



FINANCIAL STATEMENTS AUDITORS WORK EXPERIENCE DURING COVID-19 PANDEMIC: EVIDENCE FROM SERBIA¹

Maja Kljajić*, Miroslav Perić

Singidunum University,
Belgrade, Serbia

Abstract:

During the global pandemic auditors were not able to perform full audit procedures due to social distancing measures. Therefore, mandatory audits were completed by accepting higher audit risk, with the possibility of material misstatements being present within statements to some extent. Uncertainty and risk arising from the current environment have resulted in changes in reporting and audit procedures, although these areas are strictly governed by the legal and regulatory framework. This paper will analyse the existing guidelines on COVID-19 considerations related to financial statements audit, issued by global and national regulators and professional organisations. Namely, all ISA remain in effect and additionally COVID-19 related guidelines should be used as a supplementary material. Furthermore, the paper will present the results of the conducted survey. Mostly external auditors were participants in the survey, with the aim to assess impacts of the pandemic. Results show that most respondents claim that pandemic had an effect on the way audit process is being performed.

However, only 7% of them believe that audit quality level is now higher. They named the following audit areas as the ones being affected the most: going-concern principle assessment, audit risk assessment, audit evidence acquisition, and audit documentation and client file preparation.

Article info:

Received: January 25, 2023
Correction: March 22, 2023
Accepted: March 22, 2023

Keywords:

audit environment,
COVID-19,
specific matters for consideration,
financial reporting,
auditor reporting.

INTRODUCTION

Discussion revolved around topics such as differences between the process during and before pandemic, appropriateness of professional and legal regulations, and future issues of pandemic. The purpose of this paper is to provide answers to some of those questions. Namely, the global pandemic caused by the COVID-19 is still ongoing (Tang, 2022). Today, its consequences are widely observed and recognized at the world level because it caused serious health, economic and ultimately financial

¹ This paper is the result of a short presentation and afterwards discussion related to a study on financial statements audit in the COVID-19 times, which commenced on International Scientific Conference FINIZ, held in Belgrade at the end of 2022.



crises (Blanas & Oikonomou, 2023), (Musleh Alsartawi *et al.*, 2022). Measures taken to combat the virus are still in force and affect various aspects of the economy, market, and daily business activities of companies (Goodell, 2020). Despite the current situation, companies are obliged to align their operations with the legal and regulatory framework (Sian, 2022), (Agoglia & Krishnan, 2022), (Hao *et al.*, 2022), (Bauer *et al.*, 2022). For example, having in mind legal deadlines in the field of accounting and auditing, and in order to ensure transparency and trust in these uncertain times, management of a company is obliged to submit its ordinary or consolidated financial statements on time, while auditors are obliged to submit their audit reports in a timely manner (Accountancy Europe, 2020).

There are numerous challenges that auditors are faced with in the process of performing an audit from 2019 year-end and beyond. In fact, auditors are required to fully comply with ISA to obtain reasonable assurance that the financial statements are free from material misstatements. However, the mentioned standards do not place specific requirements in detail on how to perform attestation process and acquire assurance (AICPA, 2020). Therefore, one way to respond to the challenges caused by the COVID-19 is to make certain changes related to access to: source and methods of acquiring audit information, risk assessment, as well as the use of new information and communication technologies in performing audit procedures (Mizdraković *et al.*, 2021).

Guidelines issued by global and national regulators, as well as professional institutes, can help auditors in responding to emerging challenges.

HIGHLIGHTING AREAS OF AUDIT CONSIDERATION IN COVID-19 ENVIRONMENT

There are several guidelines on implications of COVID-19 crisis in financial statements audit, and the most relevant ones are issued by The International Auditing and Assurance Standards Board (IAASB), International Federation of Automatic Control (IFAC), Auditing and Assurance Standards Board (AASB), Committee of European Auditing Oversight Bodies (CEAOB), International Forum of Independent Audit Regulators (IFIAR), American Institute of Certified Public Accountants (AICPA), Accountancy Europe, and Chartered Accountants (IAASB, 2020), (IFAC, 2020), (Accountancy Europe, 2020), (AASB–AUASB JOINT FAQ, 2020), (Chartered Accountants, 2020), (CEAOB, 2020), (IFIAR, 2020) and (AICPA, 2020). Those guidelines highlight certain areas that should be further considered in the process of planning and performing audit procedures to obtain sufficient and appropriate audit evidence. The main goal of the issued guidelines is to provide assistance to the management of the company when compiling financial reports, and to audit practitioners when performing audit engagements in the age of COVID-19 (Drew, 2020). The following table will show specific issues for consideration by area, that is to say, taking into account the relevant ISA.



Table 1. Highlighted areas that should be further considered

Relevant ISA	Specific matters for consideration
Impact of epidemic on professional judgment and scepticism	
ISA 200 - Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing	<ul style="list-style-type: none"> • Circumstances under which audit is complied; • Determination of audit materiality; • Keeping records on the basis of which professional judgment is made.
Impact of epidemic on audit planning	
ISA 320 - Audit Materiality	<ul style="list-style-type: none"> • Impact of changes of audit materiality level; • The impact of previously unadjusted differences in materiality level that need to be considered now due to changes of circumstances.
ISA 240 - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	<ul style="list-style-type: none"> • Circumstances under which audit is complied; • Increased risk of fraud; • Professional scepticism in the process of considering the risk of fraud; • Use of newer technologies in the process of interviewing staff (e.g. Video meetings).
Impact of epidemic on risk assessment	
ISA 315 (Revised) – Identifying and Assessing Risks of Material Misstatement	<ul style="list-style-type: none"> • Possible revision of already made risk assessments due to new significant risks in the current circumstances; • Impact of new or revised risks arising from the epidemic; • Impact of changes related to internal control systems and the control environment; • The impact of changes in legal and other regulations (e.g. Extension of the reporting period).
ISA 330 – The Auditor's Responses to Assessed Risks	<ul style="list-style-type: none"> • Changes in planned actions resulting as a result of environmental development; • Pay extra attention to: the process of closing financial statements; assessment of the overall presentation of financial statements, including appropriate disclosures; as well as the conclusion whether a sufficient amount of evidence was collected in the audit process.
Impact of epidemic on obtaining audit evidence	
ISA 500 – Audit Evidence	<ul style="list-style-type: none"> • Obtaining audit evidence due to the epidemic because e.g. auditors were not able to attend the inventory process; • Change in audit approach due to the epidemic because, for example, auditor team did not have access to sufficient staff; • Developing alternative audit procedures due to the epidemic because auditors, for example, were not able obtain the original documentation; • Using newer information solutions when sharing data and holding virtual meetings; • The use of professional scepticism in relation to the collection of audit evidence in the age of epidemic; • Developing new audit procedures to test the reliability of electronic evidence.
ISA 501 - Audit evidence - Specific Considerations for Selected Items	<ul style="list-style-type: none"> • Use of new technologies in the inventory process; • Performance of alternative audit procedures.
ISA 600 - Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors)	<ul style="list-style-type: none"> • Travel restrictions; • Transfer of data outside the jurisdiction; • Change in the way of communication in epidemic (due to remote locations).



