

Evolution of Auditing Experimental Research and Contemporary Topics in Auditing

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Abstract:- The field of auditing is concerned with providing auditing services, which is an independent and systematic process of assessing and improving the financial health of a company or agency. This manuscript describes the development of experimental auditing research and points out recent lines of investigation. The sources of this article are various experimental audit studies published globally between the 1970s and 2000s. The nature of experimental audit research (REP), the growth of REP internationally, current topics in REP, and the evolution of REP in Indonesia are the sections of this article. REPs that can be developed in the future include how to present audit information, fraud assessment, analytical procedures, interactions between auditors and clients (negotiations and agreements), and interactions between auditors (brainstorming). This is based on research on various REPs conducted at the international level.

Keywords:- Auditing Experimental Research, Experimental Method, Evolution.

I. INTRODUCTION

REP (Auditing Experimental Research) is a contemporary topic in the field of auditing. It is a research method that tests causal relationships between variables, which is used to collect data and provide information that can be used in decision making. This REP uses experimental methods to test causal relationships between variables, with the aim of improving audit quality and enhancing auditor performance. Since the 1920s, RKDA has developed thanks to the study of Ferguson (1920), who offered the ideas of the start of accounting, then discussed how employee attitudes and performance. The next study is considered to be the outstanding research that had an impact on RKDA. It examined the influence of accounting information on the motivation and attitude of employees within the company. But still.

Therefore, Dyckman and Zeff (1984) mention the inception of RKDA in the literature related to research in the 1960s. The Journal of Accounting Review (AR) and Journal of Accounting Research (JAR) had a significant role in the development of RKDA. Since the 1920s, RKDA has developed thanks to Ferguson's (1920) study, which offered ideas.

Benston's (1963) research evaluating motivational information systems, incorporated into the JAR in 1963, and marked a significant advance in the RKDA development process. The study was of non-accounting personnel, and its findings indicated that accounting systems had a significant but indirect influence on motivation. But it remains to state that scholars in JAR played an important role in RKDA by presenting articles on the impact of conservatism on readers' psychological reactions to financial statements, which is not an empirical study.

Advances in behavioral research accounting as demonstrated by Trotman and colleagues (2012). But previous research has not addressed the establishment of experimental audit research as a research framework in auditing or synthesis. To assess the readiness of Indonesia's experimental research auditing for rapid research at the global level, its development should also be discussed. The purpose of this essay is to describe the experimental research that has been conducted in the global audit environment over four phases (1970-2000s). Recent research findings (from 2010 to 2013) are also summarized in these pages, making it a topical study that can be expanded as experimental research in Indonesia develops.

II. EASE OF USE

A. Organization and Scope of Review

It organizes experimental research on the behavioral aspects of auditing and its development. The organization and scope of the auditing experimental research review (REP) consists of several parts:

- The nature of experimental auditing research (REP): This is a section that analyzes the theoretical aspects and conduct of experimental auditing research, including experimental methods, internal validity, and experimental design.
- Evolution of international REP development: This is a section that analyzes the development of REP at the international level, which is divided into four phases, namely the 1970s, 1980s, 1990s, and 2000s.
- Contemporary topics of REP: is a theme related to the research and development of experimental methods in the field of auditing. REP in Indonesia has developed over several phases, which started from the 1970s to the 2000s, and continues to develop with contemporary topics sourced from international REP publications published between 2010-2013.

B. The Nature of Auditing Experimental Research

The nature of auditing experimental research (REP) is part of behavioral research in accounting related to decision making in the field of auditing. This REP uses experimental methods to test causal relationships between variables, with the aim of improving audit quality and improving auditor performance. Because there is a causal relationship between variables, experimental research tests the causal relationship. There are two types of experimental research: genuine experimental and quasi-experimental. Genuine experimental research differs from quasi-experimental research in that it uses randomization, has a control group, and can modify variables.

