AFRICAN JOURNAL OF MANAGEMENT, BUSINESS ADMINISTRATION & ENTREPRENEURSHIP

COVID 19 PANDEMIC ERA AND AUDITORS'CHALLENGES

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Article history:

Received: 30 July 2021;
Received in revised form:
2 August 2021;
Accepted: 2 August 2021;

Keywords:

Coronavirus, Information and communication technology, Remote Auditing, Cloud Accounting.

Abstract

The study looks at the obstacles faced by auditors during the Coronavirus pandemic and how to mitigate the effects of the outbreak on audit assignments. The study relied on a systematic review of related literatures and books to discover the challenges faced by auditors during the coronavirus pandemic era, which are categorized as going concern issues, audit evidence verification, subsequent event problems, audit risk, uncertainties, and scope limitation. According to the findings of the study, various problems could have a detrimental impact on the auditor's assessment if not addressed appropriately and professionally. New modern remote auditing techniques and cloud accounting procedures using information and communication technology (ICT) instruments handled most of the issues during the pandemic era, thanks to the dedicated work of seasoned auditors and accounting and professional bodies. However, the study finds that installing ICT tools has its own set of issues, such as insufficient power and shortage of essential skills to utilize these tools among auditors. The paper suggests that auditing and accounting professional groups evaluate some existing standards to account for the level of uncertainty that a COVID 19 pandemic could bring. This assessment would aid auditors in re-strategizing for the post-coronavirus pandemic period.

Introduction

The SARS-CoV-2 virus triggered the COVID-19 irruption (formerly 2019-nCoV). In December 2019, an urban center town in China's Hubei province triggered an eruption. COVID-19 continues to spread across the globe (Warwick et al, 2020). Its spread changed from China to Europe (Italy, USA, etc.) in March 2020, and it was declared a virulent illness in over 189 countries, with the scourge moving to April 2020. The high infection incidence in Europe is alarming (Ahmed et al, 2021). COVID has been proven in almost a hundred and thirty million people around the world, resulting in about 2.83 million fatalities (Shahima, 2021).

As a result, an internment policy was implemented to prevent the spread of the coronavirus pandemic as a widespread wetting of global demand. Since the arrival of the coronavirus pandemic, it has been a singular event, and the subsequent continuous lockdowns have brought business and human life to a halt (Joshi, 2020). The auditor's job was weakened, and as a result, the auditor's obligations were weakened and undervalued. Because, above all, China has the world's second-largest economy, anticipated to account for a third of annual worldwide economic advancement, European countries are uniting to implement steps in eradicating the epidemic, which has a significant and profound influence.

It is instructive to add that China's coronavirus pandemic has the potential to affect both the demand and supply sides of the economy globally (Lu dong, 2020), affecting developing countries as well as African nations.

The Covid-19 pandemic has already had significant economic and financial consequences worldwide (Goodell, 2020). The corona virus pandemic triggered an offer and demand shock in China that has shocked the world (ICAN, 2020). it affects all international sectors such as the economic, social, and health sectors (Ahmed et al, 2020). it has an immediate impact on enterprise levels followed by a secondary impact on activities such as financial statements (Ahmed et al, 2020), (Joshi, 2020). The pandemic has exaggerated corporations' uncertainties when analyzing its current and certain important influence on financial reports; this has resulted in several complications in business operations and the compilation of necessary financial statements. COVID-19, pandemic, has had a significant impact on the auditors' work (Zayed, 2020).

Furthermore, the COVID-19 pandemic has a high likelihood of causing significant changes for professional accountants who prepare financial statements for businesses — as well as auditors. Simultaneously, regulators all over the world are advising issuers of financial statements to work closely with their audit committees and auditors to ensure that their financial reporting, auditing, and review processes are as robust as possible in the light of the changing circumstances under COVID-19 setting (Radigan 2020).

The auditors' access to the client's company for audit analysis and appraisal of audit evidence has been restricted due to Covid19. According to several studies conducted by Deloitte (2020) and Al-Jabali (2020), preventive measures taken to manage the crisis of the spread of coronavirus around the world, such as maintaining social distance and employing remote work systems, have a number of consequences.