ISA 230 - Audit Documentation	<ul style="list-style-type: none"> • The importance of documenting the auditor's considerations; • Professional judgment in relation to audit documentation.
The impact of the epidemic on the audit of accounting estimates	
ISA 540 (Revised) - Auditing Accounting Estimates and Related Disclosures	<ul style="list-style-type: none"> • Revised ISA (in force from 15/09/2019) which has a significant impact on assessments due to the epidemic; • Changes in regulatory factors that may affect valuations for financial reporting; • Identification and assessment of the risk of materially significant misstatements related to estimates; • Effect of changing the inherent risk factors; • Professional scepticism to consider judgments related to accounting estimates.
The impact of the epidemic on subsequent events	
ISA 10 - Events After the Reporting Period	<ul style="list-style-type: none"> • Additional procedures in order to review and update estimates performed by the date of publication of financial statements taking into account current uncertainties; • Disclosure of subsequent events.
ISA 560 - Subsequent events	<ul style="list-style-type: none"> • Impact of postponement of financial reporting deadlines (based on certain jurisdictions) caused by the epidemic; • Additional event monitoring procedures until the date of financial statements publication due to the uncertainty of the current situation; • Undertaking procedures that would cover a longer period until the date of the audit report; • Presentation and disclosure of material subsequent events related to the epidemic in notes to the financial statements; • Greater focus on subsequent events and their impact (if any) on the financial statements.
The impact of the epidemic on Going Concern	
ISA 570 (Revised) – Going Concern	<ul style="list-style-type: none"> • Auditor's assessment of the impact of the epidemic on going concern of audit client; • Timeframe that the auditor should consider; • Assessment of whether the audit client is liquid, that is, whether it can remain solvent during the pandemic; • Budget revision; • Assessment of reliance on state aid; • Availability of financing data; • Sensitivity analysis; • Assessment of the degree of business activities disruption due to epidemic; • Harmonization of the going concern assessment.
ISA 700 (Revised) - Forming an Opinion and Reporting on Financial Statements and ISA 701 - Communicating Key Audit Matters in the Independent Auditor's Report	<ul style="list-style-type: none"> • New reasons for modifying the auditor's opinion due to the epidemic; • New uncertainties introduced as a result of the COVID-19 virus. • Impact of new or amended laws/regulations on financial reporting; • New key issues arising from the impact of epidemic should be included in the audit report.

Source: arranged according to (IAASB, 2020), (IFAC, 2020), (AASB–AUASB JOINT FAQ, 2020), (CEAOB, 2020), (IFIAR, 2020), (IFIAR, 2020), (AICPA, 2020), (IAASB, 2020), (IFAC, 2020), (Accountancy Europe, 2020), (Chartered Accountants, 2020), (CEAOB, 2020), (IFIAR, 2020) and (AICPA, 2020).



Taking into account the specific issues for consideration by area, i.e. the relevant ISA, the guidelines should be helpful in the process of conducting an audit, especially when assessing risks and formulating an appropriate strategy and audit plan. Bearing in mind that the global epidemic has created new market conditions, while auditors are required to comply with full ISAs, the guidelines specifically emphasize that the auditor should pay attention to:

1. Audit quality in the age of COVID-19. Authors Albitar *et al.* (2021) in their work point out that the decline in audit fees, the assessment of going concern, the level of reliability and sufficiency of audit evidence, as well as the loss of manpower (due to layoffs) will affect the overall quality of the audit of financial statements from 2019 year-end and beyond. Authors Gong *et al.* (2022) and (Liu & Sun, 2022) in their papers note that, in comparison to engagements finished before COVID-19, those affected by the restrictions of pandemic produced audits of poorer audit quality as judged by restatements and discretionary accruals.
2. Change in circumstances amid the crisis caused by epidemic. Albitar *et al.* (2021) in their work note that the consequences of the current pandemic will pose more difficulties to auditors and audit clients than those that arose as a result of the financial crisis in 2008.
3. New techniques and technologies that will facilitate the audit process. Research results of authors Sharma *et al.* (2022) show that since the onset of COVID-19, auditors support the integration of new technologies into audit practices to ensure data accuracy and transparency. Authors Nezhyva & Miniailo (2020) suggest that the use of audit information technology does not replace the audit process itself, but represents a tool that reduces the time and resources spent in the audit implementation process. Authors Kljajic *et al.* (2022) and (Sian, 2022) in their papers state that auditors could use the new business environment as an opportunity for complete digital transformation, and the widespread use of remote auditing. Authors Albitar *et al.* (2021) recommend that audit companies invest in digital platforms (artificial intelligence, blockchain, network security, development of data functions, etc.) in order to be able to perform remote auditing from now on.
4. Change in audit procedures and approaches. Authors Kend & Nquyen (2022) found that 3% of audit procedures in 2020 dealt with audit risks related to the epidemic. Authors Nezhyva & Miniailo (2020) claimed in their work that the technological integration of audit based on modern information systems increases the efficiency of defined audit procedures and approaches. The results of authors' research Sharma *et al.*, (2022) and Eulerich *et al.*, (2022) show that auditors have shown great interest in using remote auditing in the future.
5. Obtaining audit evidence (electronically). The author Kaka (2021) in his paper suggests that auditors should consider collecting audit evidence electronically due to the increasing presence of virtual technologies and online business methods. In the case of obtaining evidence electronically, the auditor should check the controls of the processes from which the electronic evidence was obtained.
6. Professional judgment and professional scepticism. The author Kaka (2021) suggests that auditors are expected to use professional judgment and professional scepticism, that is, to be focused on the public interest and ethical responsibility in these uncertain conditions. Farcane *et al.* (2022) point out that COVID-19 has affected many aspects of the audit, especially those related to the determination of professional judgment; for example, determining materiality level requires its use.
7. Assessment of material significance. Authors Farcane *et al.* (2022) point out that in the audit process it is necessary to modify the criteria related to the determination of materiality level due to significant changes in circumstances during the epidemic. In particular, authors point out that in the age of COVID-19, audit materiality level will need to be updated as the audit progresses more than before, due to changes in metrics relevant to users of financial statements (e.g. revenue).



