

Remote work in audit in the private and public sector in the Republic of Serbia

Rad na daljinu u reviziji u privatnom i javnom sektoru u Republici Srbiji

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Article info

Review paper/ Pregledni rad

Received/ Rukopis je primljen:
2 February, 2022
Revised/ Korigovan:
27 February, 2022
Accepted/ Prihvaćen:
27 April, 2022

DOI:
<https://doi.org/10.5937/bizinfo2201065J>

UDC/ UDK:
657.6-057.52(497.11)

Abstract

The global pandemic caused by the Covid19 has affected how work is performed and the day-to-day activities of those engaged in the audit profession. The subject of the research is to examine the attitudes of persons involved in the audit profession in the Republic of Serbia on the advantages and disadvantages of working from home, as well as the readiness to permanently for constant work from the office, steady remote work or combined auditing after the abolition of restrictive measures. The paper also examines the commitment and actions of employers for the same questions. The paper's main conclusion is that most auditors choose combined work. Employers from the private sector provide employees with the possibility of collaborative work. In contrast, employers from the public sector immediately after the abolition of measures returned employees in the audit field to continuous workpiece the office without the possibility of remote work.

Keywords: Covid19; work from office; remote work; combined work; audit

Sažetak

Globalna pandemija izazvana virusom Covid19 je uticala na način izvršavanja radnih obaveza i na svakodnevne radne aktivnosti lica angažovanih na poslovima revizije. Predmet istraživanja u radu je ispitivanje stavova lica angažovanih na poslovima revizije u Republici Srbiji o prednostima i nedostacima rada na daljinu, kao i o spremnosti da se nakon ukidanja restriktivnih mera trajno opredele za konstantan radu iz kancelarije, konstantan rad na daljinu ili kombinovani rad na poslovima revizije. Takođe u radu je ispitivano opredeljenje i postupanje poslodavaca o istim pitanjima. Glavni zaključak u radu je da većina lica angažovanih na poslovima revizije opredeljuje za kombinovani rad. Poslodavci iz privatnog sektora pružaju zaposlenima mogućnost kombinovanog rada, dok su poslodavci iz javnog sektora odmah nakon ukidanja mera zaposlene na poslovima revizije vratili na kontinuirani rad iz kancelarije bez mogućnosti rada na daljinu.

Ključne reči: Covid19; rad na daljinu; rad od kuće; kombinovani rad; revizija

1. Introduction

Audit practitioners are gradually adopting communication and analytical technology to expand the scope, change the time, and reduce the costs of the audit process (Teeter et al., 2010). These efforts were largely ad hoc, lacking integrative theoretical positioning by the Covid19. The possibility of flexible working was present in the auditing profession even before the outbreak of the Covid19. However, the outbreak and spread of the pandemic still created a new work environment that essentially forced auditors to apply to telecommute (Harmon et al., 2021). The global pandemic caused by the Covid19 affected fulfilling work obligations and the daily work activities of persons engaged in audit work. During the primary wave

of the pandemic, a large number of countries introduced restrictive measures that included a ban on movement and collective stay indoors, which was reflected in the persons engaged in audit work, whose work in most cases before the pandemic was based on direct fieldwork and collection adequate and reliable evidence to obtain assurances and opinions. Remote audits are not a new practice, but they were not routine until the Covid19 brought new and significant challenges to the changing work environment (Shore et al., 2020). Unique circumstances forced the persons engaged in audit work to find new solutions for the organization of the implementation of audit engagements during restrictive measures, which, among other things, meant working remotely. However, it was noticed that some employers who employ persons

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engaged in audit work decided to continue working remotely even after the mitigation and abolition of restrictive measures.

