IMPLICATIONS OF INFORMATION TECHNOLOGY ON PERFORMANCE OF BUSINESS MANAGEMENT THROUGH A REMOTE AUDIT APPROACH TO AUDIT QUALITY

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Abstract: The company, in the face of the prolonged Covid-19 pandemic, which has entered its third year, has made many changes and changes from various sides. These changes and changes have brought a lot of acceleration in technological progress and exploration, this is part of the company's adaptive response. In response to the prolonged Covid-19 pandemic , business management and performance quality monitoring have become a means of strengthening the business wheel, so that it becomes a relevant link, those responsible for business management governance are required to compile and present financial reports along with other relevant disclosures based on the best judgment and analysis of current facts and predictable events after the reporting date. Starting from efforts to strengthen business management performance while the Covid-19 pandemic situation requires the fulfillment of health protocols and social distancing policies , the supervisory department and audit system in business organizations are faced with a dilemma of interest, namely between maintaining audit quality and being able to obtain sufficient and appropriate audit evidence. to support the audit opinion through modifying audit evidence collection procedures, revising the process for identifying and assessing risks of material misstatement, and changing planned audit procedures or performing alternative or follow-up audit procedures as appropriate. Exploration of information technology and investment in technology that will provide a solution to facilitate communication between the auditor department and business management using remote audit potential or known as remote audit , so that with this alternative solution the performance of business management can be optimized for monitoring and escorting the wheels of business by exploring deeper into the use of remote audit in influencing audit quality.

Keywords: *Covid-19 pandemic, remote audit , audit software , information technology, management performance*

1. Introduction

Auditing as a form of activity to collect evidence, then examine and convey the results to users (Mautz & Sharaf, 1985) . In submitting reports to users, the auditor must carry out audit procedures so that the auditor obtains audit findings. The theory of auditing cannot be

separated from accounting theory, because the two things are interrelated. Accounting theory contains the principles of a business unit and the going concern principle , while audit theory is related to the examination of financial statements which are products of accounting (Cassell et al., 2020) .

The first philosophical audit was put forward by Mautz (1985) namely that auditing is a series of practices and procedures as well as methods and techniques with only a few explanations, descriptions and reconciliations that become one in a theory.

Furthermore by Hayes et al (2015) developed in several studies that resulted in the conclusion that auditing is a systematic process of obtaining and objectively evaluating evidence about assertions about economic actions and events to ascertain the degree of correspondence between these assertions and established criteria, and communicating the results to interested users. Talking about an assertion is a management statement contained in a component of the financial statements as a declaration, or a series of declarations as a whole, by the party responsible for the declaration. So, an assertion is a statement made by one party that is implicitly intended to be used by another party (a third party). For historical financial statements, assertions are statements in financial statements by management in accordance with generally accepted accounting principles in Indonesia (Mautz & Sharaf, 1985) .

Departing from the above, there are several components in terms of audit, namely audit is an activity that goes through an audit process, starting from collecting sufficient evidence, then the second is evaluating the adequacy of evidence to be able to conclude about the condition of a company, the third is conveying the results of these findings in the form of an audit opinion.

The prolonged Covid-19 pandemic that has entered its third year has resulted in many changes and changes from various sides, including the audit department in business organizations. The Covid -19 pandemic situation requires compliance with health protocols and social distancing policies, the audit system in business organizations is faced with a dilemma of interest, namely between maintaining audit quality and being able to obtain sufficient and appropriate audit evidence to support audit opinions through modifying audit evidence collection procedures. revise the process of identifying and assessing the risks of material misstatement, as well as changing the planned audit procedures or performing alternative procedures or appropriate follow-up audit procedures.

In response to the prolonged Covid-19 pandemic, it turns out that it cannot be generalized that all will experience a downturn, but there is a good side and brings blessings to technological progress and leads to an accelerated path of technological progress and exploration, this is part of the adaptive response . company (Agustin, 2021) . One of the paths for accelerating technological progress and exploration is the exploration of information technology and investment in technology, which will provide a solution to facilitate communication between the auditor's department and business management using the potential for remote auditing or known as remote audit.