Thus, businesses should check their unique assets and exposure to risk, as well as consider the effects of the pandemic on their audit reports. Some of the areas that are affected in a business include decreased sales, productivity, or earnings, inability to raise capital, production interruptions, factory and store closures, delays in planned business expansions, and supply chain disruptions (Poole, 2020). These have impacted audit engagements, posing a great challenge to auditors and those with control (management) (Arnold, 2020).

Most notably, at a time when auditors and financial statement preparers are acutely and significantly affected by management orders, as everyone remains at home, it is expected that management should gather information and data in an exceedingly and totally different manner.

However, financial statements and audit reports disclosures have to be compelled to discover and disclose all the fabric effects of coronavirus (Poole, 2020), and (KPMG, 2020). As it appears, the pandemic has conjointly tested the resilience of the audit corporations themselves who have no alternative than to take multiple resilience risks at the same time, together with strategic risks regarding their business models, financial risks regarding their cash and income, and operational risks regarding their staff and suppliers.

With the outbreak of the COVID-19 pandemic, demand for telecommunications (Telecoms) services has skyrocketed all over the world. Customers have had to rely on these services to figure from home (WFH), maintain social links, and get fun and coaching, among other things, as a result of the lockdowns in major cities throughout the world. Businesses have used the services to maintain skeletal operations and remote operating protocols. The rise in demand has crystallized into parabolic income for services supplied, forcing the attendant to construct the necessary infrastructure in order to maintain quality and dependability of services.

Furthermore, players have had to consider deferring new investments, such as 5G network capabilities, in order to keep up with present demand. Despite the pandemic, the Nigerian telecoms industry appears to be booming, similar to that of wealthy economies. This could be due to mandatory detention in major African cities (Lagos, Abuja, and Ogun), and as a result, various organizations would like to implement WFH guidelines. Colleges have also had to transit to online platforms (KPMG, 2020).

Evidence suggests that telecommunications and information systems have aided in the fight against the Covid 19 pandemic by increasing the number of users of information systems, whether employees or external parties such as customers. As a result, the risks associated with the use of electronic accounting information systems by businesses and suppliers have increased. (KPMG, 2020) corroborates the findings of Al-Jabali (2020) in their study that the specific circumstances and conditions brought about by the spread of the coronavirus have increased the risk of electronic information systems being hacked due to weak and ineffective internal control procedures, putting data security and confidentiality at risk and increasing the possibility, risk of loss or distortion, and deterioration in the quality of the information’s output.

As a result, the accounting profession must evolve to keep up with the changing business environment, which necessitates the use of modern data analysis technologies as well as the implementation of new auditing methodologies such as continuous auditing and remote auditing.

Recently, a study was undertaken to demonstrate the COVID-19 pandemic's massive economic and social ramifications, such as Goodell's (2020), impact of the COVID-19 epidemic on audit efficiency (Ahmed et la, 2021) There are few, if any, studies on the challenges faced by auditors during the Covid 19 era. As a result, the goal of this study is to fill a vacuum in auditing research and enhance the present bodies of prior studies by studying the challenges that auditors face during the COVID 19 period and discussing methods to alleviate the perceived challenges.

The other sections of the study is structured as follows: Section 2 presented extant literature from the perspectives of conceptual and underpinning theory. In section 3, a methodology was presented, finding and discussion 4, conclusions and recommendations were considered in section 5.

Statement of the Problem

The impact of the Coronavirus pandemic and restriction of physical interaction of personnel during auditing assignment, techniques and processes is complex and it has created various challenges to auditors and the rest of stakeholders. The unparalleled degree of uncertainty on general economy and various elements of financial inputs because of the pandemic are likely to influence auditing assignment when collating audit evidence. Due to the pandemic and uncertainty of everything, there is probability that multiple material evidences might be affected when the auditors' opinion is disclosed at the end of the audit assignment.

Consequently, Coronavirus pandemic has brought some challenges which external auditors may encounter during their assignment. Therefore, this study is to identify challenges facing the auditors during coronavirus pandemic era, evaluate impact of the era on the statutory duties of auditors and provide likely solutions to these challenges.

