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ARTICLE INFO

Keywords: 

ABSTRACT

Currently the world is under heavy pressure due to the outbreak of the covid-19 virus. The WFH policy for employees also has an impact on internal auditors, internal auditors must adjust to the conditions and schedules of employees. Remote auditing is the best alternative for auditors to complete their work during a pandemic. This study aims to analyse the impact of Covid-19 on internal audit procedures. The researcher in conducting the analysis uses qualitative methods with primary and secondary data sources, while the type of data used is qualitative. Data collection methods are interviews and documentation. The results of the data analysis were then validated for drawing conclusions. The results of the study show that the internal audit/review procedure during the COVID-19 pandemic has undergone several changes in its implementation. Data analysis which shows that inspection procedures at private institutions at all stages of implementation are carried out remotely or online, Meanwhile, in Public accounting Firm, all stages of implementation are carried out remotely or online, except for the inspection stage which is carried out in person and remotely. Based on the results of data analysis, it shows that auditors from agencies and auditors from Public Accounting Firm have carried out remote audits, but there are also those who still combine them with traditional audits.

INTRODUCTION

Currently the world is under heavy pressure due to the outbreak of the covid-19 virus or what is often called the 2019 Coronavirus. This epidemic entered Indonesia in early 2020 and infected millions of people and resulted in tens of thousands of people dying. In addition, the increasing number of infected patients and the rapid spread have forced the government to make various regulations that limit community activities. This condition has had a major impact in various fields, including the Indonesian economy.

Director General of Taxes, Ministry of Finance, Suryo Utomo, stated that the economic turmoil due to the COVID-19 pandemic hit various fields. At least three major impacts of COVID-19 on the Indonesian economy. The first impact is to make household consumption or purchasing power which is the pillar of 60 percent of the economy fall quite deeply. This is evidenced by data from BPS which recorded that household consumption fell from 5.02 percent in the first quarter of 2019 to 2.84 percent
in the first quarter of this year. The second impact is that the pandemic causes prolonged uncertainty so that investment also weakens and has implications for the cessation of business. The third impact is that the entire world is experiencing a weakening economy, causing commodity prices to fall and Indonesia's exports to several countries also stalling (Republika.co.id).

The existence of regulations from the government in limiting activities outside the home, has an impact on the company’s operational activities, both companies engaged in manufacturing, services, trade, to non-profit companies. However, the organization continues to adapt government regulations to the organization's internal rules which results in new internal controls for the company so that the organization's activities continue to run.

Internal control is the utilization of various resources of the company/organization in an effort to improve, direct, control, and supervise various activities of the organization/company so as to provide adequate assurance that the objectives of the organization/company can be achieved. Agoes (2012) explains that if the internal control of a business unit is weak, the possibility of errors, inaccuracies, and fraud within the company is very large.

The implementation of internal control requires monitoring of its implementation so that the company's goals can be achieved. This supervision is generally carried out by internal auditors or the Internal Audit Unit (SPI), which ensures that internal controls are running well. Therefore, SPI or internal auditors routinely conduct internal audits of the activities carried out by the company in accordance with established policies. Internal audit activities are carried out with various written procedures according to established policies, but not all parts of internal audit require formal administrative guidelines. On a simple or small part of the internal audit, it can be done informally.

The impact of Covid-19 was also felt by the internal auditors, because the Covid-19 pandemic has changed the activities carried out by the community due to the easy spread of the virus. This prompted the government to implement large-scale social restrictions to anticipate the spread of the virus. As a result, work patterns have changed, where usually people work in offices, currently it is recommended to work from home (Dewi, 2020). These conditions forced the internal auditors to make adjustments in carrying out internal audit procedures.

