

The Impact of The Covid 19 Pandemic on Audit Quality

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Abstract

This study aims to investigate the impact of audit fees, going concern, audit procedures, human capital, and auditor salaries on audit quality during the Covid-19 pandemic. The population used in the study consists of all public accountants who are members of IAPI. A purposive sampling technique is employed to select the sample, which is surveyed using online questionnaires. Multiple linear regression is used to analyze the research data. The findings of the study indicate that audit fees, going concern, audit procedures, and human capital have a positive impact on audit quality, while auditor salary does not significantly affect audit quality

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1. Introduction

The Covid-19 pandemic has had a significant impact on most countries in the world, including Indonesia. The Covid-19 pandemic that has occurred since early 2020 has not only affected the health sector but has also had an impact on the economic order of a country (Dini, 2020; Astuti et al., 2020; Sugiyanto & Robiyanto, 2020; Fahrika & Roy, 2020; Hitt et al., 2021; and Riggan et al., 2021). The Covid-19 pandemic has caused economic growth to slow down and increased losses experienced by the country. The Minister of Finance of the Republic of Indonesia, Sri Mulyani explained that the national economic losses caused by the Covid-19 pandemic in 2020 reached Rp1,356 trillion or 8.8 per cent of Gross Domestic Product (GDP). This value is the difference between the realisation of GDP in 2020 of -2.07 per cent and the economic growth target in the 2020 State Budget of 5.3 per cent (Hidayat, 2021). In addition, the regulation on Large-Scale Social Restrictions which aims to break the chain of the spread of Covid-19 has also increased the economic decline for multinational and national scale companies. This economic downturn has caused many companies to lay off their employees because they are unable to pay employee wages

and some of them have decided to go bankrupt (Pratiwi, 2022).

The impact of the Covid-19 pandemic does not only affect economic conditions in general. However, in the accounting field, the Covid-19 pandemic has had a very significant impact on auditors and Public Accounting Firms (KAP). (Crucean & Hategan, 2021; Budiandru, 2021; Hegazy et al., 2022; and Hategan et al., 2022). *The Association of Chartered Certified Accountants* (2020) explained that during the Covid-19 pandemic, auditors could not travel to conduct audits at client locations, and auditors could not even conduct audits in their own offices. The entire audit process must be conducted remotely. This presents a challenge for auditors to adapt to a digitalised audit process.

ACCA's Covid-19 global survey: Inside Business, Impacts and Responses (2020) found that 53 per cent of auditors experienced pressure to complete their work during the pandemic. Then, more than 36 per cent said they experienced an inability to complete audit reports on time. Then, 25 per cent of auditors said they experienced difficulties in gathering audit evidence and 27 per cent said they encountered increased audit risks related to asset valuation, liability completeness and going concern issues.

KAP and auditors in Indonesia are also experiencing impacts and changes caused by the Covid-19 pandemic. Chairman of the Public Accountant Professional Committee (KPAP), Firmansyah N Nazaroedin said that auditors experience challenges in carrying out their work amidst limitations in performing audit procedures (Purnomo, 2021). Auditors are required to provide sufficient and appropriate audit evidence to improve audit quality but this is difficult to do during a pandemic. Then, Steven Tanggara, who is the Public Accountant Professional Standards Board, also added that the risk of fraud is very difficult to detect during the pandemic (Purnomo, 2021). The situation where the company experiences a decline in revenue raises the issue of business continuity for the entity (Purnomo, 2021). This greatly impacts the quality of the audit and the audit report produced by the auditor.

