

Review Paper

Transformation Processes of Audit in Covid-19 Conditions

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ABSTRACT

The article examines the features of the financial audit traditional forms transformation in the context of the COVID-19 pandemic. The peculiarities of conducting a financial audit in compliance with quarantine restrictions are considered. The advantages and prospects of implementing agile-audit in Ukraine are analyzed. The need to introduce the institute of electronic audit as one of the methods to reduce the impact of the COVID-19 pandemic on the economy of Ukraine has been identified. It is noted that one of the elements of combating the consequences of COVID-19 is the use of digital technologies in compliance with tax legislation, namely electronic audit of business entities. It is determined that the content of electronic audit is the use of a specialized tax file Standard Audit File for Tax, which will allow auditors to freely obtain information for tax audits. The current normative and legal regulation of the functioning of the institute of electronic audit in Ukraine is studied, as well as draft laws aimed at improving the normative regulation of electronic audit. A number of measures have been proposed to improve audit processes to prevent the consequences of the pandemic and the full implementation of electronic audit in the traditional system of verification and tax payers activities. It is concluded that the quarantine audit can no longer be performed by traditional methods and it is determined that them a inform of audit is remote audit, which, despite the restrictions, should be conducted in accordance with established international standards, considering pandemic restrictions. It is proposed to consolidate the concept of "electronic audit" at the legislative level to start the functioning of electronic audit in Ukraine; at the regulatory level to determine the structure of the Ukrainian version of the specialized tax audit file SAFTUA, to form a phased procedure for electronic audit; develop an accurate plan for the implementation of electronic audit institute; develop appropriate software for auditors. Among other things, it was deemed necessary to provide special training courses for auditors in order to acquaint the latter with the new audit procedure. It is concluded that conducting an agile audit can allow for an effective audit and become a key element of business success.

HIGHLIGHTS

- ① The audit transformation process was proved to be the consequence of the Covid-19 pandemic.
- ② An electronic audit institute was considered as a means of a proper audit of financial activities in Ukraine.
- ③ An agile audit was substantiated to be the main element of business success in Ukraine.

Keywords: Transformation, pandemic, electronic audit, remote audit, agile audit

World economic institutes predicted the growth of the world economy in 2020 by 2-3%, however, due to the COVID-19 pandemic, all the leading countries of the world are implementing strict quarantine in order to overcome the coronavirus.

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The new economic crisis poses new challenges to the international community, and requires the search for new ways out of it. The peculiarity of the COVID-19 pandemic is its extremely fast and large-scale spread, which caused the economy of many countries around the world to stop. The global financial crisis of 2020, caused by the outbreak of COVID-19, may lead to long-term changes in global commodity markets and has a direct impact on the conduct of financial audits (Hrytsyuk and Sak, 2021).

The global pandemic of 2019-2020 has an impact not only on the lives of citizens, but also on approaches to business management. The real challenge for business entities was the long-term introduction of quarantine restrictions. Many business entities are forced to work remotely with the help of information technologies. According to a study by the international auditing company Deloitte, the impact of the COVID-19 pandemic on business is manifested by reduced sales and cash flow, the inability to serve consumers and the inability to continue normal business operations (Nezhyva & Miniailo, 2020).

Thus, the global pandemic of COVID-19 did not bypass the field of financial audit. Audit activity is expanding intensively, having passed the stage of formation, continues to gain momentum. It is the digitization and digitization of many management processes that is the reason for the transformation of traditional approaches to financial audit of business entities, which increases the efficiency of business operations, which is extremely important during quarantine restrictions.

Meanwhile, ensuring the proper audit implementation is one of the important factors of balanced economic development of each country, successful business operation. Cooperation with the countries of the European Union ensures the fulfillment of the tasks set for Ukraine by the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their member states, on the other hand, including in the field of implementing the Institute of Electronic audit.

Despite the rapid response of the international community, as of today, it is impossible to determine the amount of economic losses that humanity will

suffer as a result of the COVID-19 pandemic. Among this, it is necessary to objectively identify the actual consequences of the pandemic impact on the processes that constitute the essence of financial audit. It is also important to analyze the system of measures and tools developed by the government to transform traditional forms of financial audit (Fedyk, 2021).