Based on the background described above, the researcher is interested in conducting an analysis related to the impact of the Covid-19 pandemic on the implementation of internal audit procedures carried out by internal auditors or SPI companies/organizations. So that this research can produce an overview of how Covid-19 has an impact on internal audit, especially on the implementation of internal audit procedures. Based on the explanation above, this research is entitled “Analysis of the Impact of Covid-19 on the Implementation of Internal Audit Procedures in Indonesia”.

**MATERIALS AND METHODS**

The object analyzed in this study is the auditor who carries out internal audit procedures during the Covid-19 pandemic. The determination of respondents in this study was determined purposively, which was addressed to auditors who carried out audit procedures during the covid-19 pandemic.

Sources of data and types of data are very important for research because they include where the data is obtained. To obtain precise and accurate information as the basis for this research, some data are needed.

This study uses primary and secondary data sources. Primary data was obtained by conducting interviews sourced from respondents who provided explanations relating to the implementation of audit procedures during the covid-19 pandemic. The determination of respondents in this study was determined purposively, which was aimed at auditors who carried out audit procedures or carried out inspection functions during the covid-19 pandemic. While secondary data is sourced from documents and other information that can complement primary data and can provide an overview in achieving research objectives.

Sugiyono (2014) states that the type of data in the study consists of several types, namely the type of qualitative data and quantitative data. The type of data here is the type of data about information from an object that is used by the author to obtain data. The selection of the type of data depends on the research to be carried out. In the research conducted by this author, the types of qualitative data and quantitative data are used. In the research conducted by the author, the data does not use numbers and the research data is more of an explanatory nature.
Sugiyono (2017) states that data collection techniques are the most strategic step in research, because the main purpose of research is to obtain data. In the research conducted by the author, the most strategic data collection technique.

The data used in this study are primary and secondary data. Primary data was obtained by conducting interviews sourced from respondents who provided explanations relating to the implementation of audit procedures during the covid-19 pandemic. The determination of respondents in this study was determined purposively, aimed at internal auditors who carried out audit procedures or carried out inspection functions during the covid-19 pandemic, namely internal auditors in the Education Sector, Private Sector and Government Sector. Interviews with respondents were conducted virtually and face-to-face. Respondents were selected to represent each sector according to the research objectives. Secondary data is sourced from documents that can complement primary data and can provide an overview in achieving research objectives. Secondary data collection techniques using non-behavioral observations, analysis of records using documents related to audit implementation guidelines.

Researchers carry out the process of systematically searching and compiling data obtained from interviews and documentation with the following stages:

Qualitative data analysis consists of data reduction activities, data presentation, and drawing conclusions and verification. Data reduction is done by coding, which is giving a code to group data according to categories based on research objectives (Soeherman, 2019). The results of the interviews were made in the form of transcripts and then categorized according to the topic of discussion of the research objectives. After being categorized, the data is presented and conclusions are drawn based on the topic of discussion of the research objectives. Furthermore, the data is verified by validating the data.

Data validation is done by using triangulation technique. The triangulation technique used is triangulation with more than one data acquisition method. This triangulation technique uses various data such as interview results and documents that support this research to conduct rival explanations, namely by comparing interview results with related documents (Soeherman, 2019).

Conclusions are used to answer research questions, in which conclusions are drawn based on verification of previous analytical activities. From the data presented and discussed, conclusions are drawn as well as answering research questions related to the impact of COVID-19 on the implementation of Internal Audit procedures.

RESULTS AND DISCUSSION

Internal Audit Procedures before the Covid-19 Pandemic

This study uses an interactive analysis based on a theoretical review of internal audit procedures before the pandemic, which will be explained in this study. Internal audit is generally carried out by units within the company or organization that have the task of auditing the units or sections within the company concerned. Implementing internal audit is the internal auditor. The implementation of internal audit usually exists in relatively large companies, organizations and agencies where the company has a complex organizational structure with various tasks and respective functions. Internal audit is carried out to assess the extent to which processes within the company are running effectively, efficiently and economically (IAPI, 2012).