True experimental research is defined as an experimental study that meets all three of these requirements (force manipulation, randomization, and control group). Meanwhile, a study can be considered a quasi-experiment if it only uses a control group or repeated measurements. According to Campbell and Stanley (1966), the existence of great internal capacity validity is the only requirement (sine qua non) for experimental investigation. Internal validity shows the causal relationship between talent and dependent and independent variables. Foreign factors, or foreign variables that may affect the relationship between the independent and dependent variables, should be within the control of the researcher.

Additional subjects related to the study of accounting for decision making include auditor and expert knowledge, as well as personal traits, among others, decisions regarding assistive technology and cognitive limitations to improve auditor performance. Due to cognitive constraints resulting from the limited rationality of auditors as individuals, decision making often contains prejudices. Decision aids that may influence auditors' choices include audit software, audit programs, and audit checklists and models depending on risk.

Another method to help auditors make decisions is to interact with each other directly or through group conversations.

REP addresses the field of study of the audit practice environment and decision-making domains influenced by personal cognitive constraints. Psychological research restrictions suggest that individual cognition involves various personal biases that result from the way human memory processes information. Over the course of about four phases, REP has evolved rapidly, covering a wide range of themes related to the advancement of auditing methods.

III. THE EVOLUTION OF INTERNATIONAL AUDITING EXPERIMENTAL RESEARCH

International auditing is a field of experimental research that evolved over approximately four phases, namely the 1970s, 1980s, 1990s and 2000s. Experimental auditing research is a research method that tests causal relationships between variables, and can be divided into genuine experimental research and quasi-experimental research. At the end of this study, contemporary topics for experimental auditing research sourced from international REP publications that can be developed in Indonesia are presented. BAR (Behaviorally Anchored Rating Scales) evaluation is a performance appraisal method that uses explicitly designed rating scales regarding behaviors relevant to roles in the organization.

➤ *1970s Phase*

At this stage, experimental auditing research used explicitly designed methods of role-relevant behavior in organizations. The 1970s phase of international auditing experimental research was a very important phase in the development of experimental research methods in auditing. In this phase, auditing experimental research developed with many contemporary topics sourced from REP international publications.

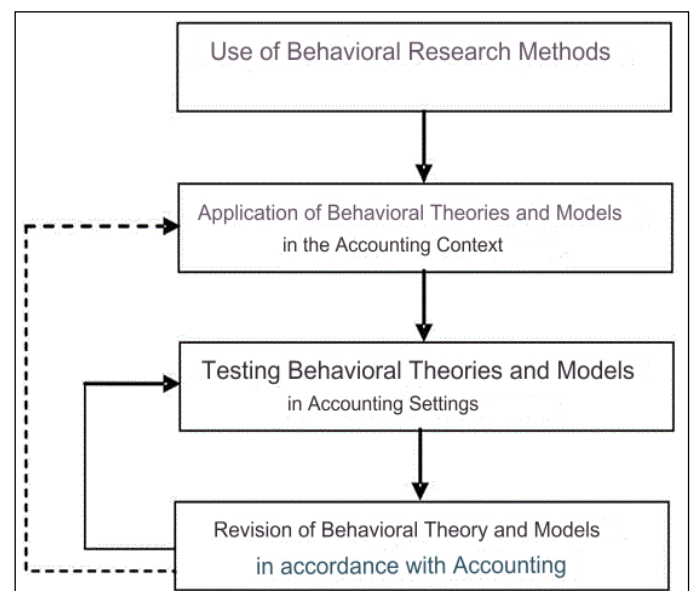


Fig 1. BAR Evaluation

➤ *1980s Phase*

At this stage, experimental auditing research used the Business Model Canvas (BMC) to analyze and unlock business models in companies such as laundry bars.

➤ *1990s Phase*

At this stage, experimental auditing research used information technology as a tool in the auditing process. This information technology helps in collecting data, processing data, and analyzing data. Two major research findings in the mid-1990s had a major influence on conducting further research based on the idea that performance in auditing is the result of aptitude, knowledge, environment, and motivation. These papers became the foundation for subsequent behavioral research in accounting.