In contrast, others decided to return to the offices. The onset of Covid19 has forced many accounting and auditing companies to order their employees to work from home (Bakarich et al., 2021). Possibilities for the flexible performance of work duties were common in the auditing profession even before the Covid19, but only with the emergence of the pandemic was an environment created that forced those engaged in planning and conducting audit engagement to perform their duties more remotely. Some audit firms and internal audit departments were prepared for the crisis scenario and managed to respond adequately to the challenges posed by the pandemic, while others did not, spending significant resources subsequently to procure and install appropriate infrastructure to support teleworking while facing substantial challenges and risks conditioned by the speed of implementation of modern technologies and the gap between them and staff skills. Remote audit profession performed during crisis circumstances, such as the Covid19, is performed under certain uncertainties and risks (Agdeniz & Cetin, 2021). The digital revolution, significantly accelerated by the Covid19, has dramatically influenced the need for constant office work, creating innovative and new capabilities that include functionality to make data available anywhere, anytime (Score & Patel, 2020). This means that persons engaged in planning and conducting an audit engagement perform their work duties and audit procedures from anywhere, for example, from home. However, the implementation of this way of working encountered some resistance, which was embodied in the form of certain managers of audit teams who were not ready to accept the new way of working, which may be the result of insufficient readiness to respond to changes and conditions of the changing work environment.

The need to adapt work structures quickly arose with the pandemic (Jakovljevic, 2021a). Audit teams were sent home for work, and, in many cases, it was discovered that team members had inadequate computers, slow Internet connections, and lacked the means to maintain data and secure access. To have an effective long-term strategy, the internal audit function must anticipate and be willing to make the necessary investments. Leaders cannot view such costs as additive but should view them as a substitute for other assets that would come in the long run (Jakovljevic, 2021b). With the change in the workplace structure, there is a change in expectations. For example, an audit manager may expect a team member to be available during certain hours, yet a team member may have different views on certain hours in which the work will be done. Also, response times for team members or clients, availability for meetings (Jakovljevic, 2021c) and perhaps even a dress code for virtual meetings can be expected. Audit teams face a unique challenge because they often have large projects involving multiple team members (Jakovljevic & Jakovljevic, 2021), with each step depending on whether someone else has completed the task. Managers should articulate their expectations of

communicating with team members (Jakovljevic, 2021c), but they should also be responsible for improved communication. Remote work cultures generate a much greater need for touch because team members no longer have interpersonal characters available in the office environment. Changing the attitude of the management is the most critical and challenging part of the implementation (Jakovljevic, 2021a) of the work from home strategy. Audit leaders often cite concerns about a "looser" work environment that would remove elements of accountability and result in reduced productivity, higher costs, poorer customer service, and poorer quality (Harmon, 2021). The subject of the research is to examine the attitudes of persons engaged in auditing in the Republic of Serbia on the advantages and disadvantages of teleworking and the readiness to permanently opt for constant work from home, constant teleworking or combined auditing after the abolition of restrictive measures. The paper also examines the commitment and actions of employers in the private and public sector on continuous work from home, constant teleworking or combined work on audit profession after the mitigation and abolition of restrictive measures.

2. Literature review

The authors (Khaldoon et al., 2021) used the desk study method to investigate the possible impact of the Covid19 crisis on five key audit quality issues during a pandemic. These include audit fees, business appraisal, audit human capital, audit procedures, and employee pay audits. Since many believe that the outbreak of Covid19 is still not a financial crisis, the authors, on the contrary, believe that the effects of the Covid19 would be the most challenging challenge for auditors and their clients since 2007. The authors believe that Covid19's social distancing can significantly affect audit fees, ongoing business assessment, human capital audit, audit procedures, audit staff salaries, and audit efforts, which can ultimately severely impact audit quality. The authors (O'Reardon & Rendar, 2020) consider several cyber risk factors arising from working from home while employers continue to cope with the crisis caused by the Covid19.

The authors (Gianluca & Berend, 2021) examine the impact of the sudden shift to telework caused by the Covid19 on management control practices in professional service companies, including audit firms, and investigate employee responses to these changes. They believe that managers have made various changes related to management controls in response to the transition to teleworking. For example, they increased the number of online meetings and used technologies to monitor employees remotely. Employees responded to this with a variety of voluntary engagements, trying to make sure that their superiors noticed them, for example, working overtime. They believe that the collected evidence indicates an increased level of stress among employees, changes in employee autonomy, a shift in the perception of the hierarchy, and a weakened sense of connection with others in the organization. The authors (DeCorte & Write, 2021) discussed planning and conducting an audit in the context of a Covid19. They focused on topics that

included adequate planning to assist in the organization and management of the audit engagement to ensure that the audit team performs its work efficiently and effectively. They believe that planning allows companies to hire and monitor the group and establish communication protocols properly. The authors (Coleman & Lance, 2020) analyzed telecommuting in the audit profession and emphasized its importance in the context of the Covid19. The authors (Fan et al., 2019) stressed the importance of preserving the confidentiality of data and information when working remotely by persons engaged in the audit profession.