Internal audit procedures are inseparable from the meaning of internal audit itself, one of which is from the Institute of Internal Auditors (IIA), which states that internal audit is an independent and objective activity along with consultations that are structured to increase the value and operations of the organization/company. Internal audit can support the organization/company in achieving its goals by means of a structured and disciplined approach, the internal audit approach is carried out by evaluating and increasing the effectiveness of risk management, controlling and governance processes. Internal audit procedures are carried out in a structured manner by adhering to objective and independent principles in evaluating the corporate governance process. This study uses an interactive analysis based on a theoretical review of internal audit procedures before the pandemic, which will be explained in this study.

Internal audits are generally carried out by units within the company or organization that have the task of auditing the units or sections within the company concerned. Implementing internal audit is the internal auditor. The implementation of internal audit usually exists in relatively large companies, organizations and agencies where the company has sSawyer (2009), Internal audit is a systematic and
objective assessment carried out by internal auditors of different operations and controls within the organization to determine whether:
1. Financial and operating information is accurate and reliable;
2. The risks faced by the company have been identified and minimized;
3. External regulations and generally accepted internal policies and procedures are followed;
4. Satisfactory operating criteria have been met;
5. Resources have been used efficiently and economically; and
6. Organizational objectives have been achieved effectively all carried out with the aim of consulting with management and assisting members of the organization in carrying out their responsibilities effectively.

The objectives of the internal audit can be achieved optimally if the internal auditors carry out audit procedures effectively. According to Sukrisno Agoes, the auditor must carry out the following things:

a) Provide certainty related to regulations and procedures that must be obeyed by all elements of management.
b) Provide a good assessment and improvement of effective supervision in a reasonable manner and also identify the established control system which includes management's internal control and related operational activities.
c) Ensure that all company assets are protected with full responsibility from misuse, loss, corruption and other things like.
d) Propose some suggestions in order to improve the company's operational system to make it more effective and efficient.
e) Provide an assessment related to the quality and quality of work to each section designated by the company's management.
f) Ensuring that existing data processed within the company can be accounted for.
g) Verify that laboratory activities are carried out continuously according to management system requirements.
h) Check the compliance of the management system with requirements or conformity with other criteria that
i) Check the conformity of all policies stated in the Quality Guide and other documents related to their implementation at all levels
j) Nonconformities found in internal audit as valuable information for improving the management system and as input for management review.

Table 1.
Internal Audit Procedure

<table>
<thead>
<tr>
<th>No.</th>
<th>Audit Procedure Steps</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Planning</td>
<td>Coordination and Preparation</td>
</tr>
<tr>
<td>2.</td>
<td>Implementation</td>
<td>1. Collecting data and information;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Testing and Evaluation of data and information</td>
</tr>
<tr>
<td>3.</td>
<td>Submission of Examination Results</td>
<td>Reporting the Results of the Internal Audit</td>
</tr>
<tr>
<td>4.</td>
<td>Follow up</td>
<td>Reviewing/following up to ensure that the reported audit findings have been taken appropriate action</td>
</tr>
</tbody>
</table>

The table above shows the stages of the audit procedure before the pandemic period based on the literacy analysis carried out by the author which can be explained as follows.

Audit Planning

The audit planning stage is the earliest step in the implementation of internal audit activities, planning is made aiming to determine the object to be audited/audit priorities, audit direction and approach, resource and time allocation planning, and planning other matters related to the auditing process. According to Hiro Tugiman (2006:53) internal audit must plan every audit. Planning must be documented and must include:
a) Determination of audit objectives and scope of work.
b) Obtaining background information about the activities to be examined.
c) Determination of the various personnel needed to carry out the audit
d) Notification to the parties deemed necessary.
e) Carry out surveys to identify required activities, risks and controls.
f) Writing audit program.
g) Determine how, when and to whom the audit results will be communicated.
h) Obtain approval for the audit work plan