Audit quality is the conformity between audit standards and audit practices performed by auditors. In research by Albitar *et al.* (2020) and Khasanah & Suryatimur (2021) explain that audit quality is influenced by several factors including: audit fees, going concern, audit procedures, human capital and auditor salaries. Albitar *et al.* (2020) and Khasanah & Suryatimur (2021) also said that during the Covid-19 pandemic, clients negotiated lower audit fees even though working hours and auditor effort tended to increase due to social distancing. Then, conditions where clients experience a decline in sales, layoffs and some of them declare bankruptcy also increase the difficulty and doubt of auditors in assessing the sustainability of the client's business. In addition, audit procedures involving audit steps from the audit planning process, field work, audit conclusions, evaluation and reporting stages are also difficult to complete during the pandemic. Furthermore, due to social distancing restrictions, KAP cannot conduct various training processes to improve auditors' abilities and competencies. Then, the conditions of salary cuts and unpaid leave offers were also experienced by some auditors during the pandemic. This affects the motivation of auditors in carrying out the audit process.

Albitar *et al.* (2020) and Khasanah & Suryatimur (2021) is a documentation study research and does not provide empirical evidence regarding the effect of audit fees, going concern, audit procedures, human capital and auditor salaries on audit quality. Similar studies were also conducted by Hazaea *et al.* (2022) which relates audit fees, audit procedures and auditor salaries to au-

dit quality. This research focuses on internal auditors. Finding Hazaea *et al.* (2022) provides empirical evidence that internal audit fees and internal audit procedures have a positive effect on audit quality, while internal auditor salaries have no effect on audit quality. In addition, the results of the study Nurcahya & Agustina (2021) also provides empirical evidence that audit fees have a positive effect on audit quality. However, this is different from the results of the research by Indra *et al.* (2021) which shows that audit fees have no significant effect on audit quality during the Covid-19 pandemic.

Research findings that have been conducted by Albitar *et al.* (2020), Khasanah & Suryatimur, (2021), Hazaea *et al.* (2022), and Indra *et al.* (2021) shows that there are still gaps and opportunities to develop research on the effect of the Covid-19 pandemic on audit quality in Indonesia. Thus, this study aims to determine the effect of audit fees, going concern, audit procedures, human capital and auditor salaries on audit quality during the Covid-19 pandemic. This study also uses the professional commitment variable as a control variable. The use of professional commitment variables as control variables is due to the understanding that auditors with high professional commitment generally have a high awareness of professional goals and values when conducting audits (Dewi & Kartikasari, 2021). This is indicated to increase the influence of audit fees, going concern, audit procedures, human capital and auditor salaries on audit quality during the Covid-19 pandemic.

This study aims to examine the effect of audit fees, going concern, audit procedures, human capital and auditor salaries on audit quality during the Covid-19 pandemic. The benefits of this research are expected to fill and complete the gaps in previous research by providing empirical evidence regarding the effect of the Covid-19 pandemic on audit quality. This research is also expected to be used as input for policy makers in making adjustments and developing accounting standards and auditing standards after the Covid-19 pandemic.

2. Hypothesis Development

Audit fees are fees that must be paid by clients to auditors for audit services provided. The audit fee is agreed upon by the auditor and the client before conducting the audit process and payment of the audit fee is made after the auditor

has completed the entire audit process. Nurcahya & Agustina (2021) explains that audit fees have a positive impact on audit quality. The higher the audit fee, the higher the resulting audit quality. Yandari & Sudaryati (2017) also explains that audit fees have a significant effect on audit quality. If the value of the audit fee is higher than the normal audit fee, it will be possible for the auditor to produce good audit quality. However, if the value of the audit fee is lower than the normal audit fee, the auditor may compromise the quality of the audit. However, the results of Yandari & Sudaryati (2017) and Nurcahya & Agustina (2021) this is different from the results of research by Yanti & Wijaya (2020) and Sari *et al.* (2019) which show that audit fees have no effect on audit quality. This is because audit fees cannot predict audit quality. However, audit quality depends on how much auditor independence.

