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REMOTE AUDIT QUALITY: USE OF INFORMATION TECHNOLOGY, AUDIT EVIDENCE AND ACHIEVING AUDIT OBJECTIVES

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ABSTRACT

This study examines and analyzes the influence of the use of information technology and the adequacy of audit evidence on the quality of remote audits which have an impact on the achievement of audit objectives. The method/approach uses a quantitative research method with SEM PLS statistical calculations. The data source comes from primary data obtained through questionnaires. The sampling technique uses a purposive sampling technique, with the criteria of employee respondents with the position of Young Expert Examiner who has more than 10 years of experience in carrying out the examination, has led the inspection team and has had a working period in the AKN III work unit for more than 3 years. The results of the study show that the use of information technology and the adequacy of audit evidence have a significant positive effect on the quality of remote audits and the achievement of audit objectives. This research provides benefits and suggestions for auditors to update their understanding and knowledge related to information technology and audit evidence conducted in remote audits. The originality/novelty of this study was carried out on respondents who met the sample criteria in the analysis unit of AKN III BPK RI which is a government external auditor institution that conducts audits of Ministries/Institutions.

Keywords: Audit Proof; Quality Remote Audit; Information Technology; Audit Objectives.

INTRODUCTION

In 2020 and 2021, when the Covid-19 outbreak occurred, people were asked to maintain distance in carrying out their daily activities, such as school from home (SFH) and work from home (WFH). This also has an impact on the implementation of audits conducted by Auditors at the Audit Board of the Republic of Indonesia (BPK RI) in 2020 and 2021. In that year, BPK RI also implemented an audit using the remote audit method.

"Remote audit is a process in which auditors use information and communication technology (ICT) and data analysis to assess and report on the accuracy of financial data and internal controls, collect electronic evidence, and interact with the auditee, regardless of where the auditor's physical location is" (Teeter et al., 2010).

This condition encourages audit practices from being carried out on-site audits to being carried out remotely, so that the application of information technology becomes more massive in the implementation of audits. The use of ICT and the use of Enterprise Resource Planning (ERP) systems to integrate planning and management of owned resources to support business processes and produce reliable information as a basis for decision-making for management.

Phenomena related to remote audits during the pandemic, among others, need to carry out audit strategies by establishing audit policies, information policies, strengthening Information

Technology (IT) infrastructure for auditors, the application of electronic working papers, internal platforms for file sharing or file sharing electronics and changes to the management of the audit team. Remote audit methods can utilize information and communication technology, by conducting data analysis to assess the accuracy of financial data and internal controls, collect electronic evidence and interact with clients. The advantages of remote audits are that they can reduce travel costs, increase the availability of auditor groups, expand audit coverage, increase document review results, increase the use of existing technology can strengthen documentation and reporting, and the audit burden on operational facilities can be mitigated. The success of remote audits is the readiness of technological facilities, human resource capabilities, both in terms of audit institutions (auditors) and auditees (Faruzzi, 2020).

METHOD

This study uses a quantitative research method because the paradigm of this research emphasizes the accuracy of measurement methods, data collection using research instruments, and data analysis is carried out to test hypotheses using statistical techniques. This is explained by (D. Sugiyono, 2013) in Ariyanti et al., 2020) that the quantitative method is a research method based on the philosophy of positivism, used to research on a certain population or sample, sampling techniques are generally carried out randomly, data collection using research instruments, quantitative or statistical data analysis with the aim of testing hypotheses that have been determined.

Description of Selected Research Designs

In accordance with the problems and objectives formulated, this research is classified as causal research. Causal research is research conducted to find the cause of one or more problems (Sekaran, 2014:164). This study is a causal study research, as explained by (Ghozali: 2020) a causal study is to test whether one variable affects the change of another variable. In this study, researchers wanted to find out one or more factors that caused the problem. The researcher conducted a causal relationship study that can explain the statement of variable X causing variable Y and having an impact on variable Z.

From the explanation above, the researcher conducted a study to test the hypothesis of the influence of two independent variables, namely the variable of information technology use (X_1) and the variable of the adequacy of audit evidence (X_2), on the dependent variable, namely the audit quality variable (Y) which has an impact on the achievement of audit objectives (Z).