Audit Implementation (Testing and evaluating information)
At this stage, the internal audit must collect, analyze, interpret and prove the truth of information to support the audit results. According to Hiro Tugiman (2006:59), the process of testing and evaluating information is as follows.
a) Collecting various information on all matters relating to the objectives of the examiner and the scope of work.
b) Information must be sufficient, competent, relevant and useful to form a logical basis for audit findings and recommendations
c) Existence of audit procedures, including testing techniques
d) Supervision is carried out on the process of collecting, analyzing, interpreting and proving the truth of information.
e) An examination working paper is made

Submission of inspection results
The internal audit report is intended for the benefit of management which is designed to strengthen internal audit control, to determine whether or not the procedures/policies set by management are adhered to. Internal audit must report to management if there are irregularities, irregularities that occur within a company function and provide suggestions/recommendations for improvement. According to Hiro Tugiman (2006:68) internal audit must report audit results what it does are:
a) A written report signed by the head of internal audit
b) Internal auditors must first discuss conclusions and recommendations
c) A report must be objective, clear, concise, structured and timely
d) The report must state the purpose, scope and results of the audit
e) The report includes various recommendations
f) The views of the party being examined regarding various conclusions or recommendations can also be included in the audit report
g) The head of internal audit reviews and approves the audit report

Follow-up on examination results
Internal audit continues to review/follow up to ensure that the audit findings reported have been taken appropriate action. Internal audit must determine whether a corrective action has been taken and has produced the expected results, or whether senior management or the board has accepted the risk of not taking corrective action on the reported findings.

Impact of Covid-19 on Internal Audit Procedures
The existence of government policies that limit activities in various fields has resulted in changes in the implementation of internal audits during the COVID-19 pandemic. The determination of respondents in this study was determined purposively, addressed to internal auditors/examiners who carried out audit procedures or carried out inspection functions during the covid-19 pandemic. Based on the results of an interview with auditor A as Assistant Manager and KAP Auditor, Suharli, Sugarioto and Partners, stated that the SOP for carrying out internal audits during the COVID-19 pandemic was adjusted to the Presidential Decree, Governor's Decree related to PSBB and PPKM. The same thing also happened to government agencies in general, based on an open interview by researchers to the Head of BPKP East Java Representative Office during a technical guidance visit at the Madiun State Polytechnic, which stated that audit procedures in the government are currently undergoing changes, especially in the implementation of government audit procedures. Furthermore, the results of an interview with N Head of the Madiun State Polytechnic Internal Supervisory Unit also explained the same thing, stating that there were several procedures in internal auditing that changed during the COVID-19 pandemic in accordance with government directives, especially the Ministry of Education and Culture. In addition, the results of an interview with the internal auditor of the Agung Sedayu Group
Company, explained that audit procedures during the covid-19 pandemic were a challenge for the company’s Internal Audit team, because they had to prepare SOPs that adapted to the current pandemic conditions.

This research was conducted on auditors who conducted internal audits during the pandemic, both in government agencies, educational institutions, and private companies. The results of the study based on data obtained through interviews, related to audit procedures during the covid-19 pandemic can be explained as follows.

a. Internal Audit Planning Stage

At this stage the Audit Team holds a meeting to coordinate and study documents, namely documents from past audits, procedures, work instructions and other documents used (drawings, specifications, contracts etc.) will be audited. Based on the results of an interview with A KAP Auditor, Suharli, Sugiarto and Partners, said that:

"preparing for internal audits before covid-19, conducting pre-meetings or what we often call Preliminary Meetings between Internal Auditors and Auditees, namely Divisions or Business Units or Subsidiaries by meeting face-to-face with face-to-face meetings), while during the Covid-19 period, conducting Preliminary Meetings between the Internal Auditor and the Auditee of the Division or Business Unit or Subsidiaries online through virtual media".