IMPLICATIONS OF COVID-19 EPIDEMIC ON THE MARKET OF THE REPUBLIC OF SERBIA

When it comes to the economy of the Republic of Serbia during the state of emergency introduced due to the pandemic, the Decree was adopted on postponement of the deadlines for holding regular meetings of the assembly of companies and submitting annual and consolidated financial statements of business entities, cooperatives, other legal entities and entrepreneurs, as well as the deadlines for submission of applications for income tax and tax on income from self-employed activities, the validity of licenses of authorized auditors and licenses for assessing the value of the real estate that expire during the state of emergency caused by the epidemic ("Official Gazette RS", No. 57/2020)).

This decree sets the deadline for the submission of annual reports, i.e. annual financial statements with the auditor's report of all taxpayers whose reporting is regulated by the Law on Accounting ("Official Gazette of RS", No. 73/2019 and 44/2021 - other law)), i.e. the Law on the Capital Market ("Official Gazette of the RS", No. 31/11, 112/15, 108/16 and 9/20)), i.e. the Law on Investment Funds ("Official Gazette of the RS", No. 46/06, 51/09, 31/11 and 115/14)) or the Law on Open Investment Funds with Public Offering ("Official Gazette of the RS", No. 73/19), is postponed to a period of 60 days from the day the state of emergency ends. Taking into account the aforementioned provisions, moving financial reporting deadlines will have an impact on both, the financial reporting process, and the audit process. Management of audit clients is specifically required to disclose materially significant subsequent events related to the epidemic in financial statements; while auditors to focus more on subsequent events and their impact on financial statements, implementing additional procedures that will cover a longer period until the date of the audit report, which was not previously the case.

LITERATURE REVIEW

Bearing in mind that the global pandemic rapidly spread to all countries of the world, global and national regulators and professional organisations were forced to quickly find sustainable solutions for harmonizing prescribed standards and audit procedures with current conditions. The financial disruption caused by the pandemic has significantly reduced reliability level of investors in published results of companies' operations, and therefore the significance of statutory audit in the crisis period has additionally increased (Saxena et al., 2020). In this regard, the impact of COVID-19 on audit procedures has been studied at the international level. Authors specifically referred to the qualitative analysis, because it was very difficult to perform a quantitative assessment of the subject of research (Castka & Searcy, 2023), (Hegazy et al., 2022), (Crucean & Hațegan, 2021). Qualitative analysis performed by the authors Shaqqour et al. (2023), Baatwah et al. (2022), Qureshi (2021), Elaoudl & Jarboui (2022), Minarhadi & Trisnaningsih (2022), Eulerich et al., (2022) and Castka (2020) shows that auditors have accepted remote auditing and contemporary information and communication technologies during the COVID-19 pandemic. Also, in their work, the authors Shbail, et al. (2023), Musleh Alsartawi et al. (2022) and Kljajić et al. (2022) particularly emphasize the importance of using new technologies in the process of conducting audits during the pandemic, which should improve audit procedures performance in the future.



The results of the authors' research Hategan *et al.* (2022) and Crucean & Hațegan (2021) indicate that during the pandemic auditors were particularly interested in aspects related to subsequent events and going-concern principle. In their work authors Kend & Nguyen (2022) found that only 3% of audit procedures undertaken in 2020 were specifically related to the COVID-19 pandemic. Furthermore, authors point out that auditors from smaller audit firms reported that they had performed far fewer audit procedures related to the audit risks of COVID-19 than most larger audit firms. Authors Al-Aamaedeh & Alhosban (2021) collected responses from external auditors and based on that gave main recommendation regarding financial statements audit during pandemic. Namely, it is needed to provide clear guidelines for the application of audit principles and procedures throughout the appropriate global and local accounting and auditing organizations and bodies. Taking into account the mandatory audit process of banks in Jordan, the results of the author's research Al-Khasawneh (2021) show that the current pandemic had a statistically significant impact on: audit planning procedures, materiality level determination, audit risks, evidence collection methods, and even audit report content. Also, the recommendations derived from this research refer to the development of audit procedures and guidelines that would be used during the pandemic, as well as the implementation and use of modern and contemporary technologies during the audit process.

Research conducted on a sample of 60 public companies from the Bucharest Stock Exchange during 2019, shows that the effects of the pandemic are correlated with: auditor size, opinion type, and the average number of employees of audit client (Crucean & Hațegan, 2021). It is interesting to mention the research conducted by the authors Baatwah *et al.* (2022) who analysed auditors' self-efficacy during the health crisis. The results of the survey showed that auditors felt confident in their ability to perform audit activities during the pandemic. Furthermore, research results suggest that Big 4 auditors moderate the positive association between remote auditing and auditor self-efficacy. Finally, group of authors conducted the research, which included members of Romanian Chamber of Financial Auditors, and concluded that auditors faced numerous challenges while performing remote auditing. Namely, while they gained higher levels of efficiency, their level of creativity and innovative perception decreased (Farcane *et al.*, 2023).