Objective of the Study

The purpose of this study is to examine the challenges that auditors face during the COVID 19 era and to offer remedies to alleviate those issues.

Literature Review

Conceptual Framework

Definition of Audit

Auditing is the process of examining or inspecting a technique or quality system to ensure that it complies with the established standards. The term "audit" refers to a professional, neutral, and independent person assessing financial reports of a business entity in order to gather evidence to determine the degree to which the financial documents comply with financial and accounting principles, standards, and assumptions, allowing the independent person (auditors) to give their opinion on the true and fair view of the financial statements (Arenz A. 2016).

An audit might be conducted for a single section or activity, a single production step, or the entire business. Auditing can also be defined as an accounting procedure that involves verifying the accuracy of a company's financial records. It could entail looking into an organization or persons, as well as actual assets like stocks, real estate, and equipment (Emmanuel, 2021). As a result, an auditor is required to examine not only a company's records and financial statements, but also its policies, methods, and compliance with statutory laws.

COVID-19 according to Cennimo, (2020; Kaka, 2020) in Emmanuel, (2021) is described as a disease caused by a completely unique coronavirus that caused severe acute metabolic problems symptomatic of respiratory disease in a Chinese city. On December 31st, 2019, it was formally announced by the World Health Organization (WHO). The COVID-19 was declared a world pandemic by the World Health Organization (WHO) on January 30, 2020, and again on March 11, 2020. Henceforth, this article will explore the issues that auditors have faced during the coronavirus pandemic era, as well as the influence of time on auditors' statutory duties and propose solutions to those challenges.

Challenges faced by the auditors during COVID 19 pandemics

Economic factors are also causing businesses in a variety of industries to postpone non-essential spending. Corporations are constantly forming enterprises for their consumers, debtors, and lessees. Corporations pay wages to employees even if they don't appear to be operating or generating revenue. Estimates are required for a wide range of financial statement items. The credibility of financial reporting may be called into question.

Management and accountant's opinion would be required to determine if events that occurred at the reporting amount's tips are adjusting or non-adjusting events (Joshi, 2021). Management would be required to constantly examine and update the events and their consequences, as a result. When compiling financial reports, auditors and accounting professionals should be aware of it. They are as follows:

1. **Identification and evaluation of material risks mis-statement**

Covid-19 has compacted the operational setting of entities, resulting in an unprecedented situation of emergency. As a result, auditors should consider how this affects their risk assessments and whether any revisions are necessary (ACCA, 2020). This was also noted (KPMG, 2020) that COVID-19 has caused misinterpretation of the organization's business setting in terms of financial year end 31st December 2019 and 2020. The result of Covid-19 will most likely require the auditor to revisit their risk assessment and also the counsel or answer to any or all known risks. Furthermore, COVID-19 is likely to present unique occurrences that will necessitate more frequent impairment testing and greater uncertainty.

The Financial Reporting Council UK (FRC) Covid-19 Bulletin March 2020 also specifies that, for current audits with reference to periods ending on December 31, 2019, the impact of Covid-19 will most likely necessitate the auditors returning their risk assessment as well as the planned response to known risks. Similar guidance is provided by the Institute of Certified Public Accountants of Cyprus' Technical Circular 2/2020 [TC 2_2020], which informs that risk assessments should be continually reassessed and labeled as the state of affairs evolves, up until the audit report language date, and emphasizes this as a region that requires a higher level of professional skepticism.

According to ISA 315 (Revised), auditors should understand the business and its setting and assess the risks of financial statements, whether or not due to fraud or error, at the financial plan and assertion levels, by understanding the entity and its setting, as well as the entity's control, thereby providing a basis for planning and implementing responses to the assessed risks of financial statements.

Auditor's response to assessed risks

Throughout the pandemic, the difficulty of determining the impact of risk on the auditor's statement is evident. In numerous circumstances, Covid-19 would force auditors to consider if the result and implementation of their remedies to known hazards are still relevant or need to be updated. ISA 330 also offers answers to assessed risks that require auditors to have appropriate acceptable audit evidence relating to the financial statement's assessed risk, as well as develop and implement acceptable remedies to such risks. According to ISA 330, the auditor should examine whether the evaluations of the risks of financial statements at the assertion level remain acceptable before the audit conclusion, based on the audit processes executed and the audit evidence acquired. In some situations, Covid-19 may require auditors to consider if the outcome and implementation of their remedies to known risks are still appropriate or whether they need to be updated.