Thus, there are a number of potential risks faced by the financial audit field during the pandemic that call into question the effectiveness of the audit. Existing internal control systems may no longer meet international standards in the absence of new audit plans and processes using information technology to facilitate the work of auditors in the current work environment (Inyang, 2021).

At the current stage of the development of Ukraine's economic legal relations with the European Union, the issue of ensuring the audits implementation in accordance with international auditing standards, taking into account quarantine restrictions, plays an extremely important role. In view of the above, it is the analysis and study of the transformational processes of financial audit in the conditions of the COVID-19 pandemic that is an urgent issue.

A significant number of works in the domestic scientific literature are devoted to the study of the financial audit issue, including the issue of audit transformations in the conditions of quarantine restrictions. The effectiveness of the implementation of the electronic audit institute in Ukraine is disclosed in their works by Galchak, H.R., Godukhin, G.I., Melnyk, A.O., Podik, I.I. (2020), Shesternyak, M.M. (2020, 2021) and others. Meanwhile, the consequences of the impact of the COVID-19 pandemic on the world economy and the procedure for conducting a financial audit were investigated in their works by Antonyuk, O. A., Baranova, K.I., Belinska, N.V., Hrytsyuk, N. O., Zhukova, T.A., Korkushko, N.V., Kryvosheya, D.V., Lagodienko, N.V., Pavlyuk, V.V., Plikus, I.Y. and others. However, despite numerous scientific studies in this area, it is necessary to study the transformational processes of auditing in the conditions of the pandemic in order to develop a single mechanism for overcoming the negative consequences of this phenomenon.

MATERIALS AND METHODS

The article uses a complex of general philosophical, general scientific and special research methods. The methods of formal-logical (dogmatic), systemic-structural, comparative-legal and logical-legal analysis, deduction, and induction were used, which made it possible to determine the features of the transformational processes of financial audit in the conditions of the COVID-19 pandemic.

The research uses the method of system analysis to determine the methodological foundations of the audit system at the enterprise under the conditions of COVID-19. With the help of the functional method, additional functions of the financial audit in connection with quarantine restrictions were identified and investigated. Among this, the functional-instrumental method made it possible to identify the main goals and functional purpose of the financial audit and determine the impact of COVID-19 on the further development of Ukraine economy. The formal-legal method made it possible to consistently analyze the content of legal norms and features, regulatory support for the formation, development and modification of financial audit. The logico-semantic method made it possible to formulate recommendations for directions that require further scientific substantiation and legislative support, including comprehensive and systematic measures for the implementation of new forms of audit, namely electronic audit and agile audit. The forecasting method helped outline the main transformational audit processes caused by the pandemic and subsequent actions to ensure the implementation of audits in accordance with international standards of understanding of the objective nature of economic phenomena and processes.

To study the current state of understanding of the electronic audit objective nature, the procedure for its implementation, as well as the experience of overcoming the economic consequences of the COVID-19 pandemic, theoretical methods of scientific knowledge were used. Researched and analyzed scientific publications that highlight the issue of economic development in the conditions of the pandemic.

Using methods such as synthesis and analysis, the economic essence of financial audit, including

electronic audit in the conditions of COVID-19, was studied. Using the synthesis method, the experience of the member states of the European Union in the introduction of electronic audit was taken into account. In the process of scientific research, the method of synthesis is related to the method of analysis, as it allows you to combine all parts of information about the subject that can be further discussed in the process of analysis.

Peculiarities of the transformational processes of financial audit in the conditions of the pandemic were studied using the comparative legal method. The application of this method made it possible to obtain new scientific results in the analysis of the results of the implementation of strategic plans. The impact of digitalization on the financial audit process was investigated using the method of causality.

At the same time, all methods of scientific research were applied in a ratio that contributed to the comprehensiveness, completeness and objectivity of the specified research.