The use of information technology and the internet to access and report on the accuracy of internal controls and financial reports, to collect evidence electronically, and interact with the auditee, from where the auditor is located is a smart solution that combines data analysis and the use of information technology (Teeter et al., 2014) .

The use of information technology and the internet is part of Agility or commonly called agility and flexibility of auditors in conducting audits, which is very necessary during this Covid-19 pandemic, moreover, auditors are faced with various risks such as fraud,

management changes and lack of resources (Albitar). et al., 2020) . Auditor agility is also seen in the attitude of internal audit to release assurance and directing internal audit staff to provide maximum advisory services to the company in carrying out management functions (Mulyani & Munthe, 2019)

2. Research Methods

This research is part of a preliminary study, a collaboration between the Al-Abidin Research and Development Institute in Surakarta with research lecturers across fields of expertise in economics, applied mathematics, informatics engineering at Duta Bangsa University Surakarta, and STMIK Sinar Nusantara Surakarta, by developing a conceptual framework model for strategies to increase resilience. Financial Resilience in SME business organizations during the Covid-19 pandemic crisis through an effective assessment of financial literacy, financial inclusion, innovation capability, financial quotient from the Collaborative Network, IT, and Entrepreneurial Orientation aspects with an IPO (Input-Process-Output) approach as well as the department of supervision and Al-Abidin internal audit in supervision and auditing as a controlling function in institutions under the Al-Abidin foundation including business units of BMT Al-Abdin Surakarta, Lazis Al-Abidin institution, research and development institute Al-Abidin in supporting the formation of a conceptual framework how to improve innovation performance through increased creativity and exploration of information technology.

3. Performance Management Organization Business

Managerial performance is managerial performance as a result of work that has been achieved in business organizations in managerial activities which include planning, investigation, coordination, evaluation, supervision, staffing, negotiation, and representation (Dunk & Perera, 1997).

Glore Peneliti Researcher (2010) explained that managerial performance as performance management is a process where supervisors ensure that their staff produce work that is in accordance with the strategy and goals of the company itself. Performance management also plays an important role in achieving competitive advantage.

Performance Management has three priority points according to Kotler (2011), namely:
1) Defining Performance, at this stage the definition of performance is carried out, which is carried out during task analysis or job analysis
2) Measuring Performance, namely for measure this performance using performance appraisal ,
3) Performance Feedback, on Step In this case , the supervisor or supervisor will provide suggestions for improving the performance of his staff to match the company's strategy.

Meanwhile, Armstrong (2014) , explained that performance management is an effort made by companies to get the best results in groups, individuals or organizations through explanations and understanding of performance in a clear work structure in standards, goals and competencies that have been mutually agreed upon. .

The benefits of effective performance management are as a popular method for managing staff because it provides many benefits for companies that implement it, namely in the performance management system which is described as follows (Zenor, 1994):
a) Function Coordination , that is when staff and management agree hope and destination for something department or whole company , thing that will make it easy work as a unit that is attached to one another (cohesive) . Next with give know member staff and

team about what to expect from them , they no need use up time for complete tasks according to company no important. On the other hand, making good use of time in the office is not only to the benefit of the company, but also benefits employees by giving them the feeling that they are contributing to something important.

b) Function Efficiency, that is in business organizations in which there are staff who are under the performance management system is to know exactly what is expected of them, it is easier for them to spend time more wisely. As giver work, more easy for deciding what is most important for done on time certain, taking into account the priority level and its attainment.

c) The function of motivation, namely in a business organization, an employee is important to feel that the work he does is to be appreciated, when he has worked hard but does not get an award, it results in declining performance as a result, because the motivation to continue to work hard disappears when coworkers are lacking. diligently receive the same award. When employees as individuals in a team are motivated, it becomes easier, and overall beneficial for the company

4. Technology Information in Audit Scope

Information technology and the internet have become an inseparable part of business operations, business performance, management, supervision and control activities in business organizations, including the Research and Development (R and D) department of business organizations (Anatan, 2010) .

