

## IMPLEMENTATION OF REMOTE AUDITING REDUCES SKEPTICISM AND REWARD OF AUDITOR STAFF IN PUBLIC ACCOUNTING FIRM



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### Abstract

This research seeks to determine the application of remote auditing to professional skepticism and rewards for auditor staff at KAP X in Yogyakarta. This research methodology uses the discipline comparative method. The research informants consist of 3 auditor staff. The research results reveal that the implementation of remote auditing has not completely reduced auditors' professional skepticism but has reduced auditor staff rewards. Auditor competency and experience are the main keys to implementing remote working. Implementing remote auditing can make audit implementation more efficient and effective. Remote auditing is used as an alternative practice for carrying out audits at KAP. This research takes a deeper look at the skepticism and rewards of auditor staff in implementing remote auditing at small KAPs in Yogyakarta in the transition to the end of the COVID-19 pandemic.

**Keywords:** Remote Auditing, Professional Skepticism, Staff Auditor Rewards

## INTRODUCTION

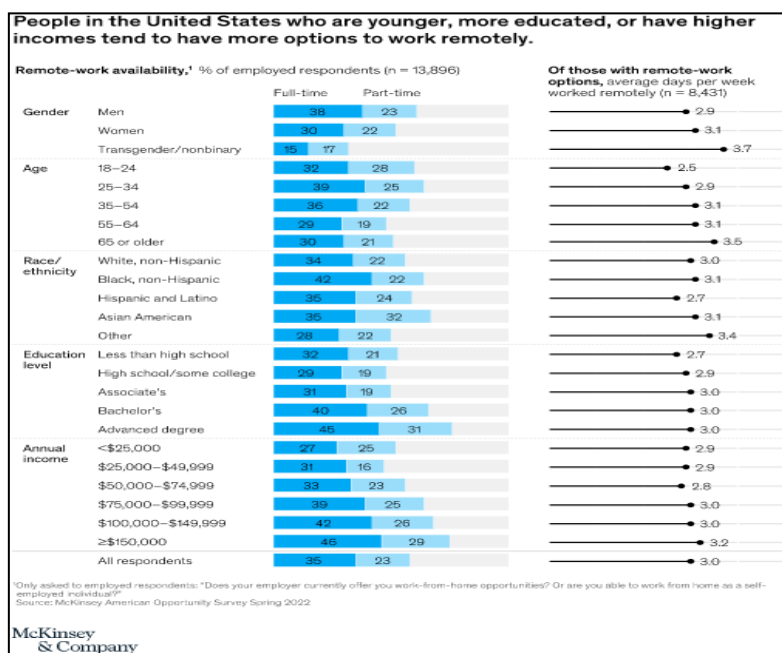
To convince users of financial reports regarding the financial reports presented by the entity, an independent auditor's report is required to be issued by a Public Accounting Firm. Apart from the preparation of financial reports, the implementation of audits has an impact due to the implementation of physical distancing, so that meetings with auditees are limited and require auditors to make maximum use of technology so that the audit process can be carried out following Audit Standards (ICAI, 2020). Based on Audit Standard 200 (Paragraph 3) audits aim to increase the confidence of the intended users of financial statements. This is achieved through the statement of an opinion from a public accountant regarding the fairness of the financial statements that have been prepared, in all material respects, in accordance with the applicable financial reporting framework. To obtain this assurance, auditors must go through a series of audit procedures that have been prepared by the Indonesian Institute of Public Accountants (IAPI) to obtain sufficient and sufficient evidence to provide their opinion. Risk assessment procedures from audit evidence can take the form of inquiries from management and individuals, analytical procedures, and observations & inspections (Auditing Standards No. 315, 2021). In general, this is done directly by the client, such as calculating cash counts and stock taking. However, limited mobility during the Covid 19 pandemic has made it difficult for auditors to carry out their duties, so they cannot be present directly at client companies (Haqie, 2020).

Remote auditing has long been a challenging topic for the profession due to the confidence of an auditor to discover fraud, irregularities, or simple errors when they visit a company. The worried look on a harried senior manager's face, the use of antiquated technology, and everything else going on maybe cues that something is wrong, which may be easier to observe during a site visit. Therefore, auditors who perform procedures remotely must ensure that they follow standards and take care to use all the technology at their disposal to avoid missing anything. When conducting inspections remotely, auditors have the same obligations to comply with standards and deliver high quality as they do when working on-site.