The determination of audit fees can be proposed by the client to the auditor by considering various factors, one of which is related to the client's needs. Albitar *et al.* (2020) explained that during the Covid-19 pandemic clients experienced unexpected changes in economic conditions. This is a significant challenge for clients as it affects liquidity, risk, performance and ultimately impacts high audit fees. Hazaea *et al.* (2022) also explains that financial instability during the Covid-19 pandemic has a high risk impact so that auditors need to conduct additional audits which result in requests to increase audit fees. Then, the audit process carried out with social distancing procedures also causes the auditor's effort and working hours to increase even though in this case the client tends to negotiate a low audit fee. Khasanah & Suryatimur (2021) explains that requests for a decrease in audit fees have an impact on audit quality due to increased audit effort and working hours with the emergence of requests for a decrease in audit fees will cause pressure on auditors. Thus, audit fees are indicated to have an effect on audit quality during the pandemic.

H₁: Audit fees affect audit quality during the Covid-19 pandemic

The effect of going concern on audit quality

Going concern is an assumption regarding the company's ability to continue to maintain business continuity (Kaka, 2021). The going concern assumption is influenced by the economic conditions faced by the company. The auditor is an independent party that has an important role in determining the going concern opinion. Akrimi

(2021) explains that auditors take conservative steps in assessing the company's going concern during the Covid-19 pandemic. Bahjat & Saleh (2021) also explained that the financial instability experienced by companies due to the Covid-19 pandemic caused auditors to spend a long time to understand and assess the company's going concern. This is because the risk of business continuity uncertainty faced by companies during the Covid-19 pandemic tends to be higher.

Khasanah & Suryatimur (2021) explained that the Covid-19 pandemic caused the company to experience a decline in sales. Many companies reduced production activities and some of them decided not to operate during the Covid-19 pandemic. This causes difficulties for auditors to assess whether the instability faced by the company indicates the company's critical condition to continue its business or whether the going concern basis is still in accordance with the basis for preparing the company's financial statements. Other than that, Albitar *et al.* (2020) also explains that the high financial uncertainty that causes difficulties and doubts of auditors in determining going concern assessments greatly impacts the quality of the resulting audit. Thus, going concern is indicated to affect audit quality during the Covid-19 pandemic.

H₂: Going concern affects audit quality during the Covid-19 pandemic.

The effect of audit procedures on audit quality

Audit procedures are methods or techniques used in collecting and evaluating audit evidence (Novianty, 2020). Audit procedures are a very important part of the audit process. Pratiwi & Rohman (2021) explains that audit procedures affect auditors in determining fraud committed by clients. In addition, audit procedures also affect the quality of audits produced by auditors. Hazaea *et al.* (2022) explained that during the Covid-19 pandemic, the audit procedures performed by auditors were not sufficient to obtain sufficient audit evidence and financial data during the audit process. This will have a negative impact on the quality of the resulting audit. In addition, audit procedures during the Covid-19 pandemic were also affected by the implementation of work from home and remote audit checks, which also caused auditors to focus on the use of technology in performing alternative audit procedures. Albitar *et al.* (2021); Khasanah & Suryatimur (2021); Grassa *et al.* (2022) explains that the application of work from home increases various audit risks that au-

ditors must be aware of so as not to affect the quality of audit evidence.

Albitar *et al.* (2020) explaining the quality of audit evidence obtained through audit procedures is very important to ensure the auditor's conclusions are correct. If the information from audit evidence has low quality, the risk of giving the wrong audit opinion will be higher. The quality of audit evidence depends on the form and source of evidence. During the Covid-19 pandemic, auditors are more likely to rely on audit evidence in electronic form from external sources such as customers, suppliers, banks and other parties because such evidence is more reliable than evidence obtained from clients. (Pwc, 2022). However, the declining use of physical audit evidence along with the increasing use of electronic audit evidence during the Covid-19 pandemic also affects the adequacy and reliability of audit evidence which impacts audit quality. This is because the use of physical audit evidence is more reliable and tested than the use of electronic audit evidence. Thus, determining the right audit procedure will greatly impact the accuracy and adequacy of audit evidence which then has an impact on the quality of the audit performed.