Collaboration between Research and Development (R and D) business organizations with the auditing department's supervisory and controlling function with the support of information technology is very useful for improving the management performance of business organizations, especially in collecting, storing, and analyzing information, through exploration and optimization of interactive media functions. electronics, information technology, Internet and Intranet, search engines, cloud computing, databases and big data (Dziyaba, 2016).

As business organizations take on expanded functions and grow in size, it becomes essential to equip them with good information systems technology i.e. from which data can be accessed for analysis by executives and managers   at different levels (Ates & Bititci, 2017). The support of computerized information system technology enables efficient operation of different subsystems in the organization as information for each area such as finance, budget, plant maintenance, transportation, distribution, marketing, or human resources, can be easily retrieved by any department including supervisory functions. and auditing department control (Cassell et al., 2020).

5. Remote Audit in the Scope of Auditing

Auditing is an examination carried out critically and systematically, by an independent party in this case is the company's internal audit department or an independent auditor from an external party, on the financial statements that have been prepared by management, including accounting records and supporting evidence, to provide an opinion regarding the fairness financial report (Tedjasuksmana, 2021). Inspections are also carried out on procedures or quality systems, in accordance with the standard requirements set (Muhayoca & Ariani, 2017) . For this reason, it can be said that auditing is an accounting practice related to checking the correctness of all financial records of an organization. So that the auditor is

required to be able to review in full, from financial statement records to policies, procedures, and compliance with laws and regulations (Wardani & Nugraheni, 2021) .

In its implementation, remote auditing or remote auditing has consequences, namely requiring the auditor to (Tarek et al., 2017) :

1) I have competence as well as has get trust from para holder interests ,
2) I understand master system and technology information as form understanding risk and control in the information technology environment ,
3) Understand the process of big data analytics (big data) so that guarantee covers more coverage _ wide . and recommendation worth strategic ,
4) I have Skills communication in build insightful relationship _ with organization ,
5) I have thinking analytical and critical because competence the no could fully replaced by robots, so a kuntan must keep going hone Skills analytical and think critically , as well ability for thinking open and desire for study ,
6) continue _ continuously develop self for could follow developments that are happening in all limitations that must faced towards the era of the development of information and communication technology in revolution Industry 4.0 to 5.0 Society and the era of 4G technology to 5G Society.

The Covid-19 pandemic situation has given rise to alternative options as a solution, namely remote auditing or remote auditing. A remote audit is an audit that is conducted partially or completely offsite. The audit will still cover all areas but use digital technology support to support assessors where site visits are not possible.

A remote audit has the same duration as a conventional audit at the site to be audited. The audited party will be contacted and communicated via the conference service for most of the duration of the audit. The remote audit itself is carried out like an audit in general, starting from planning or pre-audit, opening meeting , audit implementation, closing meeting and reporting , then post - audit follow- up The audit includes review of documents and records, company tours, interviews with employees and presentation of findings using various technology platforms such as Webex, Zoom, MS Teams, GotoWebinar, and so on (Albitar et al., 2021) .