Auditors use technology to help carry out audit procedures without visiting client locations during the COVID-19 pandemic. This is also supported by the publication of Technical Newsflash: Response of the Indonesian Institute of Public Accountants (IAPI) to the Covid-19 Pandemic in 2020, which was used by accounting firms during the Covid-

19 pandemic. In this situation, the auditor acknowledged that the previous audit methodology required significant changes to address the challenges and uncertainties resulting from the impact of the COVID-19 pandemic. Based on research by Tedjakusuma (2021), remote auditing can be used at all stages of an audit, starting from the initial meeting, document review, visits, interviews, and final meeting. Apart from that, the desire to use a remote work model after the COVID-19 pandemic is very high. This is based on research by McKinsey (2022) which shows that many workers want more flexibility (Remote Working): 58% of worker respondents said they could work remotely with a Part-Time system, and 65% of worker respondents said they were willing to do it Full-time.

Research by Manita et al. (2020), 58% of auditors and organizations explained that technological changes will have a significant impact on audit processes and procedures over the next five years. Therefore, implementing exam digitization is something that cannot be avoided (KPMG, 2017; Manita et al., 2020). The World Bank estimates that between 2015 and 2030 there will be a shortage of around nine million skilled and semi-skilled workers in the field of information and communication technology in Indonesia. This is also a challenge for small Public Accounting Firms in Indonesia to improve information and communication technology facilities so that they can compete with large Public Accounting Firms.



**Figure 1**  
**Number of Workers Interested in Using the Remote Working Method**  
 Source: McKensey 2022

The use of remote auditing in the future needs to be maximized without reducing procedural standards and audit quality from Public Accounting Firms. This requires paying attention to aspects of the code of ethics, quality, and good communication. Based on research by Azizah & Wahyuni (2022), it is proven that switching audit practices to remote auditing does not mean it does not meet audit standards, even if procedural management's assertions are met. This raises doubts about the audit procedures that have been carried out. In addition, Zahra's (2021) research shows that professional skepticism and auditor qualifications influence the quality of remote auditing during the COVID-19 pandemic in Public Accounting Firms [9]. The same thing was also stated in research (Sari & Novita, 2021) showing that audit risk, business survival, and professional skepticism influenced audit quality during the Covid-19 pandemic.

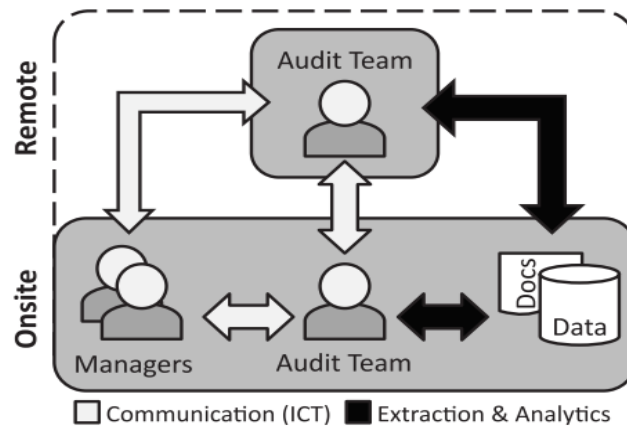
The majority of Public Accounting Firms have implemented (at least) simple remote auditing amid the COVID-19 pandemic to comply with Audit Standards in fulfilling assertions. However, the challenge of skepticism and the rewards of audit services for auditor staff are the main points in the use of remote auditing. This is also in line with research by Bachlechner et al. (2014), Gray et al. (2014), and Han et al. (2016). The existence of greater challenges for auditors when carrying out audit work (especially during the Covid-19 pandemic) raises the issue of going concern assessment, low levels of reliability and adequacy of audit evidence, potential audit decline fees for KAP audit services, the high possibility of losing audit team members due to illness or quarantine, and a reduction in the audit team's salary which in the end can affect the quality of the audit. The low salary of the audit team, especially in the Yogyakarta area with the lowest minimum wage in Indonesia, can affect the spirit of the engagement team in implementing remote auditing and professional skepticism.

## **REVIEW OF LITERATURE**

### **Remote Auditing**

According to Teeter (2012), remote auditing is a process in which auditors pair information and communication technology with data analytics to access and report the accuracy of financial data and internal controls, regardless of the user's physical location. Remote auditing is an alternative to limited access to audit locations and is inherently connected to some form of system to connect the entity to be audited (Auditee) and the

auditor without leaving the Audit Standards set by the Indonesian Institute of Public Accountants (IAPI).



**Figure 2**  
**Remote Auditing Component**

Source: Remote Audit, A Research Framework (Teeter, 2012)

The use of Remote Auditing based on the International Auditing and Assurance Standard Board (2020) is explained as follows: a) Assembling information in an electronic software system; b) Remote access by auditors to company systems and infrastructure; c) Checking information via electronic documents and API access to third-party data; d) Inspect physical items via drones, cameras, and Internet of Things sensors; e) Auditors and assurance specialists work remotely off-site.