Operationalization of Variables Presented in Table Form

The operational of a research variable is an attribute or nature or value of an object or activity that has a certain variation that has been determined by the researcher to be studied and then drawn conclusions (P. Sugiyono, 2015).

Dependent variables are variables that are influenced or become a result due to the existence of independent variables. Independent variables are variables that affect or are the cause of changes or the emergence of dependent variables (P. Sugiyono, 2015).

RESULTS AND DISCUSSION

Reliability Test

The next instrument test is a reliability test using SmartPLS 3.3.9 with the PLS-Algorithm procedure. The reliability test was obtained by paying attention to the Cronbach Alpha value and composite reliability.

Table 1 Reliability Test Results (Composite Reliability and Cronbach's Alpha)

Variable	Cronbach's Alpha	Composite Reliability	Information
X11_Perangkat Lunak	0,657	0,817	Reliable
X12_Orang/Auditor	0,837	0,925	Reliable
X1_Penggunaan Information Technology	0,782	0,852	Reliable
X21_Relevansi	0,826	0,920	Reliable
X22_Andal	0,858	0,934	Reliable
X2_Kecukupan Audit Evidence	0,797	0,868	Reliable
Y1_Independensi	0,818	0,916	Reliable
Y2_Integritas	0,803	0,910	Reliable
Y3_Profesionalisme	0,658	0,843	Reliable
Y_Kualitas Audit	0,869	0,905	Reliable
Z_Tujuan Audit	0,912	0,944	Reliable

Source: processed research data, 2023

Table 1 shows that the value of Cronbach Alpha has met the minimum value of the reliability test on Cronbach Alpha, which is 0.70 (test requirements for confirmatory research). According to Ghozali, the Cronbach Alpha value > 0.6 is still acceptable for exploratory research.

For testing on composite reliability, it has also met the minimum value requirement of the composite reliability test, which is 0.70 (test requirement for confirmatory research). According to Ghozali, the Cronbach Alpha value > 0.6 is still acceptable for exploratory research.

It was concluded that all variables/instruments in this study were reliable or reliable, because the results of the respondents' answers were quite consistent.

A. Model Conformance Test (Inner Model)

Structural model tests are carried out to test the relationship between latent constructs. The inner model can be measured by looking at the R Square value on the endogenous construct and the estimate for path coefficients.

1. R Square

Model suitability testing is carried out to determine the fit of a research model. The model suitability test in the structural model analysis was carried out before testing the hypothesis by looking at the R-Squared value.

Table 2 R Square Value

Variables/Dimensions	R Square	Information
X11_Perangkat Lunak	0.775	Strong
X12_Orang/Auditor	0.753	Strong
X21_Relevansi	0.685	Strong
X22_Andal	0.757	Strong
Y1_Independensi	0.776	Strong
Y2_Integritas	0.840	Strong
Y3_Profesionalisme	0.726	Strong
Y_Kualitas Audit	0.485	Moderate
Z_Tujuan Audit	0.159	Weak

Source: processed research data, 2023

The value of the determination coefficient (R Square) of the software dimension (X11) is 0.775, indicating that all indicators in the X11 dimension are able to explain the diversity of X11 by 77.5%. The R square value of the auditor dimension (X12) is 0.753, indicating that all indicators in the X12 dimension are able to explain the diversity of X12 by 75.3%. The R square value of the relevance dimension (X21) is 0.685, indicating that all indicators in the X21 dimension are able to explain the diversity of X21 by 68.5%. The R square value of the reliable dimension (X22) is 0.757, indicating that all indicators in the X22 dimension are able to explain the diversity of X22 by 75.7%.

The R square value of the indepension dimension (Y1) is 0.776, indicating that all indicators in the Y1 dimension are able to explain the diversity of Y1 by 77.6%. The R square value of integrity (Y2) is 0.840, indicating that all indicators in the Y2 dimension are able to explain the diversity of Y2 by 84%. The R square value of the professionalism dimension (Y3) is 0.726, indicating that all indicators in the Y3 dimension are able to explain the diversity of Y3 by 72.6%.