The article also used the method of theoretical generalization - to determine the prospects for further improvement of the regulatory regulation of financial audit and the formation of an audit new methods complex.

The theoretical and methodological basis of the article is fundamental research on economic and financial theory, research by domestic and foreign scientists on the digitalization of financial audit.

The information base of the research is the development of domestic and foreign scientists regarding financial audit and the electronic audit implementation, materials of scientific periodicals, analytical reviews, official resources of the Internet.

RESULTS AND DISCUSSION

The COVID-19 pandemic really had a negative impact not only on the audit services market, but also directly on the organization of auditing financial statements of business entities. Thus, given the fact that the number of companies that continued to work during the pandemic decreased, most audit firms lost clients. Among other things, during the first wave of the coronavirus, many auditing companies were forced to switch to remote work mode. This factor had a direct impact on the

quality of verification and reliability of economic entities financial statements. In connection with the transition to a remote form of work, the auditors faced a number of questions, namely: the impossibility of working with copies of primary accounting documents, analytical accounting registers, which made it impossible to identify their existence at all, the absence of an opportunity to conduct an inventory of assets, the absence of an opportunity to conduct an in-person questionnaire, a survey or listen to an explanation from a company representative. It was the auditors who had to adapt to the new complex working conditions and develop new approaches to auditing activities (Loseva & Akindinov, 2021).

Among other things, the international community has made it clear that despite the challenges caused by the COVID-19 pandemic, the audit should be conducted in accordance with established international standards, taking into account the limitations associated with the pandemic. So, in the conditions of a pandemic, more time is needed to conduct a high-quality audit. With this in mind, it is the use of computer technology that can make the auditor's job easier. That is, one of the audit transformations caused by the pandemic is the digitalization of the audit, namely through the use of computer technologies. The use of information technologies is possible at all stages of the audit, namely during planning, execution, documentation, and reporting (Nezhyva & Miniailo, 2020).

Stasyshen, M. rightly points out that in the era of the coronavirus there was both a need and an opportunity to transform traditional organizational and methodical approaches to conducting audits into digital methods, i.e. using information technologies (Stasyshen & Lysenko, 2020). Thus, during the first wave of the pandemic, the practical activity of many audit firms demonstrated the urgent need for transformation of auditing methods and tools (Shesternyak & Galchak, 2021).

In the conditions of modern globalization processes in Ukraine, the audit mechanism should be aimed at ensuring the needs of competitiveness in the domestic and world markets of audit services. Among other things, the basis for conducting an independent audit should be a full recognition of the auditor's responsibility to society (Shesternyak & Galchak, 2020).

Today, audit firms develop and use specialized information systems focused on regulating the provision of audit services using internal corporate standards. Examples of these programs that are used by leading auditing companies are Vector 6 (used by KPMG), My Client (used by Water House), Audit System-2 (used by Deloitte & Touche) (Nezhyva & Miniailo, 2020).

Thus, Lagodienko, N. having conducted a study of statistical data on audits of small enterprises in the conditions of the pandemic, notes that a significant problem is the unreliability of the financial statements of the specified business entities. In order to overcome this problem, the scientist proposes to create a mechanism for supporting the specified subjects both at the state and local levels, namely: to strengthen responsibility for the quality of audit services, to legally establish responsibility for issuing deliberately unreliable audit conclusions, to continue the process of building partnership relations between the state and the professional community in the form of independent auditors, to improve the regulation of auditing activities, to increase the attractiveness of the auditing profession. We agree that the implementation of the specified measures requires a comprehensive approach, but the result will be an improvement of the situation on the Ukrainian audit services market, an increase in entrepreneurial activity and the investment attractiveness of the country's economy (Lagodienko & Belinska, 2021).

Among other things, the internal audit of economic entities in the conditions of the pandemic underwent transformations. Thus, in the spring of 2020, the Institute of Internal Auditors prepared an analysis of a survey of auditors from 95 countries around the world. According to the results, about 40% of auditing companies had to reduce their budgets, and about 20% had to reduce the number of auditors. S. Kasatkin (2020) rightly points out that there is an increasing tendency to use the concept of "agile" with the concept of "audit", which is interpreted as a shaky approach to creating a software product, which is characterized by quick adaptation to changes, interaction with people, and an effective product.