RESEARCH METHODOLOGY

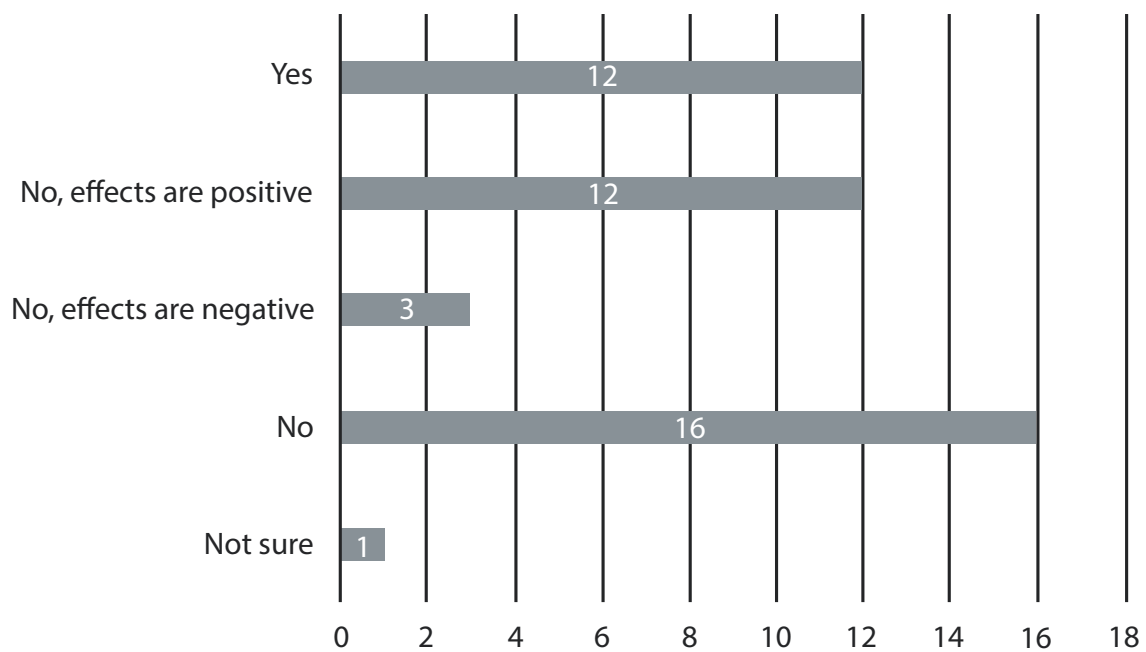
In order to gain some insight into mandatory audit practice during COVID times in the Republic of Serbia, a questionnaire was prepared and distributed to all attendees present at the annual International Scientific conference FINIZ 2022, and a special session related to financial statements audit. Out of 87 attendees, responses came from 52 of them, which makes response rate of app. 60%. However since 8 respondents claimed that they hadn't been involved in financial statements audit in any way, their responses have been removed from the results. This makes research sample of 44 responses. The questionnaire consisted of 9 questions with 3 general questions and the remaining questions were directed to the experience of respondents related to financial statements audit process. One question was open-ended, as respondents were asked to elaborate on whether financial statements audit is performed today the same as before pandemic. The remaining questions had answers given as options to choose from.



RESEARCH RESULTS AND DISCUSSION

The research results show that female respondents dominate in the sample with 68.16%. Furthermore, the sample is dominated by respondents with experience less than 20 years (40 respondents) and only 4 respondents have more experience. There is almost equal number between respondents with 1-5 years of experience, 5-10 and 10-20 years. When it comes to occupation app. 77% responses (34) came from external auditors, and the remaining number of questionnaires was filled by internal auditors and certified accountants (5 each). According to the results, 33 respondents were involved in financial statements process during COVID-19 pandemic, while the remaining number of participants has been indirectly involved.² When asked whether audit regulations had been adequate for use during the pandemic and about half of respondents claimed that regulations had been only partially appropriated and that additional guidelines and eventually new types of regulations were needed. On the other hand, app. 36% of respondents still considered current regulations to be effective in changed conditions. As noted in literature review section pandemic had significant impact on audit process. The result of this research confirms the previous findings that pandemic changed the way external audit process is being performed.

Graph 1. Participants' opinion on whether external audit is performed in the same way as before pandemic



Source: Authors' data

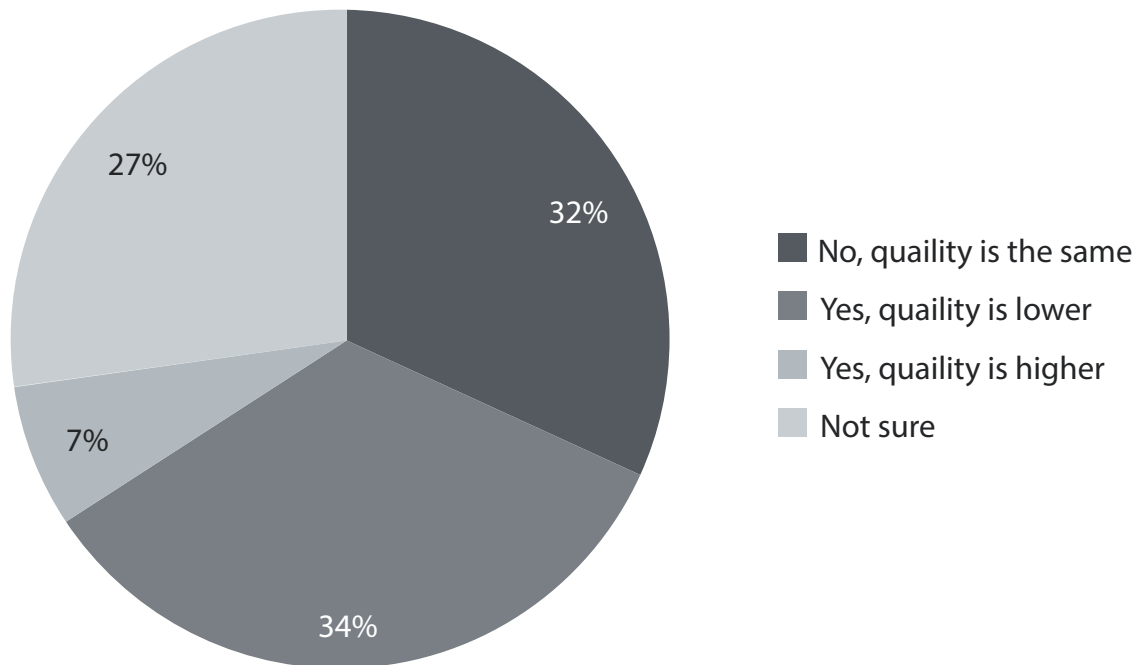
Previous graphic shows that one-third of respondents think that audit is performed in the same way as before pandemic COVID-19. This question provides more information on participants' opinions, as it was open-ended. Some of them consider that audit is now performed faster mostly due to easier transfer of documentation from client to auditor, and vice versa. Additionally, they mention the use of online communication between client and auditor, as well as among auditor team staff.