2. Audit evidence

According to ISA 500, Audit Evidence; auditors must design and carry out audit processes in order for the auditor to obtain appropriate applicable audit evidence and make reasonable conclusions on which to base the auditor's assessment. However, there is currently a ban or restriction on travel imposed by enforcement organizations; as a result, auditors confront unexpected impediments and challenges in obtaining credible data to conduct audits of their clients' financial accounts. Even in these difficult times, auditors should adhere to the International Standards in Auditing (ISAs).

Regulators, on the other hand, are concerned that auditors may have difficulty acquiring access to the proof and other personnel needed to support their audit opinion. Furthermore, the auditors' audit design may not be absolutely practicable if they fail to provide anticipated audit proof, leading auditors to change their methodologies. Clients' banks and debtors, for example, may not provide trustworthy audit proof on transactions or outstanding balances.

3. Auditing accounting estimates and related disclosures

Accounting estimates recognitions to Covid-19 are ambiguous, posing problems for related organizations and their administration. This presents a significant difficulty for auditors, as this condition would lead them to be skeptical of management's accounting estimations and any relevant disclosure. According to Laxminarayan (2020), the Covid-19 epidemic will have a large impact on goodwill impairment in the financial report, as this item is expected to strike corporations who have made significant competitive acquisitions in the past.

If the amount of goodwill in the statement of financial position for struggling sectors is large, the income statements of such companies are likely to be scrutinized more closely, and a potential goodwill impairment charge may have a long-term impact on profitability.

In addition, ACCA's international Forum Members identified additional areas of concern that could be impacted by the Covid.19 pandemic, including: Asset depreciation, Credit losses expected, Revenue recognition due to assortment difficulties, Accounting for lease adjustments Computer estimates for business insurance and investment performance, return provisions for item sales, taxation contracts, accounting for government assistance, and computer estimates for business insurance and investment performance Assets held for resale are evaluated every 12 months. The ability to recover deferred tax assets, Inputs for weighted cost of capital and volatility also deserve to be considered (ACCA, 2020).

4. Subsequent events

The auditor is debating whether later occurrences for January or February 2020 coverage should be classified as adjusting or non-adjusting events. However, after the Covid-19 epidemic, most businesses viewed subsequent events as non-adjusting post-balance sheet events before the end of the year (KPMG, 2020).

5. Going concern

The uncertainty produced by the COVID 19 epidemic makes running a corporate entity the most challenging task that management and auditors face. It is the responsibility of management to determine whether the business's going concern basis for accounting is appropriate, and it is the responsibility of the auditor to gather adequate and applicable audit evidence in order to conclude and provide an opinion on the business's going concern basis. The auditor's responsibility to provide a fair opinion of a firm in operation becomes a challenge when the auditor has reservations about the business's position as stated by management due to the epidemic (KPMG, 2020).

6. Client's Internal controls testing

The client's internal control measures must be understood by the external auditors. Internal control testing include determining if the client's internal controls procedures are adequately defined and effective, as well as knowing how the client's staff processes transactions. Internal control testing objectives may be met if the auditor is limited to visiting the client's business premises to conduct these tests. The audit evidence could be jeopardized.

7. Client Inventory observations

External auditors frequently visit the client's business premises to physically see the actual counting of closing stock procedures and conduct an independent test on management accounting records. Work-from-home regulations in COVID19 may hinder auditors and client staff from conducting physical inventory counts. The external auditor is faced with a difficult issue (KPMG, 2020).

8. Management inquiries activities

During fraud risk investigations, external auditors are trained to recognize any body language and make an opinion on the relationship between client's employees. In most cases, a physical interview is conducted to determine fraud risk. However, the pandemic, which limited physical interaction, has presented a significant difficulty that could influence auditors' opinions on numerous management inquiries, which are primarily conducted digitally.