Apart from that, several things need to be considered in realizing Remote Auditing based on the International Auditing and Assurance Standard Board (2020), including: 1) Reporting information (accounting or other) is fully present and accessible within the device system's electronic software; 2) Direct view access to company systems and infrastructure by audit and assurance specialists; 3) Drones and the Internet of Things are widely adopted; 4) Anonymized and encrypted data sharing and transfer; 5) API access to all third-party data to verify the information; 6) Existing transaction documentation in a completely electronic format; 7) Regulators and investors are comfortable with audits and assurances being conducted remotely.

Auditors use technology to help carry out audit procedures without visiting the audit client's location during the COVID-19 pandemic. This is also supported by the publication of Technical Newsflash: Auditor's Response to the Covid-19 Pandemic in 2020 from the Indonesian Institute of Public Accountants (IAPI) during the Covid-19 Pandemic which was used by Public Accounting Firms. In these conditions, the Auditor

acknowledged that the previous method of conducting audits required significant modifications to overcome the challenges and uncertainties arising from the impact of the COVID-19 pandemic. Based on research by Tedjakusuma (2021), remote auditing can be used at every audit stage starting from entry meetings, document review, visitation, interviews, and closing meetings.

Previous research such as that conducted by Axelsen et al. (2017) and Tarek et al. (2017), emphasizes the importance of using technology, information technology literacy that can be applied in the audit process, training the skills of auditors to be able to use technological tools that support and facilitate the implementation of the audit process quickly and efficiently, especially while mobility restriction policies are still being implemented during the Covid pandemic. in 2022. However, this is a challenge for Public Accounting Firms in enforcing professional skepticism among auditor staff. Previous research conducted by Azizah & Wahyuni (2022) and Zahra & Ludigdo (2021) explained that the professional skepticism of KAP auditors in Indonesia decreased while using the remote auditing method. So, the implementation of remote auditing needs to be supported by strengthening the professional ethics of auditors in small KAPs in Indonesia. Sharma Neeraj et al. (2022) looked at the process of carrying out audits at small KAPs in India that used remote auditing without paying attention to regulators or government directions (simple system). This is in contrast to the big 4 KAPs which use government and regulator directions to explain mimetic isomorphism. Auditors who use remote auditing tend to have a high level of trust (skepticism). Therefore, this research aims to identify the practice of implementing remote auditing in small public accounting firms in Indonesia during the transition to the end of the Covid 19 pandemic.

### **Skepticism**

Professional skepticism is the auditor's attitude to always evaluate audit evidence critically (IAPI, 2011). The International Standards on Auditing (IAASB, 2009) explains that professional skepticism is an attitude that includes a questioning mind, being alert to conditions and circumstances that indicate the possibility of material misstatement caused by intention (fraud), and critical assessment of audit evidence. In facing the COVID-19 pandemic, Auditors are faced with a dilemma between implementing a code of ethics of skepticism and limited mobility due to the COVID-19 pandemic. According to research by Zahra (2021), it is revealed that there is an influence between professional skepticism and the competency of Public Accounting Firm auditors on the quality of remote auditing

during the Covid-19 pandemic. This explains that before and during the COVID-19 pandemic, auditor skepticism affected audit quality. In research, Azizah & Wahyuni (2022) also explained that in implementing remote auditing, auditors at the Public Accounting Firm had met audit standards using management assertion procedures, but the application of the code of ethics for professional skepticism had decreased. Thus, the auditor is not sure about the assertion testing that has been carried out.

The use of remote auditing is indeed the biggest challenge in upholding auditor skepticism, but several factors can be improved by Public Accounting Firms while using the remote auditing method. These factors can be in the form of increasing competence in terms of training and good supervision which can increase auditors' professional skepticism. This is also in line with research by Soewandy & Kuntadi (2023) explaining that several things influence auditors' professional skepticism, including experience, competence, and audit situation.

### **Fees for Auditor Staff Services**

Implementing remote auditing provides efficiency and effectiveness in carrying out procedures. This is in line with research by Farcane et al (2022) which explains that the results of audit activities when Public Accounting Firms (KAP) embrace emerging technologies in the workplace using new methods (remote auditing) are positively better than those that do not. In addition, research by Hazea, et al. (2022) explained that remote auditing helps in carrying out audit procedures and reduces auditor salaries at Public Accounting Firms in Yemen and Saudi Arabia, so that partners (Public Accountants) have many advantages compared to before the Covid-19 Pandemic. Auditors' perceptions of work efficiency when using remote auditing are significantly influenced by the level of digitalization of audit activities.

The use of remote auditing reduces audit fees at Public Accounting Firms in Indonesia. This is in line with research by Wulandari & Ariesta (2023) which explains that Public Accounting Firms experienced a decrease in audit fees during the Covid-19 pandemic. The decrease in audit fees also affected the compensation for auditor staff services such as salaries earned, of Pocket (OPE) which was paid. can, and other welfare.