The pandemic has shown that now the auditor can no longer work in the traditional mode. In order for the audit function to be performed properly, it

is necessary to expand the list of risks assessed by auditors. According to the International Standards on Auditing (2020), the auditor should consider the pandemic as an opportunity to expand the dimensions of his audit work, to find new ways to work remotely, to perform data analytics. The auditor must adapt to the current situation, be proactive and consider alternative and appropriate methods of performing his functions, taking into account the new norms. So, KPMG cites a number of benefits that can be obtained from the implementation of agile audit. Agile audit is centered around shorter and faster audit cycles, improving audit quality and reducing costs, timely analysis and reporting, improvement and continuous communication, value-oriented, focused on risk assessment and continuous development of key risk areas (Inyang, 2021).

At the same time, changes in international financial reporting standards, changes in laws or regulations may also affect the forms of audit. Audit firms can react to such changes by developing quality control policies and checking their work (Areas for special attention..., 2020). As COVID-19 has reduced the amount of travel, face-to-face communication between auditors and their clients, auditors have switched to remote auditing. For example, out of about 300 auditors surveyed in Germany regarding their perception of remote auditing, the majority indicated that due to remote work, the flexibility and focus of audits has increased, as it greatly saves the time spent on conducting the audit (Eulerich *et al.* 2021).

Thus, Lyadova, Yu. (2021) notes that agile audit is ensured by implementing the following ideas: (1) team work model - to strengthen auditors' communication with other employees; (2) reduce time spent on conducting audits; (3) to transform approaches to auditors' work. Thus, the audit at a modern enterprise is transformed under the influence of the consequences caused by the epidemiological situation. It is the provision of an agile audit that can enable effective auditing and become a key element of business success.

The impact of digitalization on auditors' work methods is more noticeable. This is largely because the profession is becoming fully digital, leading to more flexible working methods. In order to be able to adapt, tools and work methods have changed, a

dynamic labor market and increased competence are emphasized (Kryvosheya, 2021).

Thus, Zhukova, T. suggests the following priority directions for improving internal audit during COVID-19. Firstly, to ensure the remote work of the main part of auditors, taking into account the problems that auditors may have when working from home. Secondly, among the priority tasks should be revision of the audit plan, focusing on audit work not related to direct audits. Thirdly, adapt the usual audit services to the conditions of the pandemic, for example, studying recordings from video surveillance cameras instead of physically visiting certain objects, conducting remote control testing through the analysis of available information, etc. (Zhukova *et al.* 2021).

In her study, "Global Study of COVID-19: Business Impact and Response", the Association of Chartered Certified Accountants suggests auditors in the context of the pandemic to plan their activities according to the restrictions. Thus, a survey of auditors regarding the consequences of the pandemic on their daily work showed that for many audit firms, the pandemic has significantly burdened work with clients. About 53% of the respondents answered that they feel pressure while serving clients, and more than 40% are unable to complete the audit on time. About 25% of respondents answered that there were difficulties with collecting audit evidence, and about 30% noted that the increased audit risk is associated with the lack of an opportunity to ensure continuous operation (Godukhin & Melnyk, 2021).

In conditions of limited access to workplaces, auditors are forced to work remotely, not to visit facilities, as a result, audit companies have faced previously unknown challenges. As of today, among the tools that allow you to fight against these problems is the possibility of holding online meetings and video conferences for the purpose of communication between members of the audit team and auditors with clients. The ability to communicate via video is much more effective than correspondence via e-mail. MS Teams, Skype, Zoom or WhatsApp are used for this (Antonyuk & Pavlyuk, 2020).

Among other things, auditors need to consider the impact of COVID-19 on auditors' evidence gathering

processes, which may require transformations. Therefore, it is necessary to develop several alternative ways, including the auditor's right to promptly provide additional evidence at the request of customer representatives. Auditors should first work with their audit clients to ensure that financial information is reliable and accurate to inform the client of the business implications of COVID-19 (Audit and coronavirus..., 2020).