² As previously noted responses given by participants that have not been involved in audit process have been removed from this study



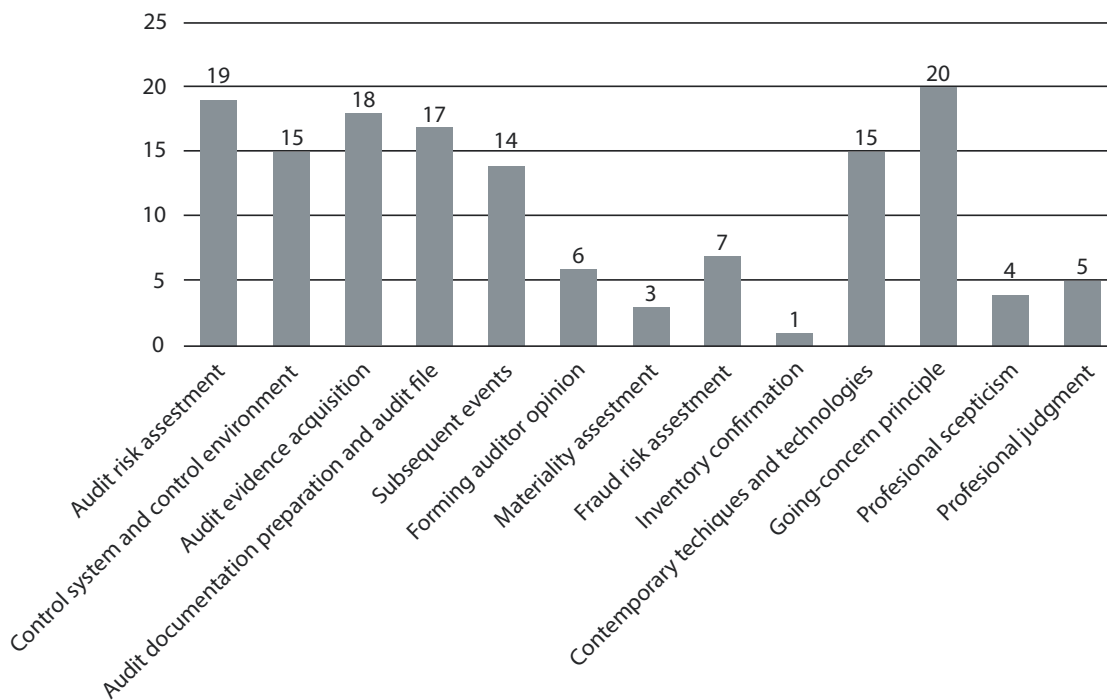
Respondents consider that the changes introduced by pandemic are going to stay even after pandemic, as in their opinion they mostly have positive effect (more flexibility, better communication and less working hours due to less field work, etc.). However, some of them claim that new employees will not be able to gain the needed experience and therefore audit firms should focus on increasing their objectivity and professional competence levels.

Graph 2. Differences in audit quality during and before pandemic COVID-19



Source: Authors' data

Previous graph shows respondents' answers regarding the differences in audit quality before and after COVID-19 pandemic. The results of the survey show that 32% of the respondents do not see the difference in the quality of external audit procedures, that is, they think that the quality is the same as before. On the other hand, the majority of results (41%) indicate that there is a difference in the quality of the conducted audit. Namely, 34% of respondents believe that the pandemic had a negative impact on audit quality, while only 7% of them believe that higher quality was achieved. In addition, about one-third of participants were not able to assess whether audit quality had changed or remained the same.

**Graph 3.** Impact of the pandemic on different areas of financial statements audit process

Source: Authors' data

Having in the mind the previous question it was needed to investigate which areas of external audit were affected by COVID-19 pandemic. Therefore the following question revealed that the greatest impact was achieved on: Going-concern principle assessment (20), Audit risk assessment (19), Audit evidence acquisition (18), and Audit documentation and client file preparation (17). Namely, COVID-19 pandemic caused financial discrepancies in all business activities without clear forecast of future market conditions. Consequently, auditors had limited assessment whether audit client would continue its operation in following reporting period. Additionally, assessment of audit risk level was also affected. Other two areas named previously point out that the pandemic changed methods of audit evidence collection, including submission of documentation from the client and preparation of audit documentation and client files. Lower, but the following areas still have a significant share in total results: Internal control system and control environment, Contemporary techniques and technologies, and Subsequent events. Due to social distancing measures and inability of auditors to visit clients, auditors had to rely on internal control system and control environment to a larger extent. Additionally, they had to find new methods to collect audit evidence and resourced to alternative and contemporary technologies to fulfil that requirement. The respondents mention other areas, but to a lower extent. The final question was aimed at the ability to adapt to new circumstances in audit process. Research results show that app. 86% of respondents believe that auditors have now improved the ability to adapt after the pandemic COVID-19.