H₃: Audit procedures affect audit quality during the Covid-19 pandemic.

The effect of human capital on audit quality

Human capital is a form of employee development that focuses on education, training and improving the ability of employees to provide added value to the organisation. Supriatna (2014) explains that increasing human capital has a good impact on individual employee performance and organisational performance. Basundoro & Purwanto (2017) proves that human capital has a negative effect on reducing audit quality. If an auditor has a high level of human capital as measured using the level of education, professional certification, work experience and continuing professional education, the auditor's actions to reduce the resulting audit quality will be lower.

Human capital development is a very important factor for an organisation. Samagaio & Rodrigues (2016) explained that one form of investment made by KAP related to human capital will have an impact on improving audit quality. However, during the Covid-19 pandemic, any activities aimed at improving human capital in KAP cannot be carried out due to the implementation of social distancing. The Covid-19 pandemic caused all KAPs to cancel all monthly training ses-

sions, workshops and various other professional development programs. This aims to reduce the cost and risk of the spread of Covid-19. Other than that, Albitar *et al.* (2020) also explains that not carrying out human capital development activities causes the efficiency and ability of auditors to decrease which has a negative impact on audit quality. Thus, human capital is indicated to be one of the most important factors in determining audit quality

H₄: Human capital affects audit quality during the Covid-19 pandemic.

The effect of auditor salary on audit quality

Salary is one of the factors that motivate employees when working. If employees get a large amount of salary, it will encourage these employees to produce good quality work and vice versa (Yuni, 2018). However, Albitar *et al.* (2020) explained that during the Covid-19 pandemic, salaries became one of the most sensitive issues because most companies reduced costs in various ways such as cutting wages, offering unpaid leave and even laying off employees.

The influence of the Covid-19 pandemic is also experienced by most auditors when conducting audits. Hazaea *et al.* (2022) explained that the Covid-19 pandemic caused the complexity, responsibility and workload of auditors to increase due to social distancing and work from home procedures. The increase in working hours and auditors' efforts to conduct audits should be followed by an increase in salaries that can motivate auditors to conduct audits during the Covid-19 pandemic. However, Hazaea *et al.* (2022) explains that financial instability and cost-cutting measures have a negative effect on auditor salaries. Auditors will lose motivation to conduct audits in the most efficient and effective manner due to a reduction in the salary received. This will lead to a decrease in auditor performance which will also have an impact on the quality of the resulting audit.

H₅: Auditor salaries affect audit quality during the covid-19 pandemic.

3. Data and Metode Penelitian

This study uses a quantitative approach that aims to examine the effect of audit fees, going concern, audit procedures, human capital and auditor salaries on audit quality during the Covid-19 pandemic by using professional commitment as a control variable. The data source of this rese-

arch uses primary data with data collection techniques, namely surveys. The survey was conducted through distributing questionnaires online to auditors who are members of the IAPI membership. The population used in this study were all auditors who are members of the IAPI membership. Sampling using snowball sampling technique. The snowball sampling technique was

carried out by distributing questionnaires via google form from one respondent to another on a rolling basis. Respondents who are used as samples must also meet the criteria, namely conducting audits during the Covid-19 pandemic. Furthermore, the operational definitions and empirical indicators are presented in table 1.

