Auditor Competency to Conduct Remote Audits

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Abstract: This research aims to obtain concepts and information about what competencies are needed by an auditor, if you want to become an auditor with remote audit skills. The research data sources are online news, YouTube and research articles for 3 years, specifically from 2021 to 2023. Data sources are selected based on credibility and suitability of the data to the problem being studied. Data processing uses NVivo 12 Plus software. There are four stages of data processing, the data input process, coding process, visualization process, and conclusion determination process. Coding validity was evaluated using a triangulation approach. The research results obtained seven competency points needed for auditors with remote audit skills. Firstly, two-way communication competency during the audit process. Second, master audit procedures in general. Third, have an attitude of professionalism. Fourth, be able to extract audit evidence from information and communication. Fifth, have IT-based audit certification. Sixth, master digital technology. Seventh, understand management information systems. The implications of the research results can be used by auditors or prospective auditors in the future. If you want to work as an auditor with remote audit skills, it is recommended that you master these seven competencies. For students who are prospective auditors, these seven competencies can be equipped and prepared now. With these seven competencies, it is hoped that they can become capital to become superior auditors in the era of digitalization in the future.

1 INTRODUCTION

In early October 2023, Ziprecruiter noted that Auditor work in the field of remote audit is one of the jobs with a high average salary in the United States. The annual salary of an auditor in the remote audit field is $65,762 to $118,317. This salary is higher than the average salary for auditors in other fields. Ziprecruiter also reports that there are very few vacancies for professional auditors in the remote audit field in various cities in the world, such as in Jakarta (Ziprecruiter, 2023). The demand for the auditor profession in the field of remote audit is very high in developed countries such as the United States (Crucean & Hategan, 2023). Meanwhile in developing countries, the demand for auditors in the field of remote audit emerged after the Covid 19 pandemic (Baatwah & Al-Ansi, 2022; Castka & Searcy, 2023). This fact is very interesting to observe, considering that the direction of world development is towards digitalization and high technology. Information on the facts and phenomena described above must be utilized. Auditors and prospective auditors must compete to be able to compete in this profession. Paying attention to phenomena and facts in the field raises a very important research question to study, what competencies are needed by auditors to carry out remote audits.

Previous research achievements related to the problems studied, there are several things that have been achieved. Bhattacharjee et al. (2020)explained that remote audits can still maintain audit quality because supervision can be carried out through the audit software used. Supervisors play an important role in maintaining the quality of the audit process. Remote audits can also trigger auditors' creativity in solving problems encountered during audits. Furthermore, Fan et al., (2020) stated that remote audits use more efficient costs. This audit system will cut a lot of operational costs. Large costs will depend on creating a system for remote audits that is adequate and integrated with artificial intelligence technology.

The difference between this research and previous research lies in the differences in the problems studied and the resulting research recommendations. Research was conducted to produce a systematic concept about the competencies needed to become an auditor with remote audit skills. No previous research

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has done this. There are no professional accounting bodies or auditor professional bodies in various countries that have this competency standard. There are no standardized competency standards in the form of professional standard books. This research carries out a coding process from various sources, combines coding in one visualization model, and determines conclusions using the principle of triangulation. This research model is still new and has not been carried out by many researchers.

The aim of this research was to obtain concepts and information about the competencies needed to carry out remote audits. This concept really needs to be obtained in detail, so that professional auditors and candidates get a clear picture of this competency. There is no systematic description or detailed information in various literature. There is no standardized concept regarding the competencies that auditors must fulfill. Even the professional standards for public accountants in Indonesia and in various countries do not yet have this competency standard. Remote audit competency standards have not been standardized in the form of professional competency standards. There are not many experts who understand this field. This research was conducted to formulate this concept and provide information for administrators of professional bodies.

The benefits of the results of this research can be used by practicing auditors and prospective auditors in the future. Auditors and prospective auditors can prepare themselves from now on by strengthening competencies in accordance with remote auditing needs. Accountant or auditor professional bodies can utilize the information resulting from this research, as a basis for preparing standardized competency standards. Educational institutions or universities can also utilize this information to develop learning curricula for accounting students. The curriculum was formed and structured to produce accounting graduates with competency in the field of auditing, specifically remote auditing. This is very important, considering that the world is heading towards an era of digitalization in various sectors, including the accounting and auditing industries.