CONCLUSION

The emergence of the global crisis caused by the COVID-19 epidemic affected both the process of preparation of financial statements, as well as the entire audit engagement. Namely, auditors had to promptly adapt to working in uncertain circumstances, adopting new audit procedures and using new technological resources in order to obtain sufficient audit evidence in order to form an audit opinion. The aim of this paper is to highlight special issues for consideration by area, i.e. taking into account the relevant ISA, as well as to present results of the study that involved participants (mostly external auditors) who performed external audit process in Serbia during the pandemic. Emphasizing special issues should additionally help auditors in the process of defining audit procedures, that is, to respond to challenges arising from the uncertainty of the current environment. The results of the analysis of special issues for consideration show that the auditor in the age of pandemic should pay attention to: audit quality, circumstances under which audit is complied, new techniques and technologies, changes in audit procedures and approaches, obtaining audit evidence, professional judgment and professional scepticism, as well as assessment of audit materiality. When taking into account the results of the research obtained by questionnaire, most respondents believe that pandemic had an effect on the way audit process is performed. It can be concluded that there are differences in quality level of conducted audit after the pandemic. Namely, one-third of respondents claim that audit level has been lower since the pandemic. However, app. 86% of respondents claim that auditors have now improved the ability to adapt after the pandemic COVID-19. The most affected audit process areas are: Going-concern principle assessment, Audit risk assessment, Audit evidence acquisition, and Audit documentation and client file preparation.



REFERENCES

- AASB–AUASB JOINT FAQ. (2020). *The impact of coronavirus on financial reporting and the auditor's considerations*. Retrieved November 10, 2022, from https://www.aasb.gov.au/admin/file/content102/c3/AASB19009_COVID19_FA.pdf
- Accountancy Europe. (2020). *Coronavirus' impact on auditing for 2019 year-ends and beyond*. Retrieved October 15, 2022, from <https://www.accountancyeurope.eu/publications/coronavirus-impact-on-auditing-for-2019/>
- Agoglia, C., & Krishnan, J. (2022). Research Forum on COVID-19: Implications for Audits and the audit profession. *Auditing: A Journal of Practice & Theory*, 41(1), 1. <https://doi.org/10.2308/ajpt-10805>
- AICPA. (2020). *Consequences of COVID-19: Potential auditing challenges*. Retrieved October 10, 2022, from <https://www.mgiworld.com/media/2123730/2020-03-31-aicpa-special-report-covid-19-auditing-challenges.pdf>
- Al-Aamaedeh, Z., & Alhosban, A. (2021). The impact of coronavirus (COVID-19) on external audit from the viewpoint of external auditors. *International Journal of Entrepreneurship*, 25(1), 1-12. Retrieved January 15, 2023, from <https://www.proquest.com/openview/9a58b2484d36a30dda3f4d58a12fb7bb/1?pq-origsite=gscholar&cbl=29727>
- Al-Khasawneh, R. (2021). Impact of corona pandemic (COVID-19) on external audit on Jordanian banks. *Academy of Accounting and Financial Studies Journal*, 25(1), 1-11.
- Albitar, K., Gerged, A., Khaldoun, H., & Hussainey, K. (2021). Auditing in times of social distancing: the effect of COVID-19 on auditing quality. *International Journal of Accounting & Information Management*, 29(1), 169-178. <https://doi.org/10.1108/IJAIM-08-2020-0128>.
- Appelbaum, D., Budnik, S., & Vasarhelyi, M. (2020). Auditing and accounting during and after the COVID-19 crisis. *The CPA Journal*, 90(6), 14-19. Retrieved October 13, 2022, from <https://www.proquest.com/openview/c255354a2e46a2e58ee796b6f6529ea8/1?pq-origsite=gscholar&cbl=41798>
- Baatwah, S., & Al-Ansi, A. (2022). Dataset for understanding the effort and performance of external auditors during the COVID-19 crisis: A remote audit analysis. *Data in brief*, 42(1), 108119. <https://doi.org/10.1016/j.dib.2022.108119>.
- Baatwah, S., Ali Al-Ansi, A., Almoataz, E., & Salleh, Z. (2022). Toward understanding the self-efficacy of external auditors during COVID-19: Empirical testing of traditional sources and virtual audit proficiency. *Journal of Financial Reporting and Accounting, ahead-of-print*. <https://doi.org/10.1108/JFRA-06-2022-0223>.
- Bauer, T., Humphreys, K., & Trotman, K. (2022). Group judgment and decision making in auditing: Research in the time of COVID-19 and beyond. *Auditing: A Journal of Practice & Theory*, 41(1), 3-23. <https://doi.org/10.2308/AJPT-2020-147>
- Blanas, S., & Oikonomou, R. (2023). COVID-induced economic uncertainty, tasks and occupational demand. *Labour Economics*, 81, 102335. <http://dx.doi.org/10.2139/ssrn.4061896>
- Castka, P. (2020). Technology-enhanced Auditing in voluntary sustainability standards: The impact of COVID-19. *Sustainability*, 12, 2-24. <https://doi.org/10.3390/su12114740>.
- Castka, P., & Searcy, C. (2023). Audits and COVID-19: A paradigm shift in the making. *Business Horizons*, 66(1), 5-11. <https://doi.org/10.1016/j.bushor.2021.11.003>.
- CEAOB. (2020). *CEAOB emphasises the following areas that are of high importance in view of COVID-19 impact on audits of financial statements*. Retrieved November 2, 2022, from https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200325-ceaob-statement-covid-19_en.pdf
- Chartered Accountants. (2020). *Financial reporting and audit issues stemming from COVID-19. A guide for Chartered Accountants in Australia and New Zealand*. Retrieved November 5, 2022.
- Crucean, A., & Hațegan, C. (2021). Effects of the COVID-19 pandemic estimated in the financial statements and the auditor's report. *Audit Financiar*, 1(161), 105-118. DOI: 10.20869/AUDITF/2021/161/001.
- Dingel, J., & Neiman, B. (2020). How many jobs can be done at home?. *Journal of Public Economics*, 189(1), 104235. <https://doi.org/10.1016/j.jpubeco.2020.104235>.
- Drew, J. (2020). AICPA issues audit and accounting guidance FAQs on COVID-19. *Journal of Accountant*. Retrieved November 7, 2022, from <https://www.journalofaccountancy.com/news/2020/apr/audit-accounting-faqs-amid-coronavirus-pandemic.html>