Benefits of using modern auditing techniques during the Coronavirus (COVID-19) pandemic:

According to Abdel-Aal (2020), the challenges facing the audit profession during the COVID 19 pandemic, as well as the rapid growth of the business environment in terms of innovation and technological development, compelled auditors to devise modern auditing approaches or procedures to follow in order to achieve auditing objectives without violating any audit standards provisions or ethics. As a result, the development of remote audit approaches and methodologies based on modern information technology to successfully carry out audit assignments aids external auditors in performing their tasks while also meeting stakeholder expectations without violating any audit standards.

 ISSN: 2805-4237

Following the advice of KPMG (2020) and Leoni et al (2021), relying on current methods of employing information and technology to carry out auditing planning, implementation, and assessment of audit risks allows auditors to reach a better conclusion, save expenses, and time. Babatunde (2020) went on to say that using modern auditing methods and tools would improve audit process efficiency, help the auditing team cover more ground, arrive at a reasonable conclusion without wasting time, easily identify relationships between data models and trends, reduce costs, and improve the auditor's ability to monitor auditing activities, as well as increase the productivity and quality of auditing and consulting services rendered.

In order to acquire audit evidence, Joshi, 2021 suggested that auditors should examine other ways or the use of technology in sharing data or organizing virtual meetings, as described in ISA500. According to (ACCA, 2020), technology can assist auditors in overcoming these obstacles. Auditors, for example, may not be physically able to attend planned inventory counts in order to examine the process. Auditors, on the other hand, may be able to virtually examine inventory counts using video calls or drone technology.

Auditors must guarantee that the technology they intend to utilize is reliable, and they must remain skeptical when witnessing the process. For example, they might want to ask their firm workers to provide them a clear view of the entire warehouse before the inventory count begins, so they don't have to limit themselves to simply testing goods that are visible during the video conference. It's also critical that the procedure be thoroughly recorded. Members of the ACCA's Audit and Assurance global forum offered some practical examples, such as having more than one member of the audit team participate in the observation via videoconferencing equipment to improve observation capabilities and mitigate risk, selecting more items to test during observation than usual, and taking screenshots during the observation to enhance the evidence.

If inventory is relevant to the financial statements, according to paragraph 4 of ISA 501, Audit Evidence - Specific Considerations for Selected Items, the auditor shall gather sufficient acceptable audit evidence regarding the existence and condition of inventory.

The present Covid-19 limits affect both auditors and the organizations they audit, and inventory counts may not be available at period end in some situations. In such circumstances, auditors will need to discuss with their clients if a future inventory count is scheduled, as well as the viability of physical or virtual auditor attendance, as mentioned previously.

Auditors will also have to conduct audit processes to determine the authenticity of the reported changes between the count date and the date the financial statements are issued. The differences between the two dates will largely be determined by the entity's industry. In circumstances when businesses have ceased operations, the changes may not be large, thus auditors should have no difficulty doing their audit procedures, albeit this may still have an impact on inventory valuation. When trade is feasible, however, the differences between period end and count dates might be large, which can be worsened if the time between dates is long.

Alternative audit procedures may include the inspection of documentation of the subsequent sale of specific inventory items acquired or purchased prior to the physical inventory counting, and this may provide sufficient appropriate audit evidence about the existence and condition of inventory, according to paragraph A13 of ISA 501. When alternative audit processes do not provide adequate suitable audit evidence about the existence and condition of inventory, auditors must examine the implications to their audit opinion, according to ISA 705 (Revised).

Using Remote Contemporary Auditing Approaches to Address COVID-19 Challenges.

The mother of invention, in the language of innovation, is necessity. Because of the problem created by the Corona virus pandemic in the auditing profession, as well as the restriction of physical interaction among audit stakeholders during audit assignments, all stakeholders in the auditing profession banded together to develop a solution to carry out audit assignments using the Remote Auditing approach. Remote audit, as defined by Teeter, Michael, and Miklos (2010), is an analytical process in which auditors use information and communication technology (ICT) to obtain and evaluate electronic evidence, by auditing team, and provide accurate financial data reports and assess internal control without having to physically visit the client's business premises.

