AUDITING PRACTICES AND SUSTAINABILITY IN THE COVID-19 ERA

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ABSTRACT

The mandatory work-from-home and physical distancing measures employed by governments in developing countries to curtail the spread of the deadly COVID-19 novel coronavirus pose important threats to accounting and auditing practices. The aim of this study is to evaluate how being sustainability conscious on one hand and adopting remote auditing on the other hand can enhance company sustainability (or long term viability) in developing countries in an era of uncertainty. Using the content analysis and survey analysis approaches, our study provides evidence that being sustainability conscious in reporting practices promotes going concern, helps companies disclose subsequent events, and strengthens the internal control assessment of firms during the COVID-19 period. It supports the literature calling for additional nuance strategies to promote company performance and it proposes how uncertain events (such as COVID-19) can be controlled to enhance the sustainability of accounting and auditing practices. Accordingly, companies that hold themselves accountable to their stakeholders and increase their transparency guarantee continuous operations even in the period of serious calamity. Consequently, they will be more viable - and sustainable - in the long term. This study contributes to the literature on the area of voluntary disclosure as an important aspect of sustainability reporting. Moreover, the study shows how the increased use of remote auditing has been adopted during the COVID-19 era as a means to enhance company sustainability through stakeholders' continuous confidence in audited financial statements. Using data from Nigerian listed companies, the paper provides important contributions on how sustainability motivations act as a pillar of new strategies and competitive accounting practices. This has both policy and practical implications.

Keywords: Auditing, COVID-19, Sustainability, Strategy.

INTRODUCTION

Sustainability accounting and reporting (Canning et al., 2019; Al-Shaer, 2020; Kwakye et al., 2018) encompasses corporate commitment, the degree of the public perception of sector-wide environmental issues, exposure to legal liability, and the extent of dialogue and transparency associated with the auditing process (Albitar et al., 2021). Sustainability accounting includes assumptions about business continuity, information about activities that affect the sustainability of an organization's activities, and guidelines regarding the reporting period of the production life-cycle. Sustainability accounting also involves the reporting of environmental and social challenges as well as the responsibility to provide an account of the actions of the

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organization (Kwakye et al., 2018). Within the context of sustainability accounting, financial performance is not necessarily measured in terms of historical profits. Instead, as advocated by Canning et al. (2019), financial performance should be measured in terms of the going concern principle or the ability to continue operations in the foreseeable future, and it should be assessed from the perspective of the threat of business failure.

The COVID-19 pandemic has had considerable economic and financial effects worldwide (Goodell, 2020). It has brought instability in income, health challenges, and uncertainty in business continuity and operation. The economic turbulence, coupled with market uncertainty, has affected investor confidence and the financial performance of firms, and consequently might lead to financial distress (KPMG, 2020). Due to the lack of investor confidence, earnings may also be more volatile (Silva & Schutte, 2021; Castka et al., 2020). Silva and Schutte (2021) posit that 50 million jobs are at risk as stay-at-home measures continue, especially now that most countries have entered the fourth wave of the pandemic. Taylor (2020) commented that many countries in full lockdown experienced a standstill in their economic activities. The problem also makes industries prone to different external and internal factors such as recessions, fluctuations in exchange rates, unprofitability, and a decline in income as well as reducing shareholder confidence.

In terms of auditing practices, a previous study has argued that such a crisis significantly influences auditor ability to detect material misstatements (Rinaldi et al., 2020). If a firm does not ensure a top quality audit procedure, the literature suggests it will reduce shareholder confidence in the reported earnings figures (Rinaldi et al., 2020). The outbreak of COVID-19 has heightened this risk as companies, including audit firms, are forced to work from home (Igwe et al., 2020). Scholars have also posited that prolonged lockdowns in developing countries represent a trade-off between saving some lives from COVID-19 and condemning far more people and/or firms to hardship and death by other means (World Bank, 2020, cited in Igwe et al., 2020).

In the wake of this pandemic, a first potential response of companies to satisfy the growing interest of stakeholders necessitates the adoption of strategies enabling them to provide forward-looking information in the annual reports and accounts, which will foster users' confidence in the accounts. A second response is the use of alternatives to onsite auditing as an option for firms to remain in business. Remote auditing represents one form of sustainability initiative put in place as an alternative to physical auditing and as a platform for the use of electronic means to conduct inquiries, access and verify data, and perform testing procedures (Silva & Schutte, 2021).

Two benefits are associated with being sustainability conscious during accounting practices in the era of COVID-19. First, the quality of audit reports is an important determinant for continuous reliance on audit reports by stakeholders, current and prospective investors, suppliers, and creditors. Second, the robustness of audit evidence is a prerequisite for a quality audit report, which helps to restore investor confidence and promote accountability and transparency. Recently, evidence from voluntary sustainability standards adopted by most companies and firms provides a unique opportunity to access the use of technologies in auditing (Castka et al., 2020).