3. Empirical data and analysis

The survey was conducted through a questionnaire containing ten questions, the first two of which relate to preliminary questions that determine the age structure of respondents and the type of sector in which they are employed. In comparison, the remaining eight questions focus on examining respondents' attitudes towards readiness to Restrictive measures permanently opt for constant work from home, constant teleworking or combined work on audit profession, and the advantages and disadvantages of teleworking. The questionnaire was pre-defined and distributed to respondents through publicly available mechanisms based on social networks. The questionnaire was available for completion during April, May and June 2020, during the state of emergency in the territory of the Republic of Serbia and immediately after the lifting of the state of emergency that was introduced as a result of the Covid19. The questionnaire included persons employed in planning and conducting all types of auditing and assurance services and persons engaged in ancillary activities and related activities, both in the private and public sectors. A total of 278 responses were received to the distributed questionnaire. The answers to the questionnaire resulting from the conducted research were analyzed using SPSS and Excel. They were explained in detail in the continuation of the paper and presented in the form of graphical and tabular representations.

Table 1. An overview of research questions

No.	Text of question
1	How old are you?
2	What sector do you work in?
3	On a scale of 1 to 5, how would you rate whether working from home saves your money?
4	On a scale of 1 to 5, how would you rate whether working from home positively impacts the environment?
5	How would you rate on a scale from 1 to 5 whether working from home brought you a stress reduction?
6	On a scale of 1 to 5, how would you rate whether working from home has brought you a better balance between business and private life?
7	On a scale of 1 to 5, how would you rate your willingness to return to constant office work after the restrictive measures are lifted?
8	How would you rate your readiness to return to constant work from home after abolishing restrictive measures on a scale of 1 to 5?

Table 1. Continued

No.	Text of question
9	On a scale of 1 to 5, how would you rate your readiness to return to constant combined work from the office and home after abolishing restrictive measures?
10	Has your employer decided to return to full-time work from the office immediately after the restrictive measures have been lifted, or has he kept the option of working from home?

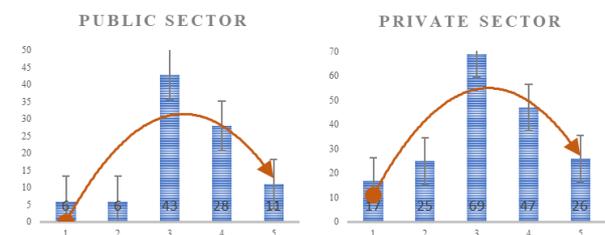
Source: Author

The initial hypothesis from which the research was started is that persons engaged in the audit profession in the Republic of Serbia believe that they have a greater readiness to permanently opt for constant combined work following current preferences after the abolition of restrictive measures. This hypothesis emerged from fieldwork and discussions that included exchanging experiences and opinions with those engaged in the audit profession. Specific differences in attitudes were observed, as well as differences in the conduct of employers, especially between the private and public sectors.

4. Results and Discussion

On the third question, 17 respondents from the private sector chose a rate of one, 25 respondents chose a rate of two, 69 respondents chose a rate of three, 47 respondents chose a rate of four, and the remaining 26 respondents chose a rate of five. On the same question, six respondents from the public sector chose a rate of one, six respondents chose a rate of two, 43 respondents chose a rate of three, 28 respondents chose a rate of four, and the remaining 11 respondents chose a rate of five.