The R square value of the audit quality variable (Y) is 0.485, indicating that all dimensions of information technology use (X1) and the adequacy of audit evidence (X2) are able to explain the diversity of Y by 48.5%. The R square value of the audit objective variable (Z) is 0.159, indicating that all audit quality dimensions (Y) are able to explain the diversity of Z by 15.9%.

According to Ghozali, the R square values of 0.75, 0.50 and 0.25 indicate that the model is strong, moderate and weak. The results of this study show that the X11, X12, X21, X22, Y1, Y2 and Y3 models are strong models because they have an R square value greater than 50%. While the Y model shows moderate because it is below 50% but still above 25%. And the Z model shows a weak model because it is below 25%. The moderate Y model is considered reasonable because the dimensions measured are only two, namely X1 and X2, while there are many other dimensions outside the research that of course affect Y. Likewise, the Z model if you only look at Y's contribution in explaining Z, then of course the value is small where of course there are many dimensions outside the research which of course will also affect.

2. Estimate for Path Coefficients

Estimate for Path Coefficients is the value of the path coefficient or the magnitude of the latent construct relationship/influence. Path Coefficients is the coefficient of direct influence of exogenous variables on endogenous variables. The results of the path coefficients value test are as follows.

Tabel 3 Uji Estimate for Path Coefficients

Description	Path Coefficients
X1_Penggunaan Information Technology → Y_Kualitas Audit	0.489
X2_Kecukupan Audit Proof → Y_Kualitas Audit	0.293
Y_Kualitas Audit → Z_Tujuan Audit	0.398

Source: processed research data, 2023

Table 3 shows that the value of the path coefficient from the Use of Information Technology to Audit Quality has a value of 0.489, meaning that the use of Information Technology has a positive effect, the higher the use of Information Technology will improve the Quality of Audit. The use of Information Technology increases by one unit will increase Audit Quality by 0.489 units.

The value of the path coefficient from Audit Evidence Adequacy to Audit Quality has a value of 0.293, meaning that Audit Evidence Adequacy has a positive effect, the higher the Audit Evidence Adequacy will improve Audit Quality. If the Adequacy of Audit Evidence increases by one unit, it will increase the Audit Quality by 0.293 units.

The value of the path coefficient from Audit Quality to Audit Objectives has a value of 0.398, meaning that Audit Quality has a positive effect, the higher the Audit Quality will increase the Audit Objectives. Improving Audit Quality by one unit will increase the Audit Objective by 0.398 units.

The following is a picture of the SEM PLS method as a result of this study.

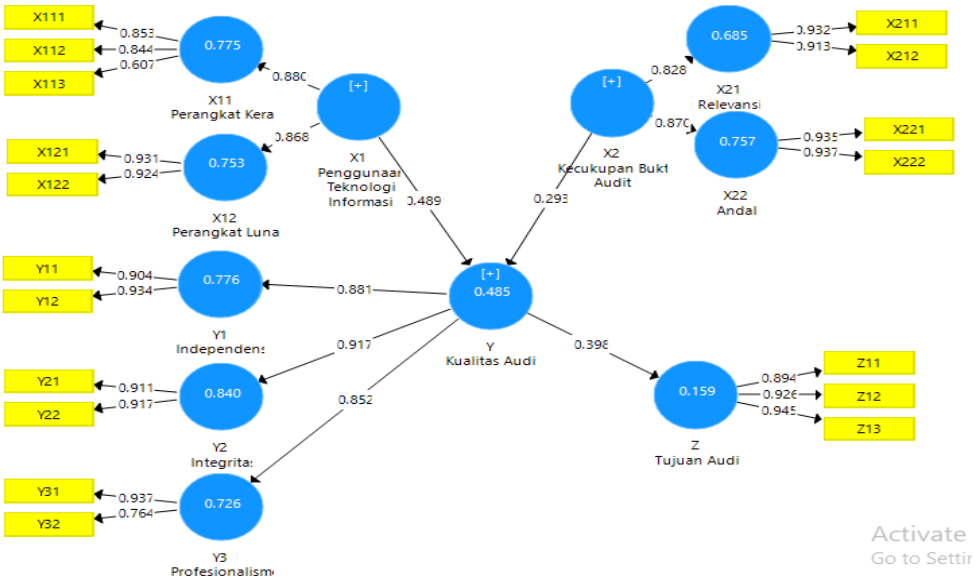

Figure 1 Drawing of the PLS SEM Method

The figure shows that the variable of information technology use (X1) has a positive effect with a value of 0.489 on the audit quality. The variable of the adequacy of audit evidence (X2) had a positive effect with a value of 0.293 on audit quality. And the audit quality variable (Y) has a positive effect with a value of 0.398 on the audit objective variable (Z).