At the same time, in early April 2020, the Public Oversight Body for Auditing Activity issued an information notice, where it noted the importance of some points during the audit of the financial statements of business entities that are of significant public interest in the context of the pandemic, namely to assess the risks caused by the quarantine, determine the circumstances caused by the pandemic in the aspect of conducting the audit, consider the auditor's ability to obtain audit evidence in a sufficient amount under conditions of restrictions, assess the degree of disclosure by audit clients of information about the impact of the pandemic on their activities, financial condition and future economic indicators (Popov, 2020).

One of the most important transformative audit processes caused by the COVID-19 pandemic is the introduction of an electronic audit institute. Thus, for the full-fledged start of the electronic audit institute in Ukraine, it is necessary to: normatively define the concept of "electronic audit", the structure of the version of the tax audit file (SAFT UA), the procedure for conducting an electronic audit, develop an accurate plan for the implementation of the electronic audit institute, create the appropriate software. The launch of an e-audit institute is a tool that will not only help overcome the restrictions on auditing caused by the pandemic, but will also reduce the resources spent on audits and increase the effectiveness of combating fraud and tax evasion (Podik, 2020).

Sidhu, G. rightly points out that today the functions of a professional auditor are being transformed as a response to the consequences of companies digitalization and the pandemic. The use of digital technologies can help provide high-quality audit services and shift the focus of audiences to business risk (EY Global, 2019).

The Ministry of Finance of Ukraine has developed a concept for the introduction of electronic audit for

taxpayers. The purpose of this Concept is to move to a relatively new level of financial reporting audit. This type of audit is based on data received from taxpayers in the form of an audit file (SAFT), which was developed by the Organization for Economic Development and Cooperation. At the same time, each state must develop a standard audit file format and chooses specialized software (ACL (Galvanize), IDEA, SESAM, etc.) with the help of which the electronic audit is carried out. It should be noted that the wide implementation of electronic audit in Ukraine is possible subject to the adoption of relevant legal acts, namely to amend the Tax Code of Ukraine in terms of obligations to keep financial records in electronic form (E-audit..., 2020).

The essence of the electronic audit mechanism is to use a special format of electronic reporting, which will allow to obtain information for conducting effective tax audits and reducing the number of possible reference requests. An example of such a format is the Standard Audit File for Tax (SAFT). SAFT was developed by the Organization for Economic Cooperation and Development in 2005. Subsequently, the SAFT file was transformed. Today, this specialized SAFT file is used by many countries of the European Union, in particular Lithuania, the Netherlands, Poland, Portugal, and Austria, which note the advantages of such an electronic form of control. The international community once again demonstrates the effectiveness of electronic audit, so this once again confirms the need to implement the latter in Ukraine (Podik, 2020).

Thus, in sub-paragraph 4, para 2 of Section 1 of the Action Plan for the Implementation of the Strategy for the Reform of the State Finance Management System for 2017-2020, approved by Order No 415-r of the Cabinet of Ministers of Ukraine dated May 24, 2017, one of the measures is to improve the quality and efficiency of tax administration through the introduction of electronic tax audits, i.e. electronic audits using appropriate specialized software. The deadline for the implementation of the specified task is determined by the fourth quarter of 2018, and the responsible body is the Ministry of Finance of Ukraine and the State Fiscal Service (On the approval of the plan of measures..., 2017).

Among other things, in paragraph 75.1.2 of para 75.1 of article 75 of the Tax Code of Ukraine, the definition of electronic verification of a taxpayer

is also normatively fixed as a documentary non-visiting unscheduled electronic verification, which is carried out at the taxpayer's request with an insignificant degree of risk. The application is submitted 10 calendar days before the expected start of the electronic audit, but not before the official notification of the central executive body, which implements the state tax policy, about the introduction of such an audit for the relevant taxpayers (Tax Code of Ukraine..., 2010).