While the results of the interview with Auditor Agung Sedayu Group B said:

"Before Covid-19, at the pre-meeting for the first time, the scope and specifics of the audit to be carried out were conveyed, so that at the next meeting, the auditors immediately sent requests for data in the form of financial reports and transaction files such as General Ledger for in-depth examination later. Meanwhile, during the Covid-19 pandemic, in general, we also have similarities in coordinating and requesting data related to audit data, it's just that maybe the coordination uses online media more"

Furthermore, the Head of the Madiun State Polytechnic Internal Supervisory Unit said the same thing in an interview saying:

"Before Covid-19, preparation for auditee reviews/examinations was carried out face-to-face to prepare the data needed. Meanwhile, during the Covid-19 pandemic, it was basically the same in coordinating and requesting data, but the coordination was mostly using online media."

b. Implementation of Internal Audit

At this stage, the Head of the Auditor Team opens the Internal Audit (opening) activity. The Head of the Auditor Team introduces the participants and confirms the audit schedule, carrying out the audit according to the schedule and scope that has been set. Audit activities must be completed at the scheduled time and the follow-up has been written and conduct an auditor meeting led by the Head of the Auditor Team. The meeting contains a report on the findings of each auditor.

Based on the results of an interview with A KAP Auditor, Suharli, Sugiarto and Partners, said that:

"Before the pandemic period, the audit was carried out in accordance with the implementation time that had been scheduled and determined according to the timeline that had been made, usually in accordance with the previous period, but it is hoped that there will be an increase and the effectiveness of the use of time to make it shorter, auditee data is analyzed and confirms various data deemed necessary to directly to the auditee. During the current pandemic, the overall time specified is also the same as the implementation before Covid-19, it's just that a different one may take longer to collect physical data, apart from that there are not many auditors assigned and must include a Covid-19 free declaration letter ".

While the results of the interview with Auditor Agung Sedayu Group B said: "Before Covid-19, the inspection was carried out in person. By conducting analysis and testing according to internal audit SOPs. Meanwhile, during the Covid-19 pandemic, the implementation will continue to be carried out directly while still complying with the Health protocols implemented by the company, but for requests, data collection and confirmation can be done with the help of online media so that the time required is quite long compared to before the pandemic. "

Furthermore, the results of the interview with N Head of the Madiun State Polytechnic Internal Supervisory Unit in the interview said:

“Previously, the inspection was carried out directly. by examining previously obtained documents or data (hardcopy) and conducting analysis according to SOPs. Meanwhile, during the Covid-19 pandemic, inspections are carried out as much as possible directly while still complying with the health protocols set by the PNM Covid-19 SatGas, however, requests, data collection and
data confirmation can be carried out with the help of online media so that the time required is quite long compared to before the pandemic.

c. Submission of Examination Results
At this stage, the Auditor Team Leader conveys the audit results in the form of findings obtained by each auditor during the auditor's implementation and provides recommendations based on audit findings.

Based on the results of an interview with A KAP Auditor, Suharli, Sugiarto and Partners, said that: “Before the pandemic period, the submission of examination results was carried out in a meeting attended by the auditee as the subject of the examination and the board of directors as the person in charge of the auditee. Meetings are held in person and at a predetermined time. During the current pandemic, the overall time specified is also the same as the implementation before Covid-19, it's just that the meeting is held through online media.”

While the results of the interview with Auditor Agung Sedayu Group B said: "Before covid-19, we submitted an Audit Report in the form of Examination Findings, starting from Problems, Obstacles, Regulations, Findings, Recommendations, and Suggestions. Reports are made in the form of softfiles and hardfiles and signed by the Auditor, complete with the number of people present. Meanwhile, during the Covid-19 pandemic, as much as possible, the implementation will still be carried out face to face while still complying with the Health protocols implemented by the company, but if this is not possible, it can be done through a zoom meeting.”

