, the author could also observe that low audit fee isn't a problem to the auditors, even though once in a while they whining because low audit fee dropped their income as auditors too. But, as an auditor, both Ms. Ratna and Ms. Meyta are committed to their job and stay professional to finish all of the audit procedure no matter the amount of money they received. The author herself has a conversation before interviewing with Ms. Meyta before the interview that she stays no matter how small her salary might be because to be an auditor is her passion. Thus, the author could conclude that audit fee doesn't influence the audit quality of BPR ABC. It was also emphasized by the research of Mrs. Nanda as an academican, she found that audit fees didn't significantly influence the audit quality, which accordance with the prior research of Liu and Xu (2021).

Ms. Ratna:

From my point of view, audit fee didn't influence my performance in proceeding the audit task at all. We as the auditor works accordingly the audit process ehh what I mean is the right audit procedure. So, it doesn't influence me at all. We work equally here, using the audit procedure from a to z. I personally... because audit is working, what's that.. is done by rules. So my principle is to hold into the audit procedure. Cash opname, asset opname it should be done. No matter amount of money the audit fee is or no matter how big the company is.

Ms. Meyta:

Honestly, during pandemic the audit fee is indeed got reduced due to the auditee's income also decrease. Along with the lower audit fee. Automatically my salary as auditor also lessen ... And about my duty and responsibility Me as a auditor still able to responsible to that.

Mrs. Nanda:

.... the fact is in the practice surely the clients lowering or asking for discount of audit fee during pandemic... Surely it is influenced from the view of audit fee but from the view of auditor itself certainly the ethics or audit procedure should not be changed.... So, even though there is a lowering on the audit fee or changed on audit fee they still have to do the procedure. So it doesn't influenced the auditor by this low audit fee.... Since the perspective of each is different but when it comes to ethical code there is a standard no matter audit fee we have to conduct accordingly the standard As an academican, I always remind if we got in the auditing field then we have to follow the rule and ethical code applied. The regulations is clear, that UU No 5 Tahun 2011 about profession of public accountant, when we didn't work based on the standard, didn't follow the standard and regulations then it could be sent to sentenced so the punishment is hard.

Low audit fee during a pandemic is associated with agency theory that explains the contractual relationship between the agents (management of BPR ABC) and the principal (the stakeholder of BPR

ABC). The different necessities of agent and principal will bring out the agent cost or in this term audit fee to the auditor (Velte, 2019). As a form of audit fee's responsibility, the auditors should assign the audit contract to evaluate or inspect the financial statement. From the interview above, the author could see the consistency between the interviews and the observation. During her on the job training, the author could also observe that low audit fee isn't a problem to the auditors, even though once in a while they whine because low audit fee dropped their income as auditors too. But, as an auditor, both Ms. Ratna and Ms. Meyta are committed to their job and stay professional to finish all of the audit procedures no matter the amount of money they received. The author herself has a conversation before interviewing with Ms. Meyta before the interview that she stays no matter how small her salary might be because to be an auditor is her passion. Thus, the author could conclude that the audit fee doesn't influence the audit quality of BPR ABC. It was also emphasized by the research of Mrs. Nanda as an academician, she found that audit fees didn't significantly influence the audit quality, which was in accordance with the prior research (Chen et al., 2019; Liu & Xu, 2021).

Time Pressure

Time pressure is another indicator that could affect the audit quality based on the Indonesian Institute of Certified Public Accountant publication. Lack of time or time pressure could cause the incapability of an auditor to work on the audit procedures in finding the errors of financial reports. The existence of time pressure is associated with expectancy theory, this theory explains that when auditor in the situation where they unable to finish the deadline in time, then the auditor tend to behave contrary with the audit procedure or to do anything to get the result so the auditor could focus on the deadline fulfilment (Widodo et al., 2016). In conclusion, there is a lack of commitment from the BPR ABC to conduct the audit during the pandemic. It is shown from the delay data that is received by the auditors. From the observation and interview, the author could notice that the auditors work the best to finish the deadlines like continue their job by the office and home. Even though the auditors work the best, the auditor failed on finishing the audit report based on an agreement that has to finish within 14 days or two weeks. The author could also notice that time pressure is causing work stress to the auditor. Work stress due to time pressure is another trigger to weaken the audit quality of BPR ABC. During the process, the auditor meets the deadline while the data did not arrive on time, so the time work of the auditor is ruined. When the data or document was sent to the email or delivered at the audit firm, the auditor must stay longer at the office to finish the deadlines. Prior research also shows that time pressure is causing work-stress and interrupt the independence to work on the audit procedure and therefore it has a positive impact on the audit quality (Amalia et al., 2019).