Tabel 1. Operational Definitions Variables and Empirical Indicators

Variable	Operational definition	Empirical indicators
Audit fee	Audit fees represent revenue for auditors that varies in nature depending on the engagement, the complexity of the services provided, the risks faced, the level of specific expertise required and the cost conditions of the audit firm.	<ul style="list-style-type: none"> • Risk of assignment • Complexity of the service • Level of expertise • Cost structure
Going concern	Going concern is a basic assumption in making financial statements that refers to the company's ability to maintain its business continuity for a long time.	<ul style="list-style-type: none"> • Financial condition • Auditor reputation • Financial statement disclosure • Previous year's audit opinion • Company growth
Audit Procedures	Audit procedures are detailed instructions for collecting and evaluating audit evidence to form the basis for an auditor's opinion.	<ul style="list-style-type: none"> • Understanding the client's business • Using assertion information • Analytical procedures • Confirmation with third parties
Human capital	Human capital is a combination of knowledge, skills, ability to innovate and ability to get the job done, including corporate values, culture and philosophy.	<ul style="list-style-type: none"> • Education • Work experience • Professional qualification
Auditor salary	Salary is the income received by employees as a form of reward for services performed for the company.	<ul style="list-style-type: none"> • Eligibility • Work motivation • Job satisfaction
Professional commitment	Professional commitment is a trait of loyalty and loyalty that encourages a person's involvement in making decisions.	<ul style="list-style-type: none"> • Devotion to the profession • Social obligation • Independence • Belief in professional rules • Relationship with fellow professionals
Audit quality	Audit quality is the conformity between audit standards and audit practices carried out by auditors to reveal fraudulent acts committed by clients.	<ul style="list-style-type: none"> • Compliance with SPAP (Public Accountant Professional Standards). • Compliance with SOP (Standard Operating Procedures). • Audit risk. • The principle of prudence.

Data analysis techniques in this study using multiple linear regression models that aim to test the effect of audit fees, going concern, audit procedures, human capital and auditor salaries on audit quality by using professional commitment as a control variable. Testing begins with validity and reliability tests to determine the validity of the data obtained by questionnaire. Then, the classic assumption test which consists of: normality test, multicollinearity test and heteroscedasticity test. Furthermore, hypothesis testing was carried out using the t test. The following is a multiple linear regression equation used in this study:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

Where: Y= Audit quality; α = constant; β = Regression coefficient; X_1 = Audit fee; X_2 = *Going concern*; X_3 = Audit procedures; X_4 = Human capital; X_5 = Auditor salary; X_6 = Professional commitment; e = *Error*

4. Result

Descriptive statistics

Table 2 shows that the total data in this study came from 51 respondents and based on the data on the audit fee variable, the minimum value is 8.00 and the maximum is 29.00, the mean is

20.31 (58.03%) and the standard deviation is 4.25. The mean value of 20.31 indicates that overall the auditors who are respondents in this study think that audit fees have not decreased significantly during the Covid-19 pandemic. Then, the going concern variable has a minimum value of 9.00, a maximum of 28.00, a mean of 21.10 (52.75) and a standard deviation of 4.18. The mean value of 21.10 explains that overall the auditors who are respondents in this study think that the audited clients experience changes in financial condition but still have the ability related to business continuity. Furthermore, the audit procedure variable has a minimum value of 7.00, a maximum of 30.00, a mean of 19.25 (55%) and a standard deviation of 4.70. This shows that auditors who are respondents in this study think that the Covid-19 pandemic has made changes in the application of audit procedures carried out during the audit process.

Tabel 2. Descriptive Statistics

Variable	Minimum	Maximum	Mean	St.. Dev.
Audit fee	8.00	29.00	20.31	4.24
Going Concern	9.00	28.00	21.09	4.18
Audit procedures	7.00	30.00	19.25	4.69
Human Capital	19.00	33.00	24.21	3.19
Auditor salary	7.00	28.00	17.88	4.06
Professional commitment	28.00	48.00	36.52	4.60
Audit quality	24.00	40.00	31.84	4.23