➤ *2000s Phase*

In this phase, experimental auditing research used the Behaviorally Anchored Rating Scales (BARS) Method to measure individual employee performance. Advances in auditing practices, such as risk-based auditing with risk determination (strategic auditing), impacted research. evaluation) during the audit process. As a result, SOX 404 internal control for financial reporting (ICoFR) also emerged. This requirement highlights the importance of internal controls to identify fraud, misuse of assets, and other improper management of business entities in order to effectively and efficiently realize the entity's vision.

IV. CONTEMPORARY TOPICS REP

Rep Contemporary Topics are issues related to critical problems that affect the quality, unity, and integrity of the Republic of Indonesia. Some contemporary strategic issues that need to be well understood and handled by civil servants include: corruption, drugs, radicalism/terrorism, money laundry, proxy war, and mass communication crimes such as cybercrime, Hate Speech, and Hoax. The evolution and development of experimental auditing research is a research method that tests causal relationships between variables. Experimental auditing research (REP) is a part of behavioral research in accounting that deals with judgment and decision-making. You can summarize a number of current issues from various REPs around the world and classify them into three categories, specifically: (1) audit engagements; (2) auditors with attributes; and (3) contacts between auditors and other key stakeholders during the course of auditor duties. Of the three categories mentioned above, much research can be done on the professional concerns of auditors adjusting to change. Recent audits include: (1) risk-based auditing; (2) presentation of audit information; (3) fraud assessment; and (4) analytical processes. (5) auditor and client interaction (engagement and discussion); (6) auditor and auditor interaction (brainstorming).

Primacy and residency may result from the way audit information is presented. Previous research investigated professional issues caused by the presentation of context-based information, not many audits have been conducted, but in the framework of financial accounting. Therefore, research regarding primacy and turnover bias can be furthered in

previous research conducted in the audit arena. Expert judgment to provide information to auditors in a systematic manner, audits are conducted in stages. Subject Matter due to their tendency to base decisions on the most current information available, reviewers may be biased as a result. In the context of auditing, decision-making options can also be developed based on the basic group of engagements. One way to improve the accuracy of a judgment is through group discussion. Group discussions are believed to help reduce the prejudice experienced by auditors. This phenomenon also shows that audit practices demonstrate the group-based nature of audit work.

Research has much room to grow in the context of prior analysis techniques (Brewster 2011; Yen 2012). After reviewing research in the context of process, Messier, Simon, and Smith (2013) came to the analytical conclusion that auditor judgment may be influenced by the order of audits in teams and the process of reviewing audit work and audit experience. Consequently, process is the context of REP. With group projects and on-the-job leadership guidance for novice auditors, analytics has the ability to advance. To establish initial hypotheses about the client's business situation or identify entry-level business risks, assignments can also be formed by comparing financial and non-financial facts. Receiving information during the audit stage and testing the completion of the audit is the next task. Comparing the auditor's judgment at each step of the engagement might help develop a REP. For example, Luippold and Kida (2012) offer empirical evidence that information ambiguity leads to inappropriate decision-making by auditors when test analysis is performed.

V. AUDITING EXPERIMENTAL RESEARCH IN INDONESIA

Auditing Experimental Research in Indonesia is a practice that aims to improve the quality and effectiveness of auditing. Experimental research is a research method that uses statistical analysis and data obtained from auditing that is conducted experimentally. This method aims to improve the quality and effectiveness of auditing, as well as to study and develop a more effective and efficient auditing system. In experimental auditing, data is obtained from audits conducted experimentally, and then the data is studied using statistical analysis. This method aims to improve the quality and effectiveness of auditing, as well as to study and develop a more effective and efficient auditing system.

Auditing Experimental Research in Indonesia is an effort to develop a more effective and efficient auditing system, as well as to study and develop more effective and efficient auditing methods. This method aims to improve the quality and effectiveness of auditing, as well as to study and develop a more effective and efficient auditing system.