Furthermore, the results of the interview with N Head of the Madiun State Polytechnic Internal Supervisory Unit in the interview said:

“Before the pandemic period, the submission of inspection results was carried out in a meeting attended by the auditee. Meetings are held in person and at a predetermined time. Meanwhile, during the pandemic as a whole it is done online as much as possible, but if it is still lacking, the submission of the review report can be done face-to-face.”

d. Follow Up
At this stage, the Head of the Auditor Team distributes the internal audit report to the head of the audited division and the head of the internal audit team and the head of the department to monitor the results of the internal audit for a management review meeting to ensure continuous improvement.

Based on the results of an interview with A KAP Auditor, Suharli, Sugiarto and Partners, said that:

“Before the pandemic period, the Internal Auditor's Report in the form of Examination Findings was submitted to parties who are directly or indirectly related to the Auditee via email and hardcopy, so that they can be known together for the follow-up process and future improvements. Meanwhile, during the pandemic, the same thing is done as well.”

While the results of the interview with Auditor Agung Sedayu Group B said: “Before Covid-19, the Internal Auditor's Report in the form of Examination Findings must be followed up by the Auditee to immediately make changes or problem solving in accordance with the recommendations and suggestions from the Internal Auditor. Meanwhile, during the Covid-19 pandemic, the Internal Auditor's Report in the form of Examination Findings must be followed up by the Auditee to immediately resolve the problem in accordance with the recommendations of the Internal Auditor.”

Furthermore, the results of the interview with N Head of the Madiun State Polytechnic Internal Supervisory Unit in the interview said: “Before and after COVID-19, the PNM SPI focused on following up on the recommendations that had been given while still monitoring the parts that needed assistance, especially the results of the examination and recommendations from the BPK as an external auditor which could be done face-to-face or using online media.

Based on the results of data analysis, the following is a summary of the implementation of audit procedures during the COVID-19 pandemic.

Table 2. Table of Implementation of Internal Audit Procedures during the Covid-19 Pandemic

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Private Agencies</th>
<th>College Institution</th>
<th>Public Accounting Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation</td>
<td>Online</td>
<td>remote audit and direct observation</td>
<td>Online</td>
</tr>
</tbody>
</table>
The internal audit/review procedure during the COVID-19 pandemic has undergone several changes in its implementation. These changes depend on each agency, because the SOPs applied in each agency are different from one another. But still following the main regulations set by the government during the Covid-19 period.

In accordance with data analysis which shows that inspection procedures at private agencies at all stages of implementation are carried out remotely or online, except at the inspection stage which is carried out directly and remotely. Meanwhile, in higher education institutions, the inspection procedure is still carried out face-to-face, but in these stages there are several procedures that are carried out online. Meanwhile, in KAP, all stages of implementation are carried out remotely or online, except for the inspection stage which is carried out in person and remotely. Based on the results of data analysis, it shows that auditors from agencies and auditors from KAP have carried out remote audits, but there are also those who still combine them with traditional audits.

Internal inspection or review of the company or organization will remain a necessity in continuous improvement efforts. In adjusting to deal with all conditions, of course, an update to the internal audit procedures and the overall audit process is needed. Currently, the recommended audit implementation is remote inspection/review. So it is necessary to use optimal technology to support the smooth implementation of the audit.

The use of technology is not only intended for auditors or reviewers in examinations. However, it is very necessary for auditees to take advantage of technology in managing their entities. This can assist the auditor in carrying out the examination optimally.

**CONCLUSIONS AND SUGGESTION**

In accordance with data analysis which shows that inspection procedures at private institutions at all stages of implementation are carried out remotely or online, except at the inspection stage which is carried out directly and remotely. in higher education institutions, the examination procedure is still carried out face-to-face, but some procedures are carried out online. While at Public Accounting Firm, all stages of implementation are carried out remotely or online. Based on the results of data analysis, it shows that auditors from agencies and auditors from Public Accounting Firm have carried out remote audits, but some are still combining them with traditional audits.

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