The human capital variable has a minimum value of 19.00, a maximum of 33.00, a mean of 24.22 (69.20%) and a standard deviation of 3.19. The average value of 24.22 indicates that in general auditors have the opportunity to improve their abilities and competencies through various supporting activities carried out online during the Covid-19 pandemic. Furthermore, auditor salary has a minimum value of 7.00, a maximum of 28.00, a mean of 17.88 (59.60) and a standard deviation of 4.06. The average value of 17.88 explains that overall auditors did not experience a significant decrease in salary during the Covid-19 pandemic. Then, the professional commitment variable has a minimum value of 28.00, a maximum of 48.00, a mean of 36.53 (73.06%) and a standard deviation of 4.66. The average value of 36.53 explains that overall the auditors have a high professional commitment to their profession as public accountants. Then, audit quality has a mini-

um value of 24.00, a maximum of 40.00, a mean of 31.84 (79.60%) and a standard deviation of 4.23. The mean value of 31.84 explains that overall auditors maintain audit quality when conducting audits in the midst of the Covid-19 pandemic.

Classical assumption test

The classical assumption test in this study was carried out using the normality test, heteroscedasticity and multicollinearity test. The normality test was carried out using the kolmogorov smirnov test. Data is said to be normally distributed if it has a significance value of $KS > 0.05$. The results of the normality test show that the significance value of KS is $0.200 > 0.05$ so it can be concluded that the data is normally distributed. Then, the heteroscedasticity test is carried out using the Glejser method. Data is said to have no heteroscedasticity if it has a significance value > 0.05 . The results of the heteroscedasticity test show that the significance value for the variables audit fees, going concern, audit procedures, human capital, auditor salaries and professional commitment are in the range of 0.073-0.632 greater than 0.05. So it can be concluded that the research data meets the requirements for heteroscedasticity. Furthermore, the multicollinearity test is carried out using the VIF and Variance methods. Data is said to have no multicollinearity if the VIF value < 10 and the tolerance value > 0.10 . The results of the multicollinearity test show that the VIF value is in the range of 2.120-3.237 less than 10 and the tolerance value is in the range of 0.309-0.702 greater than 0.10. So it can be concluded that the research data does not experience multicollinearity.

Hypothesis testing

Table 3 shows that the significance value of the influence of audit fees on audit quality is $0.015 < 0.05$. This indicates that audit fees have a positive effect on audit quality so that H_1 is accepted. The results of the hypothesis test of the influence of the going concern variable on audit quality have a significance value of $0.025 < 0.05$. This result indicates that going concern has a positive effect on audit quality so that H_2 is accepted. Furthermore, the results of the test of the influence of the audit procedure variable on audit quality have a significance value of $0.004 < 0.05$. This result indicates that audit procedures have a positive effect on audit quality so that H_3 is accepted. The results of the hypothesis test of the influence of the human capital variable on audit quality have

a significance value of $0.001 < 0.05$. This indicates that human capital has a positive effect on audit quality so that H_4 is accepted. Meanwhile, the results of the hypothesis test of the influence of auditor salary on audit quality have a significance value of $0.114 > 0.05$. This result concludes that auditor salary does not affect audit quality so that H_5 is rejected. Then, the test results of the influence of the professional commitment variable as a control variable with audit quality have a significance value of $0.000 < 0.05$. So it can be concluded that professional commitment as a control has a positive effect on audit quality.

Tabel 3. Hypothesis Testing

	β	Std. Error	t
(Constant)	-7.831	4.980	0.123
Audit fee	0.166	0.066	0.015
Going Concern	0.117	0.050	0.025
Audit Procedures	0.268	0.089	0.004
Human Capital	0.627	0.185	0.001
Auditor Salary	-0.183	0.114	0.114
Professional Commitment	0.434	0.108	0.000

5. Discussion

The effect of audit fees on audit quality

The test results show that audit fees have a positive effect on audit quality during the Covid-19 pandemic. The determination of audit fees is based on various factors, one of which is related to the complexity and risk of the audit being conducted. The higher the level of complexity and risk, the higher the audit fees that must be paid by the company to the auditor. Meidawati & Assidiqi (2019) explained that generally high audit fees will result in quality audit opinions. However, during the Covid-19 pandemic, companies faced unstable economic conditions, as a result most companies asked for a reduction in audit fees. In addition, the audit work carried out by auditors during the Covid-19 pandemic has increased because the audit process tends to be more difficult over long distances.