Experimental auditing in Indonesia also aims to study and develop more effective and efficient auditing systems, as well as to study and develop more effective and efficient auditing methods. This method aims to improve the quality

and effectiveness of auditing, as well as to study and develop a more effective and efficient auditing system.

In experimental auditing, data is obtained from audits conducted experimentally, and then the data is studied using statistical analysis. This method aims to improve the quality and effectiveness of auditing, as well as to study and develop a more effective and efficient auditing system.

Indonesia's REP still has a lot of room to grow. Through sourcing from various global REPs, you can bias additional studies to be conducted. Advances in fraud detection and International Standards on Auditing (ISAs) have emerged as topics of interest in development reports in Indonesia. There

are many unexplained phenomena. The components of the fraud triangle-rationalization, opportunity, and societal pressure-are clarified through corruption cases in Indonesia.

Experimental investigations at a higher level are interesting. Manipulation can be in the form of providing client conditions for access to some models of corruption and asking auditors to use their professional judgment to identify potential fraud. Research development in the framework of internal audit as one of the cornerstones of corporate governance is also possible through experimental methodology. The development of REP in Indonesia still needs to be observed.

No	Source	Research Title	Researcher
1.	Indonesian Accounting Research Journal Vol. 6 No. 1, January 2003	The Effect of Audit Expertise and Independence on Audit Opinions: A Quasi-Experiment	Sekar Mayang Sari
2.	Indonesian Journal of Accounting and Finance (Volume 5, Number 1, June 2008)	Auditor's Professional Skepticism in Detecting Fraud	Suzy Novianti
3.	FEB UGM Doctoral Program Dissertation (2006)	Tests and Mechanisms for Reducing Current Effects, Audit Experience, Self-Review and Group Review in the Auditor's Consideration	I Wayan Suartana
4.	FEB UGM Doctoral Program Dissertation (2009)	Foresight Decision Aids and Hindsight Bias Mitigation Strategies to Narrow the Gap between Auditor and Evaluator Perspectives	I Made Narsa
5.	FEB UGM Doctoral Program Dissertation (2013)	Halo Effect Mitigation Strategy to Determine the Risk of Material Misstatement with Self-explanation and Explanatory Countermeasures	Intiyas Utami
6.	UNDIP Doctoral Program Dissertation (2007)	Auditor's Professional Skepticism in Detecting Fraud to Achieve Effective Audit Procedures	Suzy Noviyanti
7.	Accounting and Taxation, Vol.5 (1 April 2013)	<i>Flexible Working Arrangement and Stress Management Training in Mitigating Auditor's Burnout: An Experimental Study</i>	Intiyas Utami Supriyadi
8.	Global Journal of Business Research Vol. 8. No. 1 (2014)	<i>Halo Effect in Analytical Procedure: The Impact of Client Profile and Scope of Information</i>	Intiyas Utami, Indra Wijaya Kusuma, Gudono, Supriyadi

Fig 2: REP Research and Publications in Indonesia

VI. CONCLUSION

That there is a need for evolution and change in auditing, and the need to study and develop a more effective and efficient auditing system. Contemporary issues that need to be well understood and handled include corruption, drugs, radicalism/terrorism, money laundry, proxy war, and mass communication crimes such as cybercrime, Hate Speech, and Hoax. Civil servants must understand changes in the strategic environment and human capital to deal with changes, and strengthen the unity of the Republic of Indonesia. Four

distinct periods can be identified in the history of experimental research: the 1970s, 1980s, 1990s and 2000s. The first stage deals with biases and heuristics in audit decision-making. Humans are responsible for information processing during the second phase, which influences decision making. In the third stage, several influential studies impacted knowledge and decision-making capabilities. The fourth stage of audit practice development includes risk-based auditing, interpersonal contact (between auditors and between auditors and clients), and group-based decision-making (group support systems).

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