Other normative legal acts are also important for the introduction of electronic audit in Ukraine, namely the Law of Ukraine "On Electronic Documents and Electronic Document Management" dated 05.22.2003 No 851-IV, which establishes the regulation of the basic principles of electronic document management and the use of electronic documents (On electronic documents..., 2003) and the Law of Ukraine "On electronic trust services" dated 05.10.2017 No 2155-VIII, which regulates monitoring of compliance with laws in the field of electronic trust services, as well as the principles of electronic identification (On electronic trust services ..., 2017).

In addition, in Ukraine, scientists propose to standardize the procedure for conducting an electronic audit based on a specialized audit file, which contains a check of the accuracy and reliability of SAFT UA data, which are provided by taxpayers electronically (Stuler & Podik, 2018).

The International Auditing and Assurance Standards Board (IAASB) has formed a strategy for 2020-2023, considering the limitations caused by the pandemic and the development of information technologies. Among the main tasks for the specified period are: (1) to improve the auditor's internal work processes; (2) ensure the correct distribution of resources; (3) meet the new needs of key stakeholders (Godukhin & Melnyk, 2021). Today, the auditor's main goal should be to obtain sufficient and reliable audit evidence that confirms the validity of information in financial statements (International Standard on Auditing 540..., 2018).

Thusly, the committees of the Verkhovna Rada of Ukraine are working on the project of the Law of Ukraine "On Amendments to the Law of Ukraine "On the Audit of Financial Statements and Auditing" and some laws of Ukraine on the improvement of some provisions" No 6245-1

dated 11/12/2021, which proposes to introduce the inclusion information to the Register of auditors and subjects of audit activity in electronic form, to improve the level of electronic communication between auditors and the body that supervises audit activity through the electronic system (Explanatory note..., 2021).

Before the beginning of the pandemic, the priority areas during the audit were: avoiding cyber security risks, managing internal risks, managing risks that may be caused by the actions of partners. To this day, the specified goals are relevant, while the consequences of the pandemic have somewhat shifted the priorities. Currently, the areas of inspection are: the risk of uninterrupted business operation, the risk of violation of delivery terms, the risk of labor safety (Rethinking and transformation..., 2020).

Thus, in the manual developed by the American Institute of Certified Public Accountants, it is determined that the circumstances caused by the pandemic affect the planned approach of accountants to the performance of their work. As an example, when working remotely during the COVID-19 pandemic, an accountant may not have the resources necessary to ensure that work is performed properly. This may create the need to use specialists (auditors) to assist in the performance of certain tasks (Use of specialists in the context of COVID-19, 2020).

Therefore, in modern conditions, the consulting function of the audit is also important. The auditor is competent in the field of financial analysis, consulting, forecasting, research of financial markets. Such knowledge of the auditor can be used in such areas as studying the package of measures to counter the consequences of the pandemic, forming recommendations for cost savings, optimizing internal processes at the enterprise, checking all major partners, in order to ensure uninterrupted functioning (Korkushko, 2021).

Among other things, there is a significant relationship between the COVID-19 pandemic and the professional consciousness of the auditor during the audit, between the COVID-19 pandemic and the procedure for collecting financial statement evidence, between the COVID-19 pandemic and the process of preparing and issuing the audit

report. Thus, for auditors, it is necessary to conduct training courses on the impact of the pandemic on the main audit processes, to develop a separate recommendation on the transformation of the audit in accordance with the restrictions of the pandemic; to develop electronic audit techniques to collect audit evidence (Al-Khasawneh Reem, 2021).