Albitar *et al.* (2020) said that the request for a reduction in audit fees that was not in line with the increase in audit complexity during the Covid-19 pandemic had an impact on the declining quality of the audits produced. The results of this study are in line with research Khasanah & Suryatimur (2021) Hazaea *et al.* (2022); Farghaly *et al.* (2024) which shows that the Covid-19 pandemic has caused pressure for KAP to reduce audit fees and this has a significant impact on audit quality.

Alkebesee *et al.* (2023) also explained that periodic restrictions during the Covid-19 pandemic were the main factor causing the financial crisis. As a result, companies are bargaining to reduce audit fees in response to the economic and financial crisis they are facing. In addition, the audit process carried out through digital media is also the reason auditors accept a decrease in audit fees. This affects the auditor's motivation to conduct audits because of the increased risk, workload and audit hours that do not match the audit fees received.

The effect of going concern on audit quality

The test results show that the going concern variable has a positive influence on audit quality during the Covid-19 pandemic. The Covid-19 pandemic has caused companies to experience financial difficulties. Most companies experienced a decline in sales which resulted in a decrease in profits and losses during the Covid 19 pandemic period. In addition, companies also reduced the amount of production and laid off employees to minimize costs incurred. This condition creates difficulties and doubts for auditors in assessing the company's ability to maintain its business continuity. Khasanah dan Suryatimur (2021) explains that auditors apply the principle of conservatism in assessing the business continuity risks faced by the company to minimize errors in providing opinions. In addition, auditors also expanded audit efforts carried out during the Covid-19 pandemic with the aim that the resulting reports would be of good quality even though the time required for the audit process during the Covid-19 pandemic was relatively longer. The results of this study are in line with Albitar *et al.* (2020), Khasanah & Suryatimur (2021) which explains that during the Covid-19 pandemic, auditors are very skeptical in providing audit opinions related to the company's business continuity conditions. Most companies do experience a decline in profits due to declining production and sales processes. However, companies with high market capitalization tend to have the ability to continue their business. So that the opinion resulting from the audit process tends to be the same as the conditions before the Covid-19 pandemic. However, companies with poor liquidity tend to have higher business risks during the Covid-19 pandemic so the audit process needs to be carried out carefully. Auditors need to conduct a more in-depth review and analysis related to the possibility of breach of agreement or loans or other things that are the result of changes in the company's condition. This is important to do be-

cause it has an impact on the audit results provided.

The influence of audit procedures on audit quality

The test results show that audit procedures have a positive effect on audit quality during the Covid-19 pandemic. The better the audit procedures are implemented, the higher the quality of the audit produced. During the Covid-19 pandemic, the audit procedures carried out tend to change. The audit process that is usually carried out at the client's location ultimately has to be done online. Most auditors do not directly visit the client's location to conduct audits due to regulations regarding PSBB and WFH. As a result, most audit procedures cannot be carried out by auditors. Ho et al. (2022) explained that one of the procedures that could not be carried out by auditors during the pandemic was physical counting/inventory inspection due to social restrictions. As a result, the results of the study Ho et al. (2022) shows that companies with high levels of physical inventory have significantly lower audit quality. The results of this study are also in line with Hazaea et al. (2022) which shows that audit procedures have undergone negative changes that have an impact on the quality of the resulting audit.

Hazaea et al. (2022) also explained that during the implementation of WFH, auditors experienced inability to carry out audit procedures starting from the preparation of audit plans, examinations and surveys so that confidence in the data obtained became inadequate. This causes the basis of information for determining audit opinions to be inaccurate and unreliable so that the risk of providing incorrect audit opinions will increase as a result of decreasing audit quality. The results of this study also support previous research conducted by Albiter et al. (2020), Khasanah & Suryatimur (2021) which explains that the audit procedure cannot be carried out optimally because the auditor is unable to collect audit evidence. Reliable audit evidence is audit evidence obtained by the auditor himself. However, during the Covid-19 pandemic, auditors rely on audit evidence provided by clients and sent online. This makes it difficult for auditors to verify the audit evidence provided by clients. In addition, the implementation of remote audits at the beginning of the Covid-19 pandemic has a high risk to the audit process because auditors must adapt and hone their skills in using technology quickly when conducting audits.