When a face-to-face approach is not desirable, remote audits refer to the use of ICT to gather management and financial information and conduct interviews during audit assignments (ISO, 2020) The process of remote auditing is not new, according to Picciotti (2020), because it is one of the alternatives under QMS certification audits in the ISO 19011 standard title Guidelines for auditing management systems, but remote auditing was rarely used before the COVID 19 epidemic.

Remote auditing is a virtual auditing procedure that entails carrying out an audit assignment without being physically present, using technological devices such as video conferencing, phone, text message, WhatsApp, and e-mail to collect audit evidence in the same way that external auditors would during an on-site audit. The auditor's primary responsibility is to verify that remote audit assignments are completed objectively and that all audit criteria specified in the audit standard are met. The use of information tools such as file and screen sharing, live data analysis, Skype, and Zoom App is triggered by remote auditing.

According to Tysiac (2020), modern remote auditing can take two forms: partial remote auditing and full remote auditing, often known as total off-site auditing. Regardless of the remote audit approach adopted by the auditor, the audit assignment's objectives must be met.

1. **Full Remote Audit**: This is accomplished by executing all audit assignments remotely using ICT in order to gather the audit evidence required to assess conformity with Audit Standards. When on-site verification is impossible owing to war, health hazards, time constraints, or the audit team's overall safety, a full remote audit is advised. It is critical for the audit lead to remember that while using ICT, the audit should adhere to the relevant audit standards and ethics.
2. **Partial Remote Audit**: This remote audit is conducted using a hybrid of ICT and on-site auditing techniques. The remote portion of the audit

assignment should adhere to the applicable audit standards and procedures, and appropriate ICT technologies should be utilized to access the required audit evidence. This sort of remote audit is useful for checking financial and control compliance with audit standards, as well as when documented evidence is required. Partially remote audits follow a set of audit methods that include virtual interviews and financial reconciliations, as well as on-site visits to check the outcomes of remote audits and evaluate whether the evidence is sufficient or more verification is required.

Theoretical Framework

Attribution Theory

Attribution theory may be a field of psychology that aims at explaining however people confirm the causes of an occurrence or behaviourl because of the consequence of such attribution on their resulting behaviour. Originally introduced by Heider (1958), the most theoretical frameworks are developed by Kelley (1967, 1973); Weiner et al. (1971); and Weiner, Nierenberg, and Goldstein (1976). The goal is to find out how lay-people confirm the reasons of specific events.

Not one, but many "attribution theories" evolved from this starting point. Kelley's model and Weiner's model are two major frameworks that are frequently used in tutorial literature. According to Harold H. Kelley's model, once aware of another person's behavior prior to a selected input at a selected moment, one will attribute such behavior to three distinct causes: the person, the input (referred to as the "entity" by Kelley), and/or the circumstances of the instant (referred to as "time" by Kelley).

Heider also said that people can make two types of attributions, the first of which is internal attribution, which is the belief that someone behaves in a certain way as a result of some aspect of their personality, such as viewpoint or identification. Second, external attribution argues that an individual acts in a certain setting as a result of anything related to their position. Furthermore, Tosi et al. (2001) stated that a country's attribution is frequently influenced by its emotional, economic, and political profit, which has an impact on alternative commerce, transportation, learning capability, and potential gains systems.

In their investigation, Cheney and Pierce (2004) discovered that true selfish credit is the transfer of responsibility from one country to another for their issues while avoiding accusation. The importance of attribution theory stems from the fact that different countries may have different perspectives on pandemic management.

However, some states have put in place appropriate precautions to ensure the safety of their citizens. Once enhanced management procedures are in place, the goal of reopening colleges, rather than seeking a permanent solution, is to lay blame on others and avoid accusation. As a result of the majority of auditing assignments being conducted remotely, by and misusing cloud accounting, a portion of the controls and measures put in place to mitigate pandemic era complexities increased the duties and obligations of auditors throughout audit assignments.