### **RESEARCH METHOD**

The research was conducted using the Disciplined Comparative Studies type case study method which was used by researchers to compare cases studied at one of the small

KAPs in Indonesia with the application of Remote Auditing (Kamayanti, 2016). This research was conducted at one of the KAPs in Yogyakarta, namely KAP that is: a) Rapport (closeness), the importance of closeness in qualitative research to explore information in depth and originally so that closeness needs to be built between researchers and sources. In this research, the researcher has built closeness since working as an auditor at KAP X; b) Relevance, which is the connection between the topic being researched and the reality that occurs or is experienced by KAP X. In terms of relevance between remote auditing topics and objects, KAP; c) Reassurance (confidence) which means researchers must have confidence that remote auditing is implemented in the KAP. In terms of this belief, researchers have confirmed the use of remote auditing at KAP X; d) Recommendation, namely, in terms of selecting locations, informants, and so on, not only for the researcher's reasons but also, getting a recommendation by the audit manager to interview senior and junior KAP X auditors who know more technically in the field; e) Readiness, which means that the agency or informant is willing to be used as a research object. In this research, KAP X was willing and permitted researchers to conduct research. The research subjects were auditors at KAP X, among whom the informants were senior auditors and junior auditors.

**Table 1**  
**List of Informants**

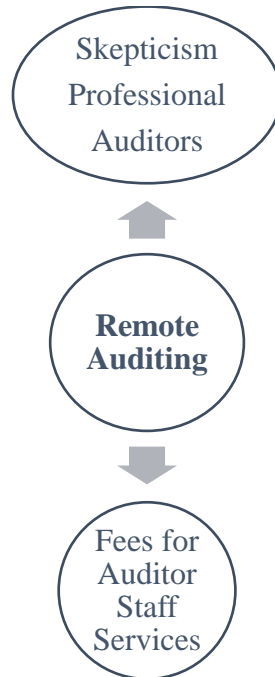
<b>Informant Pseudonym</b>	<b>Position</b>	<b>Start Working</b>
Kumbang	Senior Auditor	July 2022 – March 2023
Mawar	Senior Auditor	September 2021 – January 2023
Melati	Junior Auditor	October 2022 – Now

Source: Results of field observations and interviews at KAP

Primary and secondary data were used in this research. Primary data was obtained directly from the results of field observations and interviews at KAP X. Secondary data was obtained from informants in the form of visual information and research objects. This research uses unstructured interviews because the sources are people who are quite experts in their fields.

The data analysis technique in this research uses the Miles & Huberman technique (2014). There are 3 activity streams carried out simultaneously, including data reduction, data presentation, and triangulation. Data reduction in this research was carried out by analyzing the results of the interviews and then focusing on simplifying them so that

through this data reduction, the essence of the discussion could be drawn. Next, after carrying out data reduction, the researcher will present the data simply but in detail so that it can be understood easily. Then the researcher carried out triangulation which aimed to re-check the data that had been presented. In this way, the research conclusions can be tested for validity and the validity of the research data can be proven.



**Figure 3**  
**Research Conceptual Framework**

**RESULTS AND DISCUSSION**

**The Effect of Using Remote Auditing on Auditor Skepticism**

This research aims to compare remote auditing practices against Auditor Skepticism based on the results of observations and interviews. Apart from that, researchers also view that KAP X's remote auditing practice is in accordance with theory.

**Tabel 2**  
**Research Observations on KAP**

No	Audit Activities	Before the Covid 19 Pandemic	After the Covid 19 Pandemic
1.	Pre-Engagements	1. Not carrying out an analysis of the Principles of Recognizing Service Users (PMPJ) procedures 1. Allocation of service hours and planning is clearer.	1. Add to the Principles of Recognizing Service Users (PMPJ) procedures according to PPPK. 2. Allocation of service hours and planning is unclear

No	Audit Activities	Before the Covid 19 Pandemic	After the Covid 19 Pandemic
		2. Engagement letters, assignment letters, and statements of independence in the form of hard files.	3. Engagement letters, assignment letters, and statements of independence in the form of soft files.
2.	Risk Assessments	1. KAP X does not have an adequate system so that the risk acceptance working paper becomes one with the Worksheet and Account Working Paper. 2. Auditors carry out visits to understand the client's entity and environment and determine Inherent Risk and Control Risk.	1. KAP X created a system called audit map to make it easier for auditors to complete procedures when using remote auditing. 2. Auditors provide Google Drive tools to understand the client's entity and environment and determine Inherent Risk and Control Risk.
3.	Risk Response	1. Auditors do not use the system to carry out Risk Response. All working papers are separate. 2. Management Representation Letter is received in hard file form.	1. Auditors use ATLAS published by PPPK. 2. A Management Representation Letter is received in the form of a soft file
4.	Completing & Reporting	1. The Independent Auditor's report does not use Barcodes from PPPK. 2. There are no working papers for reviewing the quality of each procedure. 3. Some clients do not use Management Letters for identified findings.	1. Independent Auditor's Report uses Barcode from PPPK 2. There is a working paper for reviewing the quality of each procedure. 3. KAP X uses a Management Letter to add more value.