Ms. Ratna:

time is one of the major problem... Like the last audit, we race though dealines, but they sometime not fast in giving us the data we wanted. Nah, due to the limited time I need the good cooperation with the client. Together, we should be understand and respect the situation on the field.

Ms. Meyta:

I must admit it that limited time of audit during pandemic is an obstacle in the beginning But during the audit on the field, we realized that shift on the employee and entity operational hours that close in early hour make the audit take more time. Therefore, we get around it by urge the auditee to keep providing the data we need through email or whatsapp, so the auditor could continue the work from home/office by online.

Mrs. Nanda

.... Ya should understanding between the auditor and the client, especially in the beginning pandemic that forced us to working from home that actually require our own commitment. If working from home or remote audit, hmm if in Bali still hard because we still need many interactions with the clients since the auditor is understand the audit function but the client don't So the communication with the client for example they can't do it through whatsapp or chat then we asked for one day to finish the audit So, commitment between the auditor and client actually ee that decide the audit delayed. Both of them should have the commitment and remind each other.

The existence of time pressure is associated with expectancy theory, this theory explains that when auditor in the situation where they unable to finish the deadline in time, then the auditor tend to behave contrary with the audit procedure or to do anything to get the result so the auditor could focus on the deadline fulfillment (Eccles & Wigfield, 2020; Widodo et al., 2016).

In conclusion, there is a lack of commitment from the BPR ABC to conduct the audit during the pandemic. It is shown from the delay data that is received by the auditors. From the observation and interview, the author could notice that the auditors work the best to finish the deadlines like continuing their job by the office and home. Even though the auditors work the best, the auditor failed on finishing the audit report based on an agreement that has to finish within 14 days or two weeks. The author could also notice that time pressure is causing work stress to the auditor. Work stress due to time pressure is another trigger to weaken the audit quality of BPR ABC. During the process, the auditor meets the deadline while the data did not arrive on time, so the time work of the auditor is ruined. When the data or document was sent to the email or delivered at the audit firm, the auditor must stay longer at the office to finish the deadlines. Prior research also shows that time pressure is causing work-stress and interrupt the independence to work on the audit procedure and therefore it has a positive impact on the audit quality (Amalia et al., 2019)

Commitments are mentioned during the interview with all of the respondents, it means, commitment is the key to ease the problem of time pressure. Professional commitment (Lestari et al., 2020) also gives a positive impact on audit quality. Thus, the time pressure has a huge impact on the audit quality of BPR ABC and this is in line with the research by Kirana (2020).

Remote Audit

Publication of the Indonesian Institute of Certified Public Accountant doesn't directly mention that remote audit is a factor that could influence the audit quality. It happens because the remote audit makes it the auditor possible to conduct the audit without violating the audit health protocol. But, during the process, the remote audit is time-consuming and remote audit rise the possibilities of miscommunication. Just like the time pressure, remote audit in this research is also related to the expectancy theory, since the main problem in conducting it is also time-consuming. As it is time-consuming, the auditor may behave in a certain way just to finish it on time.

Ms. Ratna:

I personally more prefer to meet in person. Hmm moreover if we wanted to discuss with client, it better to do it directly. I personally don't really like online. It's clear to ask for data, we could see directly the wanted data as they got it from their system this instant, without even maybe there is a manipulation.... We wanted now but it come the week after, of course I sceptical. But as long as they taken it from their system, it is still okay. But if it manually made by themselves, then its sceptical.

Mrs. Nanda:

The practice of remote audit during pandemic hmmm should be done seriously ya, because switching from the old habit to new one is not an easy thing in my opinion. So, it certainly needs process and later remote audit should be studied routinely and the implementation of this method must be clear on every audit firm. Even though Indonesian Institute of Certified Public Accountant has already suggested how remote audit supposedly but it still needs process to get used to Each auditors just have to rechecking the data that they have already gain and they must explained if they have less confidence according the documents they have. Surely this would be a manipulation contest but the auditors could always double check the documents to make sure there is no fraud or error by sampling That's it and now it surely needs time and commitment from the auditor as its important to conduct remote audit If they committed, remote audit certainly could be done maximally.

Ms. Meyta:

Remote audit is a alternative procedure for us to do the audit of cash or inventory through zoom meeting that is recorded by the auditor as a proof of documentation. Online meeting is attended by the cashier and the inventory officer also the head of branch or operational division that is assigned to accompany the auditor.... The practice of remote audit is firstly make me uncomfortable because of the internet connection trouble that making the meeting has to be repeated twice due to blurry picture and interrupted voice. Besides, we also concern for manipulated data of the physical examination by online. Therefore, we use the trace back count of cash and inventory as an additional alternative procedure.