At the end of March 2020, the Canadian Public Accountability Board issued suggestions for auditors to adapt their activities to the restrictions. It is noted that there may be problems with obtaining evidence from sources that were used during previous audits. Changes in audit strategy may also be necessary (Lorinc, 2020). Consequently, it is recommended to use the following audit procedures: to send inquiries to the entity's management that do not address financial issues in order to better understand the mitigating measures taken by the client and the contingency plan developed; to review reports of the board regarding the expected consequences for the company; to check the financial statements regarding the expected consequences of the COVID-19 pandemic, to obtain evidence of the existence of an action plan in the event of a pandemic, which should ensure the continuation of the enterprise's activities; consider the need to modify the audit report (What audit procedures..., 2020). The COVID-19 epidemic should be considered as an element of audit planning. Andrew Imdike, an assistant professor at the Mendoza College of Business, said that he expects audit firms are already implementing contingency plans for how the pandemic could affect their audits. If you have a team of 10 people who normally work for a particular client, you have to start thinking about what you will do if you do not have people to do the work due to the spread of the pandemic (Radigan, 2020).

Events around the world, taking into account the coronavirus pandemic, have confirmed that auditing can no longer be conducted in a traditional form, but need to be transformed. Thus, such a type of financial audit as an audit based on risk assessment will provide stakeholders with confidence that the business is being conducted properly under conditions of emergency. Also, this type of audit provides an opportunity to determine the areas in which the company can expand and improve (Dolbneva & Spodaryk, 2020).

To confirm the reliability of reporting, auditors must determine whether the object of control conducted an inventory of assets and liabilities in a timely manner, during which their presence, condition and assessment were checked and documented. Depending on the results of the internal control system effectiveness evaluation and the control object audit, auditors can adjust the content and volume of control procedures necessary to achieve the goals of the control measure. Errors and distortions discovered during the inspection must be grouped depending on their essence and importance. Therefore, auditors, based on the assessment results, should perform control procedures in such a way to provide sufficient assurance that material misstatements resulting from intentional actions will be detected (Kassabyan, 2021).

The analysis of the current legislation of Ukraine makes it possible to state that today the regulation of audit meets international standards, at the same time it is necessary to adapt the national legislation to the conditions of restrictions caused by the pandemic (Lykhin *et al.* 2020). In a traditional audit, there are no intermediaries between the auditor and the company, while in a remote audit, an additional factor appears, namely the quality of the audit materials. If in a traditional audit the auditor collects the necessary data on his own, then in the remote part of this work is done directly by the client, who often violates the methodology of its correct collection (Safina & Fomicheva, 2021).

CONCLUSION

Thus, one of the pandemic consequences is transformational processes in the field of audit activity. First of all, the audit in the conditions of quarantine restrictions can no longer be carried out by traditional methods. Therefore, the main form of conducting an audit is a remote audit, which, despite the limitations, should be conducted in accordance with established international standards, taking into account the limitations associated with the pandemic. The implementation of the electronic audit institute will help to ensure the implementation of a proper audit of financial activities. So, for the start of the electronic audit functioning in Ukraine, we suggest: at the legislative level, to fix the concept of "electronic audit" at the

regulatory level, to determine the structure of the Ukrainian version of the specialized SAFT UA tax audit file, to form a step-by-step procedure for the electronic audit implementation, to develop a precise plan for the implementation of the electronic audit institute, develop appropriate software for auditors.

Among other things, it is necessary to provide special training courses for auditors in order to acquaint them with the new audit procedure. The launch of the e-audit institute is the modified tool that will help overcome not only the impact of the pandemic on the audit, but also save time spent on collecting audit evidence, combat fraud and tax evasion. Also, in the conditions of COVID-19, the priority functions of the financial audit were transformed, and the consulting and preventive functions are particularly relevant.

The auditor has knowledge in the field of financial analysis, consulting, forecasting, and financial market research. Such knowledge of the auditor can help business entities to prepare a package of financial measures to counter the consequences of the pandemic, to formulate recommendations for cost savings, optimize internal processes at the enterprise in order to ensure smooth functioning, and avoid financial risks caused by the pandemic. That is, in today's conditions, along with the concept of "audit", it is appropriate to use the term "agile". Agile audit should be ensured by working in a team, reducing the time spent on conducting an audit, and transforming approaches to collecting audit evidence. Thus, the audit at a modern enterprise is transformed under the influence of the consequences caused by the epidemiological situation. Conducting an agile audit can allow effective auditing and become the main element of business success in Ukraine.

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