This research focuses primarily on cash and cash equivalent accounts in fulfilling management assertions. The selection of the account is based on the IAPI Technical Newsflash and the fulfillment of the high Existence assertion for the account.

All substantive procedures for testing cash and cash equivalents have been carried out except for procedures for C.1 Cash Opname (Points 10 and 11). The auditor did not carry out Cash Opname testing due to the limited period (1 month for completion) and this was supported by the Manager in Charge. As stated by Brother Beetle:

*“Kita tidak melakukan cash opname alasannya karena pertama itu tahun audit 2021. Itu katanya (Saudara Ana) kurang relevan kalau dilakukan sekarang. Jadi kita acuan nya cash opname mereka, cuman yang di gudang kecilnya tidak ada”* (Beetle, 3 December 2022).

This shift from physical space to virtual space requires business people and professional service providers to make technological adjustments (Ravindran & Boh, 2020). This is also in line with the informant's statement above who replaced direct observation/inspection procedures by using virtual client data. However, this is not in line with the IAPI Technical Newsflash which explains that Auditors are required to always maintain an attitude of professional skepticism to act with caution and thoroughness following professional standards and the applicable professional code of ethics when carrying out professional activities and providing professional services. . So, even though the Cash Opname Minutes have been carried out, the auditor needs to fulfill the existence and completeness assertions in accordance with actual conditions.

However, after researchers conducted in-depth observations of the audit evidence that had been provided, it was found that between the 2 operating offices, the Cash Opname Minutes were only at the Head Office, while management did not carry out Cash Opnames and did not publish minutes at the warehouse office in Tangerang. Management only recapitulates the use and replenishment of petty cash at the office.

NO	NO BOK	COA	DATE	DESCRIPTION	AMOUNT
1	42020112	30-Dec-21	18 Pemb. Retribusi Sampah Kantor Pluit 127 Bulan. Dec 21		175,000
1	42020112	30-Dec-21	18 Pemb. Retribusi Sampah Kantor Pluit 127 Bulan. Dec 21		175,000
Sub-total Petty Cash Operational					175,000
BALDO AWAL					Rp 30,000,000
BALDO AKHIR					Rp 29,825,000
MOHON DIBUKAKAN CEK:					Rp 175,000
Saldo Setengah Pengeluaran Kas					Rp 30,000,000
1				Kasbon Julia tgl 29/7-21	4,500,000
2				Kasbon Haris tgl 25/10-21	500,000
3				Kasbon Anon tgl 22/10-21	1,000,000
4				Kasbon P. William tgl 6/11 tgl 8/11	300,000
5				Kasbon P. William tgl 6/11 tgl 8/11	300,000
6				Kasbon P. William tgl 6/11 tgl 8/11	300,000
7				Kasbon P. William tgl 6/11 tgl 8/11	181,700
8				Kasbon P. William tgl 6/11 tgl 8/11	181,800
9				Kasbon P. William tgl 6/11 tgl 8/11	300,000
10				Kasbon Hrd tgl 6/11 tgl 8/11	2,100,000
Total					15,983,475
TOTAL SISA KAS REKIL					29,825,000

**Figure 4**  
**Minutes of PT E Head Office Cash Opname**  
 Source: KAP X Auditor Working Paper

Because the nominal Cash in Hand at the warehouse office was only IDR 3,000,000 (below the correction threshold), the Auditor did not carry out in-depth procedures regarding Cash in Hand at the Tangerang warehouse office:

*“Kan cuma ada cash opname di gedung pusat doang, jadi yang di gedung satunya (Gedung Kantor Tangerang) gak ada, jadi masuk ke Management Letter” (Mawar, 3 Desember 2022).*

In this case, the informant's statement is in line with IAPI's Technical Newsflash in supporting audit performance and quality during the Covid-19 pandemic. Auditors must pay special attention to the impact of the COVID-19 pandemic on, but not limited to. This is also supported by secondary data in the form of a management letter that was prepared by KAP X auditors as follows:

<u>Dokumentasi akun Kas dan Bank</u>	
<b>Temuan</b>	<ol style="list-style-type: none"><li>1. Kami mencatat bahwa tidak terdapat akun BTN Investa pada buku besar rinci. Menurut keterangan manajemen, hal ini diakibatkan kesalahan input pada saat pembuatan awal akun di sistem SAP.</li><li>2. Kami mencatat bahwa manajemen tidak melakukan dan mendokumentasikan <i>cash opname</i> pada kas kecil yang terletak di gudang Tangerang.</li></ol>
<b>Resiko</b>	<ol style="list-style-type: none"><li>1. Terdapat indikasi ketidaksesuaian antara dokumentasi dan keadaan yang sesungguhnya.</li><li>2. Kesalahan input sistem SAP membuat buku besar rinci tidak dapat digunakan untuk menelusuri transaksi yang berkaitan dengan akun tersebut.</li></ol>
<b>Rekomendasi</b>	<ol style="list-style-type: none"><li>1. Kami merekomendasikan agar manajemen melakukan <i>cash opname</i> dan mendokumentasikan sesuai dengan hasil di lapangan.</li><li>2. Kami merekomendasikan agar manajemen dapat berkonsultasi dengan konsultan SAP untuk dapat mengubah <i>database</i> awal.</li></ol>

**Figure 5**  
**Management Letter Points to Cash and Cash Equivalents**

Although Key Audit Matter (KAM) is still not implemented for medium to lower auditee entities (using SAK ETAP, SAP and ISAK 35) in Indonesia. The existence of a Management Letter can provide matters that, according to the auditor's professional judgment, are the most significant matters in the audit of the current period's financial statements. Determination of the Management Letter comes from what is communicated to the party responsible for governance of the auditee. So, if examined using institutional theory, there is Mimetic Isomorphism in KAP X such as the application of Management Letters to cash and cash equivalent audit procedures. Apart from that, the implementation of Work from Home for auditors is a derivative of Government Regulation No. 71 of 2020 which has an impact on the use of remote auditing in cash and cash equivalent procedures, including data collection, inspection processes and risk analysis.

However, if we examine it using Normative Isomorphism, KAP X has not fully implemented the IAPI Technical Newsflash and fulfilled the Existence assertion. The implementation of remote auditing requires business people and professional service providers to make technological adjustments (Ravindran & Boh, 2020). This is not in line with the IAPI Technical Newsflash which explains that Auditors are required to maintain an attitude of professional skepticism to act with caution and thoroughness in accordance with professional standards and the applicable professional code of ethics when carrying

out professional activities and providing professional services. The code of ethics for professional skepticism has a big influence on the use of remote auditing at Public Accounting Firm X. This is in line with the statement from the Informant.

*“Tingkat keyakinannya lebih tinggi offline sih sejujurnya. Namun untuk menaikkan tingkat keyakinan Kita siasati dengan cara memperbanyak sampel vouching yang dilakukan” (Kumbang, 3 Desember 2022).*

However, this is in contrast to Brother Melati, who is actually still new to the accounting firm Public:

*“Kadang tuh bingung sih Mas, soalnya Saya kan junior. Kadang mikir ini sebenarnya bener gak sih data yang diberikan sama klien. Soalnya gak visitasi” (Melati, 3 Desember 2022).*

International Standard Audit (ISA) 570.11 explains that auditors are obliged to always be careful or maintain an attitude of professional skepticism regarding obtaining audit evidence regarding the assumption of an entity's ability to survive as a going concern. ISA 570 also provides guidelines for the audit engagement team to be responsible for the use of business continuity assumptions and management assertions in assessing the company's business ability to carry out its business in auditing the auditee's financial statements. In this case, auditors need to increase their professional attitude of skepticism when using remote auditing, not just based on trust in clients.

The experience of using Remote Auditing for Kumbang informants is better than that of Melati. Kumbang has 2 years of audit experience compared to Melati who is a Fresh Graduate. So, it can be seen that experience can increase auditor competence and professional skepticism when using Remote Auditing. This is also in line with research by Soewandy & Kuntadi (2023) which explains that audit experience can influence professional skepticism. Research by Azizah & Wahyuni (2022) also explains that in implementing remote auditing, auditors at Public Accounting Firms have fulfilled audit standards using management assertion procedures but the application of the code of ethics for professional skepticism has decreased. Thus, the auditor is not sure about the assertion testing that has been carried out.

This analysis is also supported by a statement from Informant Mawar who believes that Kumbang's performance is better than Melati's because Kumbang has internship and audit experience at another Public Accounting Firm before joining KAP X.

