

УДОСКОНАЛЕННЯ ОБЛІКУ, АНАЛІЗУ ТА КОНТРОЛЮ В УМОВАХ ПАНДЕМІЧНИХ, ЕКОЛОГІЧНИХ, ГІБРИДНИХ ТА ІНШИХ СОЦІАЛЬНИХ ВИКЛИКІВ

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COVID-19 PANDEMIC AND ITS IMPACT ON AUDIT QUALITY

A potential impact of the COVID-19 outbreak on audit quality is still underestimated. The implications caused by the pandemic has enabled businesses and companies to adjust drastically including the audit profession due to complexities of financial reporting processes, increased risk and uncertainties thereby resulting in delivering audit engagement via virtual (Financial Reporting Council). However, despite all these changes, commitment to audit quality and auditing standard still remains intact as the standards still suitable for the purpose of covid-19 context.

Audit quality remains very imperative more than ever before in the current uncertain situation in which additional time to enhance audit quality might be required. Therefore, both processes and people required for the audit work must ensure wellness as high audit quality requires high quality personnel due to Financial Reporting Council.

Based on the feedback of Financial Reporting Council we shall mention that the ongoing COVID-19 epidemics has made changes into:

- How the auditor gathers sufficient, appropriate audit evidence, recognising that the planned audit approach may need to change, and alternative procedures developed, particularly ingroup audit engagements. The auditor must be able to gather the necessary evidence to be able to report or consider modifying their audit opinion;

- How the group auditor proposes to review the work of component auditors to meet the requirements in standards, including considering whether alternative procedures can be used: for example, where travel is restricted;

- The auditor's assessment of going concern and the prospects of an audited company, given that uncertainty about the global economy and the immediate outlook for many companies has increased;

- The adequacy of disclosures made by management about the impact on the company of COVID-19, so that users of the financial statements are properly informed, and the company's prospects and how they might be affected are described, recognising the high degree of uncertainty;

In the current COVID-19 situation, many companies have implemented closures and reduced the level of sales. It could be difficult for auditors to assess whether the current situation cast critical doubts on the company's ability to continue as a going concern, or in extreme situations whether the going concern basis itself is still appropriate as a basis for the preparation for corporate financial statement

(KPMG 2020). Due to COVID-19, auditors are more likely to rely on evidence from external sources such as evidence obtained directly from external parties such as customers, suppliers, or banks, which are more reliable than those obtained from clients (PWC, 2020). For example, the account receivable confirmation obtained from client's customers is more reliable than the records prepared by clients. However, the level of reliability of evidence obtained from clients is determined by the reliability of client internal control.

There is a potential threat to audit quality associated with generating many explanations when considering fraud risks (Rose et al., 2019). Given that, generating many alternative explanations does not consistently activate critical thinking and may even have the opposite effect. In addition, auditors will try to rely more on analysis procedures that help them to have a comprehensive understanding of the companies' financial position, thereby reducing the number of detailed tests that are so expensive and take a long time taking into consideration that most of the communications during the COVID-19 pandemic are by emails.

In recent years, the issue of auditors' salaries has also become important due to the major changes in the public accounting industry that have resulted in more complexity and increasing responsibilities and workloads on auditors. Although the salary of the auditor may be significantly attributed to audit quality, a few studies have considered the relationship between the salary of the auditor and audit quality, which is mainly due to data constraints. The efficiency wage theories imply that higher wages should improve audit personnel productivity by either motivating greater effort or attracting higher quality audit personnel. Therefore, it is expected that the COVID-19 pandemic would affect audit personnel salaries, which in return might negatively affect the performance of audit personnel as they would have few motivations to do their duties in the most efficient and effective manner. Any reduction in the salaries of audit personnel can have a potentially negative effect on audit quality.

In conclusion, this abstract discusses how audit quality can be affected by the COVID-19 pandemic. We also give some insights into which potential threats and issues may arrive later when the pandemic disappears. We find that COVID-19 disrupts both formal aspects of audit, i.e., audit procedures documented in audit plans, and informal aspects of audit, i.e., those outside of documented, planned audit procedures. In terms of formal aspects of audit, several audit procedures become impossible as a result of mandatory social distancing, shelter-in-place, travel restrictions, and imposed quarantine periods: these include onsite inspection and physical examination of sampled items, third party confirmations, and inquiries. However, we expect that more research and analysis will be conducted to understand the scale of impact.

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ACCOUNTING EDUCATION IN THE USA

The role of an accountant in business is multifaceted, they not only ensure all finance-related responsibilities are accurate and legally compliant but they also are tasked with proactively analyzing risk assessment and companies' efficiency. From individual proprietorships and small businesses to multinational, global corporations, accountants play an integral role. The core philosophy of accountants includes honesty, transparency, and equality. That is why accounting is one of the most popular degrees a national and international student can obtain in the USA [6].

Table 1

Quick Facts: Accountants and Auditors in the USA

2020 Median Pay	\$73,560 per year \$35.37 per hour
Typical Entry-Level Education	Bachelor's degree
Work Experience in a Related Occupation	None
On-the-job Training	None
Number of Jobs, 2019	1,436,100
Job Outlook, 2019-29	4% (As fast as average)
Employment Change, 2019-29	61,700

Source [2].

A person working as an Accountant in United States typically earns around 65,700 USD per year. Salaries range from 32,900 USD (lowest) to 102,000 USD (highest) (see Fig. 1).

This is the average yearly salary including housing, transport, and other benefits. Accountant salaries vary drastically based on experience, skills, gender, or location.