Departing from the remote audit implementation , there are several main considerations that can be made in the priority stage as follows:
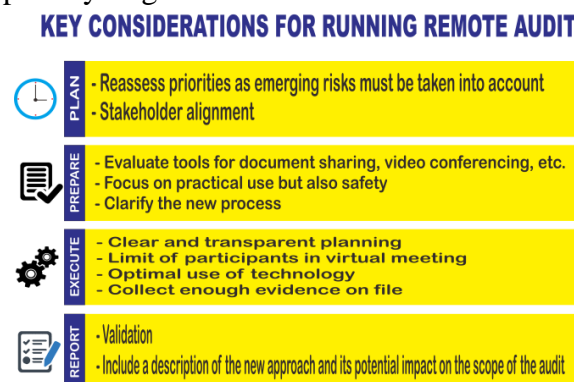

Figure 1. Key Considerations for Running Remote Audits (Mautz & Sharaf, 1985) , (Tedjasuksmana, 2021) , (Cassell et al., 2020)

The planning stage (Plan), which includes planning , scheduling , communication to the auditor and also the preparation of documents or evidence needed. The client or the audited

party needs to prepare a technology platform that is used as a conference room and ensure the availability of the auditee according to the audit schedule that has been obtained from the auditor.

Next, entering the preparation stage , the required documents must be prepared in a sharepoint or a certain storage area used by the company. This is to make it easier to show the documents requested by the auditor during the audit process. If there are more than one auditors and running in parallel, then the client or the auditee needs to prepare a conference room according to the number of auditors and ensure the availability of the auditee in each room.

For the execution stage (execute), as the implementation stage, it is grouped into the following steps:

a. Document Review

At the document review stage, the auditee can show the document through the sharescreen method through the platform used. If the required documents are in physical form, the auditee can prepare a scan of the document to be shown to the auditor. However, it would be better if the auditor obtained temporary access permission to the client's documentation system during the audit period so that the auditor could easily and quickly review documents (Wardani & Nugraheni, 2021) .

b. Visit or Company Tour

At the stage of company visits or tours, it can be done using web streaming or video conferencing which can show the physical part of the company that will be assessed by the auditor. The audited party (auditee) must ensure that the device or tool used as a media tour functions properly and clearly. At this stage, communication goes both ways, the auditee explains each part of the company to the auditor and the auditor can direct the auditee to show certain parts according to the standards used by the auditor (Zahrawati et al., 2021) . And if needed, the auditee can prepare CCTV footage of the company which will be used as material for the auditor's review.

c. Interview Employee

The interview process was conducted virtually via video conferencing . The auditor will ask several questions to the auditee to ensure the suitability of the documents and processes carried out. It would be better if all parties being audited to enable video so that communication can be carried out face-to-face like a normal audit. All auditees must also be prepared with documents that are part of their responsibility if needed to be shown to the auditor.

The final stage, which is the closing and reporting stage, is the implementation stage after the audit, and a closing meeting is held through technology platforms such as Webex, Zoom, MS Teams, GotoWebinar, and so on . The auditor will present the findings during the audit and will provide an opportunity for the auditee if there are points that are deemed inappropriate by showing the evidence they have. Thus, the audit results can be mutually agreed upon and can be continued for the post-audit follow-up process and certificate issuance.

6. Conclusion
Based on the above process, remote auditing has several critical points that determine the effectiveness of the audit:

a. Key Personnel

Need a designated person or key personnel as the key to the connection and must available During the entire audit procession, as well as the leadership peak must ready for available During meeting opening and closing, as well as various time during the audit if question appear.

b. Preparation Document

Remote audit far away that is done without any visit to see the document by directly , then all document must prepared as good as Possible on storage media certain so that could accessed with easy moment audit implementation.

c. Device Communication and Connection .

Remote audit far depend on technology and availability internet network, by because that need confirmed that network used in state good. And be sure to test the application or conferencing system prior to the start of the audit and familiarize yourself with its functionality including the availability of the account management team, user id, password as core support for the required communication and connection lines.

d. Security and Confidentiality

Internet access used must confirmed the safety because documents confidential also can so required during the audit. So need also pay attention to the side security and secrecy document .

e. Availability Team

Audits are conducted online involving many auditees in their respective locations, it is necessary to ensure that all auditees need to be present on time and use a good network

f. Management time .

The conduct of the audit must based on the audit plan that has been agreed to run by effective and no eat addition time .

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