Graph 1. Answers of respondents from the third question



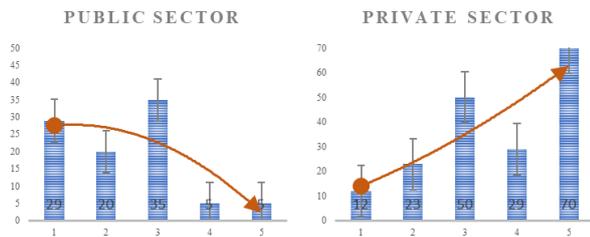
Source: Author based on the answers of respondents analysed in SPSS and Excel

On the fourth question, 12 from the private sector respondents chose a rate of one, 23 respondents chose a rate of two, 50 respondents chose a rate of three, 29 respondents chose a rate of four, and the remaining 70 respondents chose a rate of five. On the same question, 29 respondents from the public sector chose a rate of one, 20 respondents chose a rate of two, 35 respondents chose a rate of three, five respondents chose a rate of four, and the remaining five respondents chose a rate of five (Graph 2).

On the fifth question, 65 respondents from the private sector chose a rate of one, 38 respondents chose a rate of two, 34 respondents chose a rate of three, 23 respondents chose a rate of four, and the remaining 24 respondents

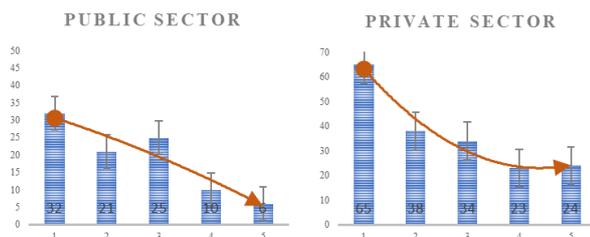
chose a rate of five. On the same question, 32 respondents from the public sector chose a rate of one, 21 respondents chose a rate of two, 25 respondents chose a rate of three, ten respondents chose a rate of four, and the remaining six respondents chose a rate of five (Graph 3).

Graph 2. Answers from the fourth question



Source: Author based on the answers of respondents analysed in SPSS and Excel

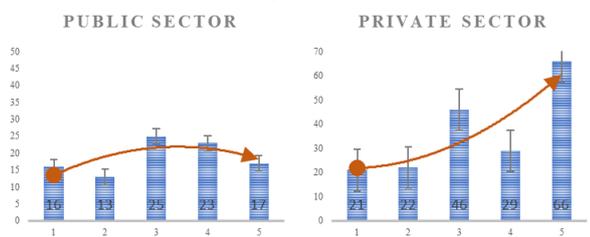
Graph 3. Answers of respondents from the fifth question



Source: Author based on the answers of respondents analysed in SPSS and Excel

On the sixth question, 21 respondents from the private sector chose a rate of one, 22 respondents chose a rate of two, 46 respondents chose a rate of three, 29 respondents chose a rate of four, and the remaining 66 respondents chose a rate of five. On the same question, 16 respondents from the public sector chose a rate of one, 13 respondents chose a rate of two, 25 respondents chose a rate of three, 23 respondents chose a rate of four, and the remaining 17 respondents chose a rate of five (Graph 4).

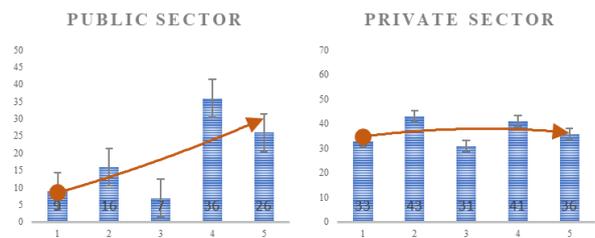
Graph 4. Answers of respondents from the sixth question



Source: Author based on the answers of respondents analysed in SPSS and Excel

On the seventh question, 33 respondents from the private sector chose a rate of one, 43 respondents chose a rate of two, 31 respondents chose a rate of three, 41 respondents chose a rate of four, and the remaining 36 respondents chose a rate of five. On the same question, nine respondents chose a rate of one, 16 respondents from the public sector chose a rate of two, seven respondents chose a rate of three, 36 respondents chose a rate of four, and the remaining 26 respondents chose a rate of five (Graph 5).