*“Kalau masalah kinerja sih lebih rapi Kumbang dibandingkan Melati, mungkin ya karena Kumbang lebih banyak pengalaman magang, selain itu dia juga lulus PPAK” (Mawar, 3 Desember 2022).*

Based on the explanation above, it proves that switching to remote auditing can meet Audit Standards, but Public Accounting Firm X needs to implement professional recruitment. Thus, the auditor's code of ethics is still applied even though remote auditing is used. Recruitment of Public Accounting Firm auditors needs to be done procedurally. This is because public accounting firm auditors are independent parties who have a high code of ethics.

Auditors' professional skepticism is needed to create reliable financial reports. Great skepticism in an auditor can improve the ability to detect corruption by developing a method of searching for various additional related data when faced with indications of corruption (Suryanto et al., 2017). Svanström (2016) and Zalata et al. (2020) explains that large Public Accounting Firms employ auditors with different attributes, such as arranging certification or special training programs for auditor staff to assist in the corruption disclosure process. Finally, the market considers that large Public Accounting Firms have better audit quality than smaller audit firms (Tien et al., 2019). Therefore, auditor staff who have a high level of reliable skepticism can more easily detect corruption and material misstatements, because these auditors are more careful, always seek the truth, and carry out critical assessments of audit facts. The higher the professional skepticism, the smaller the possibility of undiscovered material misstatements.

This research shows that auditors' professional skepticism is a behavior in dealing with problems or audit assignments. Not only that but how much responsibility an individual bears will influence how he or she acts in using remote auditing. Second, auditor competency can be seen from formal education and assignment experience. Third, related to control issues. The research results show that the auditors of Public Accounting Firm Staff who do not have good experience and competence have lower skepticism than other staff. This is also in line with research by Azizah & Wahyu (2022) which explains that the shift from auditing practice to remote auditing means that there is the influence of a code of ethics of professional skepticism, that the auditor does not have complete confidence in management's assertions. Various efforts can be made, such as increasing auditor competency with various training, better communication and supervision as well as mastery of technology and understanding of remote audits.

## The Effect of Using Remote Auditing on the Fees for Auditor Staff Services

Based on research observations, Public Accounting Firm This is also proven by the statement of the auditor staff.

*“Disini Aku gak dapat surat kontrak kerja Mas. Jadi langsung kerja saja Mas. Itu sih yang agak susah buat klaim kesepakatan ke kantor. Tapi karena Aku sambil kuliah ya fine2 saja. Kalau perihal gaji ya dapat 2 juta per bulan” (Kumbang, 3 Desember 2022).*

This was also conveyed by sisters Melati and Mawar:

*“Iya Mas, kalau disini gak ada kontrak kerja. Jadi ya ngikutin atasan sih. Awal – awal disuruh magang dulu 3 bulan dengan gaji 1,5 juta per bulan Mas” (Melati, 3 Desember 2022).*

*“Kalau gaji ku sih 2,5 juta Mas. Cuman menurutku ya wajar lah sebagai warga Jogja di cukup – cukup kan saja.” (Mawar, 3 Desember 2022).*

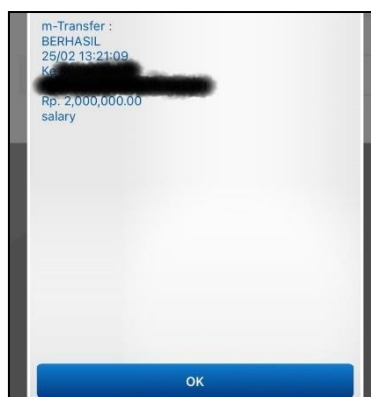
During the implementation of remote auditing, auditors are greatly helped in carrying out procedures without worrying about space limitations. However, this has an impact on auditors' work compensation. Auditors find it difficult to calculate overtime and do not get Pocket Expenses (OPE).

*“Lebih enak gak remote sih mas. Soalnya kita dapat OPE (Out of Pocket Expense) kalau ke klien. Jadi duit kita jadi banyak” (Mawar, 3 Desember 2022).*

*“Ya gak dapat OPE sama OT agak kurang jelas sih Mas cuman ya Saya suka karena bisa bagi waktu dengan kuliah Saya” (Kumbang, 3 Desember 2022).*

This was also conveyed by Brother Mawar, who incidentally is a fresh graduate:

*“Aku gak tahu ada OT atau OPE sih Mas. Soalnya Saya kan masih baru juga, jadi niatnya buat bekerja untuk belajar.” (Mawar, 3 Desember 2022).*



**Figure 6**  
**Proof of Monthly Salary Transfer for Auditor Staff for February 2023**

If analyzed, KAP X implemented several new policies regarding employee compensation for auditor staff during the implementation of Remote Auditing. Remote Auditing forms a new adaptation in the application of auditing procedures so that it has an impact on auditor compensation.