The influence of human capital on audit quality

The results of this analysis indicate that human capital has a positive effect on audit quality during the Covid-19 pandemic. This means that the higher the auditor's participation in participating in activities that support their profession, the higher the quality of the audit produced. During the Covid-19 pandemic, various training activities, seminars and other supporting activities were not carried out face-to-face due to the PSBB regulations to break the chain of transmission of Covid-19. However, the opportunity for auditors to continue to develop themselves is not limited during the Covid-19 pandemic. Various supporting activities such as seminars, workshops, training and certification exams are still openly carried out online. Thus, auditors still have the opportunity to develop themselves through various activities that will have an impact on increasing the auditor's ability when conducting audits.

There are many factors that affect audit quality, but auditor skills developed through various training activities are one of the factors that have a positive impact on increasing audit quality. The results of this study are in line with research Albiter et al. (2020) which explains that skills, auditor self-quality and auditor training are important factors in determining auditor quality. This has an indirect impact on audit quality. In addition, Albeter et al. (2020) also explained that auditors have great potential and a very important role in conducting the audit process so that auditors who have high skills will conduct audits with the most appropriate audit procedures according to the company's conditions. In addition, the experience gained by auditors through on the job training can also substantially improve audit performance and audit quality.

The effect of auditor salary on audit quality

The results of the analysis show that auditor salary has no effect on audit quality. This means that the amount of salary received by the auditor does not improve the quality of the audit conducted during the Covid-19 pandemic. The absence of this effect is because most companies are cutting salaries and laying off employees to reduce expenses due to financial difficulties. However, KAPs tend not to reduce the salaries received by auditors. On the contrary, most KAPs may increase auditor salaries due to the increasing audit working hours during the Covid-19 pandemic. Albiter et al. (2020) explains that salary is one of the factors that can motivate employees,

but the relationship between salary and audit quality is still unclear because of the many other substantial factors that influence auditors in conducting audits such as difficulties in collecting audit evidence and the inability to complete audit reports on time.

The results of this study are in line with research conducted by Hazaea et al. (2022) which shows that salary does not affect audit quality. This is because during the Covid-19 pandemic, auditors did not experience any changes in the form of salary. In addition, most auditors do not receive additional fees even though audit working hours tend to increase during the Covid-19 pandemic. As a result, this does not have an impact on the quality of the audit produced by the auditor. In addition, the provision of salaries, bonuses and incentives is also given to auditors in accordance with the same rules and standards as the situation before the Covid-19 pandemic, even KAP with a small scale and experiencing financial problems may not provide additional salaries, incentives or overtime costs during the Covid-19 pandemic. So this is not the main factor influencing auditors in improving audit quality during the Covid-19 pandemic.

6. Conclusion and Suggestion

Conclusion

The findings of this study indicate that audit fees, going concern, audit procedures and human capital have a positive effect on audit quality. Auditor salary also has no effect on audit quality. The implication of this study is the increase in going concern and human capital in improving audit quality. Determination and understanding of audit procedures are very important to improve audit quality.

Suggestion

The limitations of this study are that collecting research data using online questionnaires to auditors who are members of IAPI takes a long time and filling out the questionnaires that are not controlled causes the possibility of filling out the questionnaires inconsistently with the actual situation. Further research is expected to develop this study by using secondary data owned by public companies and comparing audit quality before and after the Covid-19 pandemic to provide empirical evidence regarding the impact of Covid-19

on audit quality based on financial information owned by the company.

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