- Elaoudi, A., & Jarboui, A. (2022). The external auditors' policy after the COVID-19 pandemic and the accounting outlook in Tunisia. *Accounting and Management Information Systems*, 21(1), 77-91. Retrieved January 20, 2023, from <https://www.cceol.com/search/article-detail?id=1032572>
- Eulerich, M., Wagener, M., & Wood, D. (2022). Evidence on Internal Audit Quality from Transitioning to Remote Audits because of COVID-19. *Journal of Information Systems*, 36(3), 219-234. <https://doi.org/10.2308/ISYS-2021-021>
- Farcane, N., Constantin Bunget, O., Blidisel, R., Constantin Dumitrescu, A., Deliu, D., Bogdan, O., & Burca, V. (2022). Auditors' perceptions on work adaptability in remote audit: A COVID-19 perspective. *Economic Research*, 36(1), 422-459. <https://doi.org/10.1080/1331677X.2022.2077789>.
- Gong, S., Ho, N., Jin, J., & Kanagaretnam, K. (2022). Audit quality and COVID-19 restrictions. *Managerial Auditing Journal*, 37(8), 1017-1037. <https://doi.org/10.1108/MAJ-11-2021-3383>
- Goodell, J. (2020). COVID-19 and finance: Agendas for future research. *Finance Research Letters*, 35, 101512. <https://doi.org/10.1016/j.frl.2020.101512>
- Hao, R., Xue, J., Yau, L., & Zhang, C. (2022). Analyst forecasting during COVID-19 pandemic. *Managerial Auditing Journal*, 37(3), 380-405. <https://doi.org/10.1108/MAJ-12-2021-3406>
- Hategan, C., Pitorac, R., & Crucean, A. (2022). Impact of COVID-19 pandemic on auditors' responsibility: evidence from European listed companies on key audit matters. *Managerial Auditing Journal*, 37(7), 886-907. <https://doi.org/10.1108/MAJ-07-2021-3261>.
- Hegazy, M., El-Haddad, R., & Kamareldawla, N. (2022). Impact of auditor characteristics and Covid-19 Pandemic on KAMs reporting. *Managerial Auditing Journal*, 37(7), 908-933. <https://doi.org/10.1108/MAJ-07-2021-3271>
- IAASB. (2020). Staff audit practice alert March 2020. *From highlighting areas of focus in an evolving audit environment due to the impact of COVID-19*. Retrieved October 13, 2022, from https://www.ifac.org/_flysystem/azure-private/publications/files/Staff-Alert-Highlighting-Areas-of-Focus-in-an-Evolving-Audit.pdf
- IFAC. (2020). Supporting international standards. *From Summary of COVID-19 Audit Considerations*. Retrieved October 20, 2022, from <https://www.ifac.org/knowledge-gateway/supporting-international-standards/discussion/summary-covid-19-audit-considerations>
- IFIAR. (2020). *COVID-19 Updates*. Retrieved November 2, 2022, from <https://www.ifiar.org/about/covid-19-updates-public/>
- Kaka, E. (2021). COVID-19 and auditing. *Journal of Applied Accounting and Taxation*, 6(1), 1-10. <https://doi.org/10.30871/jaat.v6i1.2311>.
- Kend, M., & Nquyen, L. (2022). Key audit risks and audit procedures during the initial year of the COVID-19 pandemic: An analysis of audit reports 2019-2020. *Managerial Auditing Journal*, 37(7), 798-818. <https://doi.org/10.1108/MAJ-07-2021-3225>.
- Kljajic, M., Mizdrakovic, V., & Hadrovic Zekic, B. (2022). Internal audit in the COVID-19 environment: Key aspects and perspectives of remote auditing. *The European Journal of Applied Economics*, 19(1), 30-41. DOI: 10.5937/EJAE19-35881.
- Levy, H. (2020). Financial reporting and auditing implications of the COVID-19 pandemic. *The CPA Journal*, 90(5), 26-33. Retrieved November 7, 2022, from <https://www.proquest.com/openview/e78877503780f15b09adb4da7dbb4a54/1?pq-origsite=gscholar&cbl=41798>
- Liu, G., & Sun, J. (2022). The impact of COVID-19 pandemic on earnings management and the value relevance of earnings: US evidence. *Managerial Auditing Journal*, 37(7), 850-868. <https://doi.org/10.1108/MAJ-05-2021-3149>
- Minarhadi, D., & Trisnangsih, S. (2022). Remote audit dibandingkan dengan onsite audit dan kemampuan yang dibutuhkan dalam pandangan praktisi internal auditor. *Jurnal Akuntansi*, 10(2), 12-19. <https://doi.org/10.26460/ja.v10i2.3296>.
- Mizdrakovic, V., Kljajic, M., & Hadrovic Zekic, B. (2021). *Internal auditing in COVID-19 environment: Is remote auditing a solution?* In Proceedings of International Scientifics Conference FINIZ 2021 (Ed. M. Stanisic) Are you Ready for the ContinuousNEXT after Covid-19? (pp. 3-7). Belgrade: Singidunum University. <https://doi.org/10.15308/finiz-2021-3-7>.