B. Uji Hipotesis

Structural model testing serves to see the relationship between variables as well as to draw conclusions from testing research hypotheses. At this stage, the evaluation of the structural model will be analyzed by looking at the significance of the relationships between constructs indicated by the T Statistic value by looking at the bootstrapping output. Where are the indicators that have a T Statistic value ≥ 1.96 is said to be valid. The indicator can also be said to be valid if it has a P Value ≤ 0.05. As seen in the table below.

Table 4 Results of Path Analysis

Hypothesis	T Statistics	P Values
H_1: The effect of the use of information technology in conducting remote audits on audit quality	4.296	**0,000**
H_2: The effect of the sufficiency of audit evidence in conducting remote audits on audit quality	2.602	**0,010**
H_3: The influence of audit quality in conducting remote audits that have an impact on the achievement of audit objectives	4.192	**0,000**

Source: Data processed using SmartPLS 3.3.9 application

H_1: The effect of the use of information technology in conducting remote audits on audit quality

The Influence of Information Technology Use on Audit Quality is indicated by the opportunity value (p-value), where Hypothesis1 is supported if the p-value is less than the value of. The results of the study showed a p-value of 0.000 < 0.05, indicating that the use of Information Technology had a significant effect on Audit Quality at a 95% confidence interval. Thus, Hypothesis 1 in this study is supported. $\alpha = 5\%$

H_2: The effect of the sufficiency of audit evidence in conducting remote audits on audit quality

The Effect of Adequacy of Audit Evidence on Audit Quality is indicated by the opportunity value (p-value), where Hypothesis2 is supported if the p-value is less than the value of. The results showed a p-value of 0.000 < 0.05, indicating that the Adequacy of Audit Evidence had a significant effect on Audit Quality at a confidence interval of 95%. Thus, Hypothesis 2 in this study is supported.$\alpha = 5\%$

H_3: The influence of audit quality in conducting remote audits that have an impact on the achievement of audit objectives

The influence of Audit Quality on Audit Objectives is indicated by the opportunity value (p-value), where Hypothesis2 is supported if the p-value is less than the value of the. The results showed a p-value of 0.000 < 0.05, showing that Audit Quality had a significant effect

on Audit Objectives at a confidence interval of 95%. Thus, Hypothesis 3 in this study is supported.$\alpha = 5\%$

Discussion

It can be concluded that the use of information technology in remote audits has a significant positive effect on audit quality. The higher the use of information technology, the better the audit quality achieved, with the support of software such as SQL, Oracle, and meeting applications such as Zoom and Google Meet, which facilitate the conduct of meetings, discussions, and confirmations. In addition, the adequacy of audit evidence also has a significant positive effect on audit quality; The completer and more relevant the evidence obtained, the better the quality of the audit. Audit evidence must meet established logical and procedural standards, both in electronic and written form. Finally, good audit quality has a significant positive effect on the achievement of audit objectives, where the audit objectives to be achieved depend on the quality and quantity of audit results produced by quality auditors. This research supports an institutional theory that suggests that environmental changes such as the COVID-19 pandemic have changed the mindset about auditing, adopting a remote audit system that is now accepted and used legally in audit practice.

CONCLUSION

Based on the results of the research and discussion presented, it can be concluded that the use of information technology in conducting remote audits has a significant positive effect on audit quality, showing that the higher the use of information technology, the better the quality of the audits produced. In addition, the adequacy of audit evidence also has a significant positive effect on audit quality, meaning that the more complete the audit evidence obtained, the higher the audit quality. Finally, good audit quality in the context of remote audit has a significant positive effect on the achievement of audit objectives, indicating that the higher the audit quality, the more effective the achievement of audit objectives.

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