As a junior auditor, Ms. Ratna thinks that remote audits could affect the audit quality of BPR ABC. In agreement with Ms. Ratna, Ms. Meyta also feels conducting a remote audit is a new challenge to her. A remote audit is an alternative method during a pandemic. However, it required good communication and internet connection, which based on reality the audit via video conferences is sometimes interrupted and communication within online is sensitive. So, conducting remote audits is time-consuming. Just like the time pressure, remote audit in this research is also related to the expectancy theory, since the main problem in conducting it is also time-consuming. As it is time-consuming, the auditor may behave in a certain way just to finish it on time.

Data manipulation is also another remote audit's negative implication since the auditor couldn't see the data first hand, the data might be manipulated. As a team leader, Ms. Meyta is skeptical and double-checks the data by tracing back the value, therefore she could notice whether there is a manipulation or not. Ms. Ratna also showed the same behavior as Ms. Meyta. Being skeptical about anything suspicious and double-checking the data are their solutions to maintain the quality of the data.

From the interview and observation above, the author could notice that as an auditor, both Ms. Ratna and Ms. Meyta need more time to adapt to the remote audits. Hence, the remote audit is affecting the audit quality of BPR ABC. According to the interview, the remote audit firstly affects the data quality later it affect the audit quality, but being skeptical could improve the quality of data because by being skeptical, the auditor could double-check the data and avoid the errors or manipulation of the data, this event is in line with the research (Boitan et al., 2020; Rose et al., 2020) However, as the auditor, both of them have the "must-have a behavior of auditor" which is skepticism. So, in conclusion, the remote audit isn't significantly influenced the audit quality and this is supported by the argument of the academician that state even though the confidence level of a data and possibilities of manipulation data during a pandemic is high, the audit result is acceptable because pandemic is the global issue and as long as the auditor explains everything in detail about the audit during the pandemic, the investor could assess the audit report wisely.

Going Concern Assessment

Going concern assessments is related to signaling theory because it is associated with the information for the third parties to be used for the decision making. Auditors of BPR ABC during pandemic covid-19 must cope with another popular problem, which is going concern assessment. Going concerned is very important because it has shown the third parties the ability of continuity of BPR ABC. However, even though BPR ABC is experiencing high NPL rate (10,5%), it doesn't affect the going concern because NPL rate cannot be the main consideration to asses the going concern. In fact, the management plans such as credit restructure could be the key of its continuity.

Ms. Ratna

Hmm In my opinion it is seen from their work performance. For example, in the credit division, the succeed on lowering their NPL even if it just one percent that it is still considered as going concern. From there we could see that they have effort to keep on their continuity. Usually, BPR also conducting a credit restructuring to suppress the NPL. In my opinion it is one of their effort to maintain their business.

Ms. Meyta:

NPL rate in my opinion is not significantly influenced by pandemic Covid-19. There are some BPR that usually have a high NPL rate since the first we audit due to low credit analysis that is done. And some of it doesn't experience the increasing NPL rate due to restructure/relaxation policy that they take for the debtors who is in difficulties to carry on their credit and interest obligation. Besides, some of the Bank also keep their liquidity by asking for loan to another Bank. Some of them even merger their company to strengthen their capital based on OJK's advice. Some of that effort in my opinion is enough to give a assurance that BPR could be going concern during pandemic.

Mrs. Nanda:

Many cases of unemployed next the people's business whose their capital is funded by BPR surely will interrupted the rate of return. Nah surely BPR itself will be influenced. ... but from my opinion as long as the BPR could implement the strategies to overcome this obstacle surely they will remind going concern in the future. Their business will continue with the trending method called restructuring that they given to the debtors. Later, do the strick selection for the future debtors And there is a regulator from government or OJK that they forbidden to cross and that is also a benefit of BPR that they work upon regulation that keeps them going concern. Nah, for the rate of NPL is a quantitative consideration and still there is qualitative consideration to think about to support the management to make sure the NPL doesn't go high.

Going concern assessments is related to signaling theory because it is associated with the information for the third parties to be used for the decision making. During the pandemic, going concern opinion will surely provide better information to the third parties (future investor, tax officer, etc.). In the case of BPR ABC, all the obstacles due to Pandemic Covid-19 have been written by the auditor, therefore, the third parties could understand the audited financial statement in detail (Su et al., 2016). From the interview above, the opinion among three respondents is similar. They agree that the NPL rate cannot judge the going concern of BPR, instead, the going concern is mostly judged by the management plan or strategy to maintain their business. Mrs. Nanda also explained that during the uncertain economic condition, BPR must follow the OJK's regulation such as credit restructuring, which means that the going concern issue is not a problem as long as the BPR conducts the credit restructuring. Based on the observation, the credit restructuring program is being run in BPR ABC, so there is no significant impact on the going concern assessment therefore the going concern assessment doesn't influence the audit quality of BPR ABC.