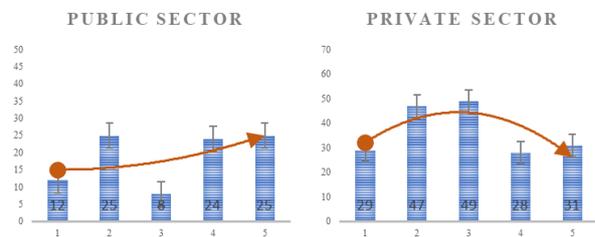
Graph 5. Answers of respondents from the seventh question



Source: Author based on the answers of respondents analysed in SPSS and Excel

On the eighth question, 29 respondents from the private sector chose a rate of one, 47 respondents chose a rate of two, 49 respondents chose a rate of three, 28 respondents chose a rate of four, and the remaining 31 respondents chose a rate of five. On the same question, 12 respondents from the public sector chose a rate of one, 25 respondents chose a rate of two, eight respondents chose a rate of three, 24 respondents chose a rate of four, and the remaining 25 respondents chose a rate of five (Graph 6).

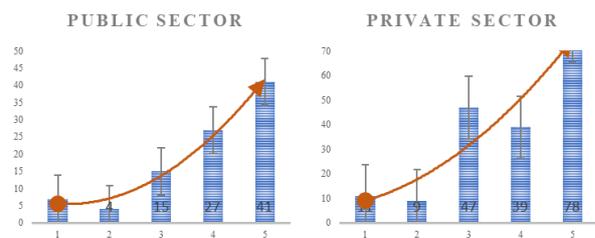
Graph 6. Answers of respondents from the eighth questions



Source: Author based on the answers of respondents analysed in SPSS and Excel

On the ninth question, 11 respondents from the private sector chose a rate of one, nine respondents chose a rate of two, 47 respondents chose a rate of three, 39 respondents chose a rate of four, and the remaining 78 respondents chose a rate of five. On the same question, seven respondents from the public sector chose a rate of one, four respondents chose a rate of two, 15 respondents chose a rate of three, 27 respondents chose a rate of four, and the remaining 41 respondents chose a rate of five.

Graph 7: Answers of respondents from the ninth question



Source: Author based on the answers of respondents analysed in SPSS and Excel

Sixty-one respondents from the private sector answered yes to the tenth question, and the remaining 123 respondents answered no. To the same question, 91

respondents from the public sector answered yes, and no respondents answered no. The number of responses received from respondents from the private sector is 184. The age structure of respondents from the private sector is 37.06 years. Descriptive statistics for the respondents from the private sector are in the table below.

Table 2. Descriptive statistics for the private sector

question/ statistics	Mean	Mode	Std. Deviation	Variance
q1	37.06	27.00	9.92	98.42
q2	1.00	1.00	0.00	0.00
q3	3.22	3.00	1.13	1.29
q4	3.67	5.00	1.28	1.64
q5	2.47	1.00	1.41	2.00
q6	3.53	5.00	1.38	1.90
q7	3.02	2.00	1.40	1.97
q8	2.92	3.00	1.31	1.71
q9	3.89	5.00	1.19	1.41
q10	1.67	2.00	0.47	0.22

Source: Author based on the answers of respondents analysed in SPSS and Excel

The number of responses received from respondents from the public sector is 94. The age structure of respondents from the private sector is 42.82 years. Descriptive statistics for the respondents from the public sector are in the table below.

Table 3. Descriptive statistics for the public sector

question/ statistics	Mean	Mode	Std. Deviation	Variance
q1	37.06	27.00	9.92	98.42
q2	1.00	1.00	0.00	0.00
q3	3.22	3.00	1.13	1.29
q4	3.67	5.00	1.28	1.64
q5	2.47	1.00	1.41	2.00
q6	3.53	5.00	1.38	1.90
q7	3.02	2.00	1.40	1.97
q8	2.92	3.00	1.31	1.71
q9	3.89	5.00	1.19	1.41
q10	1.67	2.00	0.47	0.22