For example, using ICT tools to review customers' financial data necessitates collaboration and another skill set for auditors to complete these tasks effectively and efficiently. The specific abilities required to carry out the extras implemented during the pandemic expand the scope of auditors' responsibilities and enhance the audit risks that auditors may face while examining clients' financial accounts (Sharaf, 2020).

Discussion of Findings

The COVID-19 epidemic affected the way business was done, including auditing methods. In 2020, Audit was hit by a storm of financial upheavals and coronavirus. According to the findings, most businesses had to close their premises and allow their whole workforce to work remotely. As a result, accountants have adapted to this new working paradigm:

- They had to deal with a lot of technological advancements. They had a hard time getting used to it. They are working from home, but they have the distinct impression that they are missing office functions as well as social and vocational interaction with others. Human resource management has to figure out how to manage workflow and the organization virtually.
- Employees were introduced to their new co-workers via video conferences and virtual training. Companies were confronted with new issues across the board and within the partner group, all of which were solely related to virtual communication. Accounting professionals are concerned about productivity, recruitment, and online mentorship as a result of the various changes that have occurred. In terms of balanced hours and personal engagement with workers, productivity evaluation is required. Remote employment would need partners to use new productivity measurement methods.
- According to Joshi, (2021), the following items in the financial statements are affected by lockout due to Covid-19:

Receivables: Due to the lockdown enforced as a result of COVID-19, debt collection will now take longer. As a result, some of the debt in the financial statements may become bad, and the organization has no choice but to treat the debt as bad debt (Crowe, 2020). Asset impairment losses have been recognized because of the spread of coronavirus which has forced the temporary closure of production operations. This has resulted in travel limitations as well as limits on the import and export of commodities. All of these could be viewed as indicators of asset impairment since corporations are unable to recover the book value/carrying value of assets through use or sale. To put it another way, companies should assess whether they are experiencing any situation such as shop closures, lower sales, order cancellations, supply chain interruptions, or stock price reductions. These developments could signal that their assets should be evaluated for possible impairment (Joshi, 2021).

Expected Credit Losses: When calculating expected credit losses (ECL), preparers use the IFRS 9, Financial Instruments framework (or comparable national accounting rules), the International Accounting Standards Board's new release on IFRS 9 and Covid-19 requires organizations to generate estimates based on the best available knowledge about historical events, present conditions, and economic forecasts. When considering predicted conditions, both the effects of Covid-19 and the major government support measures in place should be taken into account**.** Due to the uncertainty created by Covid-19, IFRS 9 and the related disclosures can give much-needed transparency to financial statement consumers if ECL estimates are based on reasonable and supportable facts (ACCA, 2020).

Leases: As a result of Covid-19, which may trigger the implementation of IFRS 16 lease modification standards, many businesses have renegotiated or seek to renegotiate rent payments. The International Accounting Standards Board (IASB) issued a timely Exposure Draft on Covid-19-Related Rent Concessions in April 2020, with the goal of clarifying whether and how the accounting approach for lease modifications applies, as well as simplifying the accounting method during this unprecedented time. The exposure draft recommends exempting lessees from determining whether Covid-19-related rent discounts constitute lease modifications and allowing them to account for these changes as if they were not.

Due to the intricacy and judgments required, auditing accounting estimates is inherently dangerous. Auditors must be on the lookout for any rise in the risk of material misstatement as a result of any further impact on estimating complexity, such as in the case of ECL in the light of Covid-19. It's also critical for auditors to stay up to date on the different updates provided by both auditing and accounting standard setters, keeping in mind that some of the updates may be transitory.

Revenue Recognition: Revenue and profit margins are falling. Changes in policy considerations in terms of pricing concessions, discounts, refunds, performance bonuses, and other factors may necessitate a review of client contracts. It's also possible that the contracts won't be honored at all. It is vital to note that before any revenue is recognized under IFRS 15, understanding the contract terms and conditions is critical (ICAEW, 2020).

Bank and cash: Regular cash movements in and out of organizations are disrupted, resulting in cash depletion in individuals, trades, businesses, and corporate entities. This has an impact on people, businesses', and organizations' ongoing operations. As a result, in a circumstance like this, auditors should place a greater emphasis on assessing the organizations' or individuals' ability to survive and continue as a going concern.