No	Rewards Received	Before Implementation Remote Auditing	After Deployment Remote Auditing
1.	Salary increases	Rp200.000 every 6 months	Rp300.000 every year
2.	Overtime	Per hour 25,000 (Working in the Office)	No overtime (cannot be charged)
3.	Out of Pocket Expenses	For clients per day IDR 15,000 (in the city) and IDR 75,000 (outside the city)	No OPE. Because it works with Remote Auditing
4.	Outing	Outing once a year	No outings
5.	Training	Attend the training offline and get a transport of IDR 50,000	Online training and no transport for auditors

Based on Management Regulation Number 2 of 2016 concerning Determining Remuneration for Financial Report Audit Services, Article 5 concerning the Policy for Determining Remuneration for Services explains that each member who acts as a peer leader and/or Fellow Public Accountant at KAP must establish a policy as a basis for calculating the amount of remuneration for services. To calculate the use of personal or engagement team working hours in each stage of audit work, the Institute illustrates the Basic Calculation of Determination of KAP Service Fees as stated in Attachment IV in Management Regulation Number 2 of 2016. Indicator of the lower limit of hourly charge-out (minimum hourly charge-out). rates) are determined based on the following tiered classification:

Regional Category	Junior Auditor	Senior Auditor	Supervisor	Manager	Partner
Jabodetabek	100.000	150.000	300.000	700.000	1.500.000
Outside Jabodetabek	70.000	125.000	200.000	500.000	1.200.000

This value is a minimum indicator that can be used as a reference in determining service fees. According to different conditions and characteristics, Members can determine the hourly service fee value which is higher than the value specified above.

From these regulations, it can be concluded that the compensation for Kumbang and Melati's services at KAP

No	Nama	Position	Hourly Rewards	Monthly Rewards
1.	Kumbang	Senior Auditor	Rp125.000	Rp 4.000.000 (125.000 x 32)
2.	Mawar	Senior Auditor	Rp125.000	Rp 4.000.000 (125.000 x 32)
3.	Melati	Junior Auditor	Rp70.000	Rp 2.240.000 (70.000 x 32)

Higher audit fees or remuneration can directly motivate auditor staff to improve and expand their efforts (Hoopes et al., 2018). Thus, auditors will increase their efforts to obtain evidence and guarantee that the financial reports prepared by the company or client are fair so that stakeholders can make various decisions by relying on the previously audited financial reports. Audit efforts play an important role in improving audit quality so that it will influence the audit process and the resulting audit report (Xiao et al., 2020). The higher the fee obtained, the higher the motivation for auditors to implement remote auditing.

The amount of audit fees that are adjusted to the cost components in a KAP will support the performance of public accounting firms and auditors in the audit process because inappropriate budgeting of audit fees will result in losses for public accounting firms resulting in cost inefficiencies and not being in line with needs (Salehi et al., 2017). In the end, this will affect the audit process carried out and will have implications for audit quality. Behrend et al. (2020) stated that budget pressure will put auditors in a difficult position to carry out the process correctly. This is because the auditor's space for movement and audit programs are limited by costs so auditors are less flexible in creating further audit programs even if there are findings that the company being audited is not managed well.

This research explains that the implementation of remote auditing influences the compensation for auditor staff services at Public Accounting Firm Hazea, et al. (2022) explained that remote auditing helps in carrying out audit procedures and reduces auditor salaries at Public Accounting Firms in Yemen and Saudi Arabia so that partners (Public Accountants) have many advantages compared to before the Covid-19 Pandemic. Auditors' perceptions of work efficiency when using remote auditing are significantly

influenced by the level of digitalization of audit activities. On the other hand, auditors feel many benefits from adapting to remote auditing, they accept positively the level of adaptability and work efficiency in terms of teleworking. Perceived opportunities lead to improved audit activity results when Public Accounting Firms (KAP) embrace emerging technologies in the workplace using new methods (remote auditing) (Farcane, et al.: 2022). Audit activities are more effective and efficient if the Public Accounting Firm applies remote working methods.

## CONCLUSION

The implementation of remote auditing influences the professional skepticism of auditors at Public Accounting Firm. However, this can be overcome by increasing auditor competency starting from training, workshops, and even short courses (mini short courses) so that auditors have a better level of self-esteem than before. Apart from that, structured and targeted communication also has a big impact on implementing remote auditing. So, by increasing auditor competency, it is hoped that auditors will have a high level of confidence in carrying out audits.

Apart from that, the implementation of remote auditing has a big influence on the compensation for auditor staff services. Remote auditing can reduce auditor fees at Public Accounting Firms in Yogyakarta. More deeply, this has an impact on the auditor's motivation in carrying out his work. On the other hand, auditors feel many benefits from adapting to remote auditing, they accept positively the level of adaptability and work efficiency in terms of teleworking, but negatively accept the wages they get when implementing remote auditing.

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