Going concern assessment is not considered as an audit quality indicator according to Indonesian Certified of Public Accountants, but considering the current issue, going concerned is a crucial thing especially during financial distress. Improper audit opinion may bring misunderstanding for the third parties, therefore based on Standar Audit 570 Kelangsungan Usaha, the auditor is responsible to find sufficient data or evidence of the entity's going concern plan. Thus, going concern assessment in this research is considered to be one of the audit quality indicators and this is in line with the prior research (Salehi et al., 2020).

Audit Quality During Uncertain Economic Condition

The essence of this research is to find out how is the audit quality of BPR ABC during difficulties that are caused by Pandemic Covid-19. Like the author has narrated earlier, Pandemic Covid-19 has brought a challenge in conducting the audit of BPR ABC.

As the interviews below, the author could notice that the respondents are arguing that audit quality is supposedly not influenced by the pandemic. However, based on the observation, it is clear that the auditor is facing difficulties in conducting the audit of BPR ABC. The major factor that is influenced the audit quality is in the audit process, which is time pressure and remote audit. Mrs. Nanda also argues that during the pandemic, the confidence level of the audit is diminished. It indicates that the audit quality is also lower. However, the audit quality of BPR ABC during a pandemic remains acceptable and as long as the auditor explains the audit during the pandemic situation in their opinion then the third parties can make the right business decision.

Mrs. Nanda:

audit quality is influenced by the audit procedure Confidence becomes limited and it is not impossible for the audit quality become limited too because we are limited to conduct the audit procedures that cut the meet in person with clients but there's still the alternative procedure ... For me, auditor should be confidence that pandemic is not an obstacle for them to finish their work based on standard.

Ms. Ratna:

in my opinion audit quality during pandemic must be influenced ya moreover so many things have changed during pandemic. But good or bad the result is depended the auditor, as long as during the audit process was done by the procedure I am sure the result must be good.

Ms. Meyta

Audit quality supposedly didn't influence due to pandemic situation. The obstacle during pandemic should triggered the auditor to improve their problem solving. Indonesian Institute of Certified Public Accountant also conducting the online webinar to give an alternative procedure for the auditor use to get an audit evidence during limited access and pandemic. One of alternative procedure that I have already explained earlier is remote audit. During the audit, auditor could implement the alternative procedure which depend on the situation and auditee's condition. If the procedure didn't consider sufficed, then auditor could decide the additional procedure to assure the account that is searched.

The respondents are arguing that audit quality is supposedly not influenced by the pandemic. However, based on the observation, it is clear that the auditor is facing difficulties in conducting the audit of BPR ABC. The major factor that is influences the audit quality is in the audit process, which is time pressure and remote audit. Mrs. Nanda also argues that during the pandemic, the confidence level of the audit is diminished considering the auditor has problems in providing data, which must be addressed by

alternative procedures by the auditor. It indicates that the audit quality is also lower. However, the audit quality of BPR ABC during a pandemic remains acceptable and as long as the auditor explains the audit during the pandemic situation in their opinion then the third parties can make the right business decision.

CONCLUSION

As a result of the observation, interview, and literature review, the author can conclude that the audit quality of BPR ABC during uncertain economic conditions is weakened but still acceptable. American previous research also found that during the global financial crisis the audit quality has declined. It was first triggered by the difficult situation during the pandemic. An audit during a pandemic is harder than before a pandemic. In the interview, the author noticed that there are so many similar opinions between the auditors of BPR ABC and the academician. The auditors and academician agree that the current situation (Pandemic Covid-19) has influenced the confidence level of the audit quality therefore the auditor should explain the audit situation in their opinion so the third parties could see a bigger picture of BPR ABC. Even though weakened it is still acceptable because the audit is conducted during economic uncertainty caused by Pandemic Covid-19 where the entire world is facing it. Remote audit and time pressure bring the major impact on the audit quality because in reality remote audit is time consuming and brings another time pressure to the audit process. Yet, the time budget has already decreased during the pandemic.

The results of this study only apply to BPR ABC with a time setting during uncertain economic, it is hoped that the next research can examine other types of entities. The authors also have a high hope for the future research development of audit quality through informants employed should be added and well classified.

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