Capital: As a result of the covid-19 pandemic, some firms' capital has been reduced. This has had an impact on the financial statements' existence and continued operation (going concern) difficulties. As a result, auditors are required to review the organization's capacity to continue operating as a going concern**.**

Going Concern: Before publishing the financial statements, an evaluation of the going concern must be completed, and material uncertainties should be disclosed (Alao & Lukman, 2021).

Issues Regarding Financial Instruments: The entities that recognize clusters of places or sectors that have been afflicted by the pandemic but have not been previously disclosed should retract the announcement (airlines, hotels, travel, etc.). – Any significant fluid changes as a result of the coronavirus outbreak should be reported, and this should come after their assessment of the current problem (Masoodi, Al-Kawaz, & Abbas, 2021). Before and after the adjustment, IFRS 9 defines whether the financial obligation, including the distinction between cash flows, is significantly different, discounted in the first successful, frequently referred to as the "10 percent test." A financial asset or obligation that has been amended is not ignored.

The first EIR will be kept, and the better cash flow estimates that were reduced in the first EIR will result in a shift in benefits or losses. A differential in the market price for floating-rate securities will be considered in the future. Assume that a company characterized a cash flow hedging activity as a cobble-free forecasting transaction, such as the purchase or sale of products or expected loan issuance. In that instance, the company must determine whether or not a transaction is quite likely. The outbreak would have a substantial influence on ECL estimates because of the increase in credit quality for loan portfolios and the exchange of claims. The ECL's assessment is based on a uniform, weighted quantity of probability based on evaluating certain likely outcomes and economic time value (Masoodi, Al-Kawaz, & Abbas, 2021).

Income taxes: Income tax cuts and other subsidies are part of the government's latest response to the coronavirus pandemic. Businesses should factor in the impact of these regulatory changes on their income tax statements.

Assessment of Impairment: Depending on the evaluation of the investment in the operation that prevails on the remaining productive life of the active, the predicted cash flows may represent the optimal economic management estimate. Many of these conclusions are rather ambiguous in these circumstances. Entities should also think about sensitivity disclosures and full theory disclosures (Alao & Lukman G, 2021).

Government Grants: As a result of the severe repercussions of COVID-19 on the operations of specific organizations, states, agents, and other associated agencies in many countries have undertaken (or are planning to adopt) relevant actions to assist private firms. However, not all programs are funded by the government. Organizations should carefully examine actions and evaluate the criteria for the accounting procedure in question.

Study Methodology

The study relies on secondary sources to explain the variables, which include published materials such as newspapers, professional journals, and written remarks, using systematic analysis to describe concept definitions, the link between study variables, and the recommended framework for investigation in relation to the coronavirus pandemic. As a result, an exploratory research design is used.

Conclusion and Recommendation

Due to the restrictions imposed by the devastating corona virus epidemic, external auditors have had to work far away from their customers' offices. Going concern issues, audit evidence verification, uncertainties and audit risks, and extent of audit assignment limits were all challenges in the COVID era. Because auditors cannot visit the client's corporate premises, the current technique of doing audit assignments has made ICT use a force to be reckoned with. As a result, if external auditors are to complete his mission, they must use sophisticated remote auditing techniques (Koutoupis et al., 2021).

Given the travel and physical restrictions experienced during COVID 19, when the majority of the company's employees and auditors were forced to work from home, the ICT tools deployed enable the auditors to have easy access to financial records and any other documents required for the auditing assignment. As a result, all relevant inquiries, such as interviews, financial data sharing, and video conferencing to conduct necessary observations and authenticate audit evidence, were conducted utilizing modern ICT technologies without visiting the customers' offices. As a result, the cost of the auditing assignment was decreased, and time was saved.

Recommendations

In the light of the findings of the investigation, it is suggested that some auditing and accounting standards be revisited in order to address the flaws revealed during the COVID-19 era. In addition, several ICT tools and accounting cloud applications must be improved to address some inconsistencies identified during the timeframe. Finally, due to the current demand for remote auditing approaches, auditors should strive to increase their ICT abilities.

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