2 LITERATUR REVIEW

Competency is the work ability of each individual which includes aspects of knowledge, skills and work attitudes that are in accordance with the expected standardization (Li et al., 2022). Another definition states that competence is something related to an individual's abilities and skills to achieve the expected results (Basilotta et al., 2022). According to Spencer & Spencer (2008), competence consists of five characteristics. First, skills, the ability to plan, thoroughness, leadership ability, ability to collaborate in groups accompanied by abilities in accordance with intellectual, emotional and social intelligence in planning, leading with accuracy, ability to collaborate in groups. Second, goal or motivation is something where a person consistently thinks so that he takes action. adding that motives are drives, direct and select behavior toward certain actions or goals and away from others. For example, someone who has achievement motivation consistently develops goals that provide a challenge to himself and takes full responsibility for achieving these goals and expects feedback to improve himself. Third, traits are traits that make people behave or how someone responds to something in a certain way. For example, self-confidence, self-control, fortitude or endurance. Fourth, attitude, the attitudes and values that a person has. Attitudes and values are measured through tests on respondents to find out the values a person has and what interests someone to do something. Fifth, knowledge, the information a person has for a particular field. Knowledge is a complex competency. Knowledge tests measure a participant's ability to choose the most correct answer but cannot see whether someone can do the job based on the knowledge they have.

Remote audit is an audit that is carried out partially or completely offsite. Audits will still cover all areas but use digital technology to support assessors where site visits are not possible (Ariyanto, 2022). Due to efficiency considerations, audit procedures previously carried out via client visits were also carried out remotely as a reaction to increased activity (Febriyana et al., 2023). The remote audit itself is carried out like a normal audit, starting from planning or pre-audit, opening meeting, audit implementation, closing meeting and reporting, then post-audit follow up (Agha, 2022). Electronic documents and data are shared via screen sharing. Apart from that, remote audits can also be used for online discussions, opening and closing audit meetings, and in some cases site inspections (Hermina, 2022)

3 METHODS

This research uses qualitative research methods using a systematic literature review approach. The literature studied does not only come from research articles, but also from several sources obtained online. Sources of

data processed come from YouTube, online news, and research articles. The data source must come from a credible source, whether YouTube channels, online news, and other sources. Data is searched using keywords that match the research question. The consideration for using this data is due to the availability of adequate data on the internet and it can be accessed easily (Hafidhah & Yandari, 2021). The selected data sample is data published during the last three years, specifically 2021 to 2023. The data processing uses NVivo 12 Plus software. This software was chosen because it is able to produce coding visualization images and the way to use the software is very user friendly (Tambun & Sitorus, 2023).

There are four stages carried out in the data processing process with NVivo, i.e. the data input stage, coding stage, visualization stage and conclusion stage (Sitorus & Tambun, 2023). The first stage, data input uses two methods, internal data input and external data. Internal data is data input to NVivo without using an internet connection. This data is usually data that is already available on the laptop, such as research articles. Meanwhile, external data is data that is input into NVivo using an internet connection, the data input process uses the ncapture for NVivo facility. Examples of external data originating from the internet such as YouTube, online news, and various social media. The second stage, coding data according to the answers to the research question. Coding is simple words or sentences that are answers to research questions. At this stage, content analysis is carried out, particularly the stage of understanding the words or sentences in the research data (Tambun, 2021). Specifically for the coding process for YouTube data sources or social media sources in video form, coding is carried out after there is a transcript of the YouTube content or video. Analysis was carried out by making transcripts, then a coding process was carried out (Salahudin et al., 2020). The third stage, create a coding visualization image. Visualization coding is a collection of coding that forms an image. Coding images are interconnected with various data sources. This coding image is analyzed in the process of drawing research conclusions. The fourth stage, determining research conclusions. Research conclusions are answers to research questions. The answer can be seen from the existing coding. Coding is considered to have strong validity if the coding is confirmed from various data sources. Coding validity is strong if it is confirmed at least three times from various data sources. This principle is a measurement of coding validity using the triangulation method (Natow, 2020). Next, the coding is sorted based on the most confirmations to the coding with the fewest confirmations. These codings are used as answers to research questions, as well as as research conclusions.