- Musleh Alsartawi, A., Hegazy, M., & Hegazy, K. (2022). Guest editorial: The COVID-19 pandemic: A catalyst for digital transformation. *Managerial Auditing Journal*, 37(7), 769-774. <https://doi.org/10.1108/MAJ-07-2022-024>
- Nezhyva, M., & Miniailo, V. (2020). Digitalization of audit in the conditions of the COVID-19. *Visnik of Kiev National University of Trade and Economics Audit*, 3(1), 123-134. [http://doi.org/10.31617/visnik.knute.2020\(131\)09](http://doi.org/10.31617/visnik.knute.2020(131)09).
- Official Gazette of RS, No. 73/2019 and 44/2021 - other law. *Accounting law*. Retrieved November 7, 2022, from <https://www.paragraf.rs/propisi/zakon-o-racunovodstvu-2020.html>
- Official Gazette of RS, No. 31/11, 112/15, 108/16 and 9/20. *Law on Capital Market*. Retrieved November 7, 2022, from https://www.paragraf.rs/propisi/zakon_o_trzistu_kapitala.html
- Official Gazette of RS, No. 46/06, 51/09, 31/11 and 115/14. *Law on investment funds*. Retrieved October 17, 2022, from http://www.crhov.rs/pravnaregulativa/drugi_pravni_akti/ZAKON_O_INVESTICIONIM_FOND-OVIMA_03122014.pdf
- Official Gazette of RS, No. 73/19. *Law on open investment funds with public offering*. Retrieved October 17, 2022, from <https://www.paragraf.rs/propisi/zakon-otvorenim-investicionim-fondovima-javnom-ponudom.html>
- Official Gazette of RS, No. 57/2020. *Decree on moving the deadlines for holding the regular session of the assembly of a business company and submitting annual and consolidated financial reports of companies, cooperatives, other legal entities and entrepreneurs, as well as the deadlines for submitting applications for profit tax and self-employment tax, the validity of licenses of authorized of auditors and licenses for the real estate appraisals that expire during the state of emergency caused by the COVID-19 disease caused by the SARS-CoV-2 virus*. Retrieved October 17, 2022, from <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/uredba/2020/57/3/reg>
- Qureshi, M. (2021). Are interaction effects of various media advertising on firm performance super-additive or sub-additive? *Journal of Accounting and Management Information Systems*, 20(2), 290-303. Retrieved January 20, 2023, from <https://www.cceol.com/search/article-detail?id=956550>
- Saxena, S., Lourdunathan, G., Stalin, G., & Rajakamal, C. (2020). An empirical study the impact of coronavirus outbreak on mergers and acquisition on financial performance: A special reference to tata steel and corus. *PalArch's Journal of Archaeology of Egypt*, 17(7), 7476-7482. Retrieved January 20, 2023, from <https://archives.palarch.nl/index.php/jae/article/view/3202>
- Shaqqour, O., Harb, A., Ballout, O., & Jaber, R. (2023). Digital audit during COVID-19 in Jordanian audit firms a study of the reality and outlook the future. In (Eds. A. Hamdan, H. M. Shoaib, B. Alareeni & R. Hamdan) *The Implementation of Smart Technologies for Business Success and Sustainability During COVID-19 Crises in Developing Countries* (pp. 263-272). Springer, Cham. DOI: 10.1007/978-3-031-10212-7_23.
- Sharma, N., Sharma, G., Joshi, M., & Sharma, S. (2022). Lessons from leveraging technology in auditing during COVID-19: an emerging economy perspective. *Managerial Auditing Journal*, 37(7), 869-885. <https://doi.org/10.1108/MAJ-07-2021-3267>.
- Shbail, A., Obeid, M., Alshurafat, H., Ananzeh, H., Mansour, E., & Hamdan, A. (2023). Factors affecting the adoption of remote auditing during the times of COVID-19: An integrated perspective of diffusion of innovations model and the technology acceptance model. In Proceedings of International Conference on Business and Technology (Eds. B. Alareeni & A. Hamdan) *Explore Business, Technology, Opportunities and Challenges after The COVID-19 Pandemic* (pp. 38-53). Springer, Cham. DOI: 10.1007/978-3-031-08954-1_4.
- Sian, S. (2022). Remote audit: The challenges of re-creating the audit room during the Covid 19 pandemic. *Accounting Forum*, 1-30, ahead-of-print. DOI: 10.1080/01559982.2022.2151963
- Tang, Y. (2022). COVID-19 and personal finance. *Accounting, Auditing & Accountability Journal*, 35(2), 576. <https://doi.org/10.1108/AAAJ-02-2022-146>



OBAVLJANJE REVIZIJE FINANSIJSKIH IZVEŠTAJA TOKOM PANDEMIJE COVID-19 NA PRIMERU REPUBLIKE SRBIJE

Rezime:

Tokom globalne pandemije eksterni revizori nisu bili u mogućnosti da izvrše revizorske procedure kao u periodu pre nje, zbog mera socijalnog distanciranja. Stoga, je revizija vršena prihvatanjem većeg nivoa revizorskog rizika, uz mogućnost postojanja materijalno pogrešnih iskaza. Neizvesnost i rizik koji proističu iz trenutnog okruženja doveli su do promena u procedurama finansijskog izveštavanja i revizije izveštaja, iako su ove oblasti striktno regulisane zakonskim i regulatornim okvirima. Ovaj rad će analizirati postojeće smernice o COVID-19 razmatranjima u vezi sa revizijom finansijskih izveštaja, koje su izdali globalni i nacionalni regulatori i profesionalne organizacije. Naime, svi MSR ostaju na snazi, a kao dopunski materijal treba koristiti i smernice vezane za COVID-19. Dalje, u radu će biti prikazani rezultati sprovedene ankete sa ciljem procene uticaja pandemije. U anketi su učestvovali uglavnom eksterni revizori, a većina ispitanika tvrdi da je pandemija COVID-19 uticala na način na koji se vrši revizijski proces. Međutim, samo 7% njih veruje da je nivo kvaliteta revizije sada viši. Ispitanici su naveli sledeće oblasti procesa revizije kao one na koje je pandemija najviše uticala: procena načela stalnosti poslovanja, procena nivoa revizorskog rizika, pribavljanje revizorskih dokaza i priprema revizijske dokumentacije i dosijea klijenata.

Ključne reči:

revizorsko okruženje,
COVID-19,
posebna pitanja za razmatranje,
finansijsko izveštavanje,
revizorski izveštaj.