Source: Author based on the answers of respondents analysed in SPSS and Excel

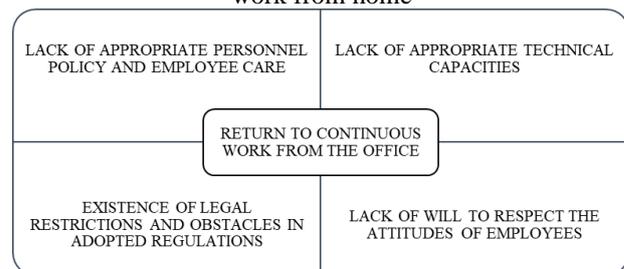
5. Conclusion

The health and economic crisis associated with the Covid19 created new pressures that were based, among other things, on working from home (Frank & Greenman, 2020). The main conclusion in the paper is that the majority of persons engaged in the audit profession opt for combined work. Employers from the private sector provide employees with the possibility of collective work. In contrast, employers from the public sector immediately after the abolition of measures returned employees in the audit field to the continuous piece from the office without

the possibility of teleworking. This result of research with public sector employers can be the result of at least three causes. The first may be a consequence of the lack of appropriate personnel policy and care for employees and primarily for their health. The second may be due to the inability to react quickly to changes and organize the work in the audit profession in a way that works remotely, which may be a consequence of the lack of technical capacity or the existence of legal restrictions. The third may be a consequence of the lack of will to respect employees' views, which is a feature of authoritarian and conservative organizations. Only a satisfied employee is an employee who successfully performs his work tasks.

On the other hand, the result of research with employers in the private sector can also result from at least three causes. The first may be a consequence of an appropriate personnel policy and care for employees. The second may be due to the ability of private sector organizations to respond quickly and adequately to changes and to organize the audit profession remotely, which may be due to the existence of technical capacity or the absence of legal restrictions. The third may be a consequence of the presence of the will to respect employees' views, which is a feature of decentralized and modern organizations. These patterns can, by individual influence, lead to a return to continuous work from home, and they can influence at the same time, creating a pervasive influence.

Graph 8. Potential causes of returning to continuous work from home



Source: Author

The research conducted as part of this paper contains limitations that have partially influenced the reduction of its scope and the quantitative and qualitative scope of its results, which have maintained a satisfactory level of innovation and qualitative perception of knowledge. The first limitation concerns the representativeness of the sample. The sample may not have an acceptable level of representativeness because the data collection process took place when the auditors were engaged mainly in conducting the final stages of the audit and gathering audit evidence to issue audit opinions to the entities concerned and probably did not have enough time to start filling in the answers to the questionnaire with an adequate level of concentration and interest. The second limitation is the appearance of a limited number of answers in the form of feedback to the questions from the questionnaire (Jakovljevic, 2021a), which was distributed to the selected respondents via social networks. A more significant number of answers would provide more excellent support and certainty to the presented conclusions and findings. Still, despite this limitation, the given decisions have

adequate and appropriate support in the questionnaire results (Jakovljevic, 2021c). The third limitation is conditioned by the fact that the respondents may not have been candid when answering the questions from the distributed survey, which can create a distorted picture of the final results and affect the final result. Due to all the above, it is necessary to take the presented data with a great deal of caution during their interpretation and official use (Jakovljevic, 2021a). However, despite these limitations, the research conducted as a result presented significant findings and conclusions (Jakovljevic, 2021c) in the field of examining the attitudes of auditors in the Republic of Serbia on the advantages and disadvantages of teleworking, as well as the willingness to permanently opt for constant work from home, constant teleworking or combined work on audit profession. The conclusions presented in this paper can be beneficial and relevant to different stakeholders. External audit companies and internal audit departments can use the results of this research as a guide and concept for defining personnel policy and employee relations.

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- The audit profession, which can be freely characterized as intellectually intensive, skilled, professional, and professional, represent the highest quality and potential comparative advantage of one employer in auditing. It is essential that employers timely and adequately define risks and prepare responses to them to preserve their resources embodied in the human and intellectual capacities of employees and auditors. Employers must be agile and must organize their work in a way that provides an employee-friendly environment that provides them with security and support in performing audit profession so that those engaged in the audit profession can have independence in making decisions and expressing opinions. Audit organizations and other legal entities that have audit departments should respect the views of those engaged in the audit profession and allow them to choose to work from home. This is especially true for public sector organizations.
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