4 RESULTS AND DISCUSSION

This research produced several references consisting of: 4 YouTube, 4 Online News, and 12 research articles. The coding process was carried out using NVivo 12 Plus Software. There are seven codings that are valid and confirmed at least three times in the data sources studied. Below is a visualization image of the resulting coding.

All coding in figure 1 is an answer to the research question.Coding comes from content analysis of the various data studied. The coding process uses the facilities available in the NVivo 12 Plus software. The following is a summary table and intensity of each coding created.

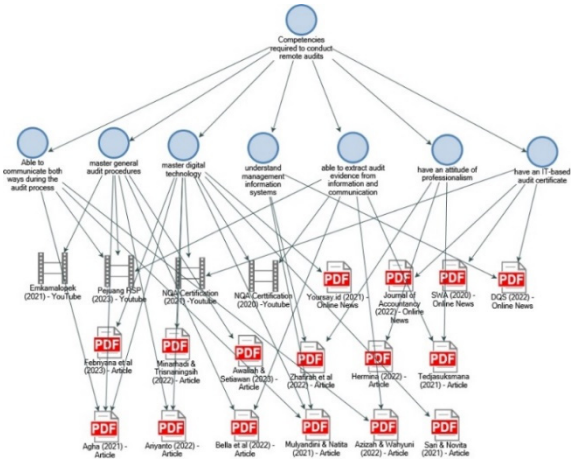

Figure 1: Coding Visualization Image.

Table 1: Recapitulation of Coding.

No.	Coding	Intensity	Reference
1	Two-way communication during the audit process	4	• Agha (2022) – Article • Azizah & Wahyuni (2022) – Article • Mulyandini & Natita (2021) – Article • Pejuang RSP (2023) – YouTube
2	Mastering general audit procedures	6	• Agha (2021) – Article • Ariyanto (2022) – Article • Awaliah & Setiawan (2023) – Article • Bella et al (2020) – Article • Emkamalopek (2021) – YouTube • Pejuang RSP (2023) – YouTube
3	Have an attitude of professionalism	3	• Hermina (2022) – Article • Tedjasuksmana (2021) – Article • Zhafirah et al (2022) – Article
4	Able to extract audit evidence from information and communication	5	• Azizah & Wahyuni (2022) – Article • Bella et al (2022) – Article • Tedjasuksmana (2021) – Article • NQA Certification (2020) – YouTube • Pejuang RSP (2023) – YouTube
5	Have IT-based audit certification	3	• DQS (2022) – Online News • Journal of Accountancy (2022) – Online News • SWA (2020) – Online News
6	Mastering digital technology	9	• Agha (2021) – Article • Ariyanto (2022) – Article • Febriyana et al (2023) – Article • Minarhadi & Trianingsih (2022) – Article • Mulyandini & Natita (2021) – Article • Sari & Novita (2021) – Article • Yoursay.id (2021) – Online News • NQA Certification (2021) – YouTube • NQA Certification (2020) – YouTube
7	Understand management information systems	3	• Mulyandini & Natita (2021) – Article • Zhafirah et al (2022) – Article • DQS (2022) – Online News

4.1 Two-Way Communication during the Audit Process

Auditors now have the possibility to carry out audits remotely thanks to the emergence of real-time two-way online communication technology (Azizah & Wahyuni, 2022). By utilizing technology and communication, several stages can be carried out remotely using information systems and technology, such as drones, Google Meet, Zoom, and others (Mulyandini & Natita, 2021). This remote audit process requires examining documents uploaded and stored on platforms such as Google Drive. These documents are very important to assess/recheck thoroughly because they play an important role in the remote audit process later (RSP, 2020).

4.2 Mastering General Audit Procedures

Remote audit procedures are generally the same as audit procedures in general, the only difference being that they understand technology which can help auditors learn about the information systems that will be used later to help make it easier to check audited financial reports (Emkamalopek, 2021). Audits using digital technology also support assessors if on-site visits are not possible. Later the Auditee will communicate with the auditor via conference services such as Zoom or Live Streaming (Agha, 2022). It is important for auditors to allocate sufficient time to explain the remote audit process approach to stakeholders. This will help anticipate gaps in understanding, especially regarding the use of technological tools during the audit process. These tools may include drone cameras, remote attendance at conferences, and obtaining necessary authorizations for video and photography capture.

4.3 Have an Attitude of Professionalism

When conducting remote audits, an auditor must remain aware of his professional responsibilities, maintain a skeptical mindset, and be careful when carrying out tasks such as evaluating the quality of documents or making observations in the field (Tedjasuksmana, 2021). Based on SKPN Number 1 of 2017, the crucial aspect of being a good auditor lies in the ability to think critically. This requires an auditor's ability to consistently research and verify the evidence collected during the audit (Hermina, 2022). By checking the quality of audit results related to the examination, an auditor still considers professionalism as a relevant factor. Auditors can also minimize risks that arise in the future (Zhafirah et al., 2022)

4.4 Able to Extract Audit Evidence from Information and Communication

By applying information and communication technology, auditors can conduct remote audits to collect reliable data and assess existing internal controls. This process involves analytical procedures and interaction with the auditee (Tedjasuksmana, 2021). Auditors can also utilize remote audit techniques through information and communications technology to collect critical audit evidence and assess compliance with audit standards without having to be physically present at the client's location (Azizah & Wahyuni, 2022). Drone cameras, and other technologies involved in the audit process, illustrate the limitations when implementing remote audits. Anticipating differences in understanding of these limitations is critical, therefore it is important for the auditor to dedicate sufficient time to explain the planned remote audit approach to stakeholders (RSP, 2020).

4.5 Have IT based Audit Certification

Zakir explained that this remote audit is a long-distance audit without visiting the location, either in whole or in part by using technology (Rahayu, 2020). Therefore, auditors are required to have certification, even though it is the same as auditing in general, auditors must have high performance abilities, skills and additional levels of excellence compared to other auditors (Konig, 2022). By using policy standards or having certification, auditors are expected to be able to carry out remote audits with the help of information and communication technology and be able to carry out two-way communication such as when holding meetings via Zoom with auditees. Having certification means that an auditor is able to carry out audits from any location, but does not rule out the possibility of still going to the location (Certification, 2021).

4.6 Mastering Digital Technology

When using digital technology, the audit will still cover every area even if an on-site visit is not possible. The duration of a remote audit is equivalent to an on-site customer audit. During most audits, auditees will be contacted via conference services

(Febriyana et al., 2023). The use of digital technology covers all areas that will later be inspected by auditors, this can be done if a site visit is not possible (Agha, 2022). The use of digital technology-based audits aims to support assessors where site visits are not possible (on-site). Several technologies that can be used to carry out remote audits include an online conference system (Skype, Google Meet, WA video call, Webex, Zoom). Apart from that, auditors can also use email and telephone calls (Salbiyatul, 2021)

4.7 Understand Management Information Systems

The auditor's understanding of information technology and the related controls that use it helps the auditor learn more about information systems related to financial reporting. Inspection procedures are carried out using computers, especially in processing relevant data using an inspection information system (Zhafirah et al., 2022)With remote, procedures or even entire audits are carried out using information systems and ICT in electronic companies, giving the effect that collecting evidence using remote audits can improve the quality of audit results (Mulyandini & Natita, 2021).

5 CONCLUSIONS

The results of this research have obtained answers to the research questions posed at the beginning. There are seven points of competency required by auditors to be fit or competent to carry out remote audits or remote audits. The seven competencies are: Two-way communication during the audit process, Master general audit procedures, Have a professional attitude, Able to extract audit evidence from information and communication, Have IT-based audit certification, Master digital technology, and Understand management information systems. The results of this research can be implemented by auditors so that they have adequate competence to carry out remote audits. Research recommends seven competencies to become a reliable auditor in the high-tech era, where the majority of audit processes will be carried out remotely. The implication of this research is that auditors who conduct remote audits need to learn seven competencies provided by the result of this research. Apart from that, seven competencies need to be tested quantitavely to determine what competencies really influence the performance of auditors conducting remote audits.

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