There are also benefits associated with remote auditing. It is a valuable alternative to on-site auditing, in which interruption during mandatory lockdowns can cause a loss of confidence in financial statements. However, remote auditing can face some challenges such as insufficient access to data, insufficient power supply, inadequate network security, and a high incidence of corruption. This is especially true when viewed from the perspective of developing countries (see

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Kwakye et al., 2018). Where auditors are unable to perform some procedures remotely due to technological limitations and/or insufficient access to data, the law recommends a modified audit report, as per International Standard on Auditing (ISA) 701, Communicating Key Audit Matters in the Independent Auditor's Report.

With the exception of Castka et al. (2020), no research has investigated the effect of remote auditing on the sustainability of audit practices. In addition, no recently published studies discuss the possible effect of being sustainability conscious on the company condition in the COVID-19 era in the Nigerian context. This is an important research gap given the prevalence of the pandemic on businesses, especially in the developing country context. Therefore, our study aims to address this lacuna in the auditing literature and contribute in this way to the frontier of knowledge. It examines how being sustainability conscious on one hand and adopting remote auditing on the other hand can act as an instrument for enhancing company sustainability (or long term viability) in an era of uncertainty.

The rest of the paper is organized as follows: Section 2 provides the review of literature, and Section 3 contains the research methods, including the design, sample, variable descriptions, and data collection methods. Section 4 presents and discusses the results. Section 5 provides the contribution to knowledge, conclusion, and limitations of the study as well as areas for further study.

Literature Review

Sustainability Consciousness as an Instrument for Enhancing Audit Quality and Reports

Much emphasis has been placed in recent times on the quality of audit work as performed by members of the accounting profession. This can only be expected in view of the dynamic nature of modern businesses and the increasing demands on the parts of the users of accounts and accounting information for improving the quality of services. Deriving from increasing the sophistication of business transactions and vast improvements in information technology, including the problem created by the recent pandemic, the accounting (auditing) profession must continue to evolve to meet the ever-increasing stakeholders' demands.

Further demands for the company to be responsible and responsive to not only accounting figures, but also its future, calls for urgent attention for the company to evolve towards the culture of responsibility and sustainability (Castka et al., 2020). In this context, our study provides the opportunity for companies to enhance the sustainability of the audit report through the examination of key forward-looking information in the annual reports that promotes sustainability. With regards to this information, we provide additional indicators in the subject of sustainability from an auditing perspective. In a report published by Access Bank (2019), it was pointed out that cultivating sustainability awareness in the design of accounting policies and practices are viewed as strategies developed for shaping a future that is economically productive, environmental protective, and socially responsible. Recently, many of the Big 4 auditing firms (Deloitte, Ernst & Young, PricewaterhouseCoopers, and Klynveld Peat Marwick Goerdeler (KPMG)), as well as professional bodies, have issued additional guidelines regarding auditing practices during the crisis period. Non-governmental organizations and other corporate organizations have also provided guidelines for adoption in an uncertainty period, including voluntary sustainability standards. The Financial Reporting Council, including the Nigerian division (FRCN), has also reacted to the impact of COVID-19 by providing an additional guide and guard for auditors. Responses from organizations during the crisis provide insights into

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organizational resilience (Kwakye et al., 2018) as well as into the future restructuring of industries and operating practices, including ensuring that firms operations are in perpetuity. The ISO 9001 certification for quality management has also continued to share many governance principles in the COVID-19 period, such as a common standard as a reference point (ISO & IAF, 2020), audits by arms-length third parties, and oversight by accreditation bodies.

Arising from the foregoing guidelines, we propose that companies must make disclosure for three things in the interest of the public. First, how management assesses going concern effectiveness, including how subsequent events are reported in the face of the pandemic. Second, how internal control effectives are ensured in view of the fact that internal auditors work from home and business transactions are done remotely. Third, any auditing procedure that the outbreak of the pandemic has added to auditing practices and how the auditors are complying with it. This is expected to increase stakeholder confidence in the audited reports and ensure high quality audit work and bring about improvement that will be sustainable.

In this context, additional disclosures serve as an aspect of sustainability reporting. Therefore, motivation for the voluntary disclosure of the impact of COVID-19 on the reported figures is expected to improve transparency and accountability, which are the hallmarks of any report. Voluntary disclosure is also said to be based around the concept of reputations and legitimacy (Boitan et al., 2020) and help to influence public perception (Lafi & Almutairi, 2021).

Remote Auditing as Alternative to Onsite Auditing

Some scholars have distinguished between onsite auditing, remote auditing, assisted remote auditing, and technology-enhanced auditing (see Castka et al., 2020). Traditional onsite audit practices involve a visiting company or clients with the sole purpose of examining the books of the account to ascertain the true/fair position of the entries made by management and whether the reported figures are in compliance with the book of accounts and the prevailing reporting standards. Remote auditing differs from onsite auditing in that auditors need not visit the client but rather gather information through the use of electronic gadgets (Castka et al., 2020). At the basic level, remote auditing involves the use of technologies such as video-visual equipment, video conferencing, or drones with the desired outcome of replicating an onsite visit. At an advanced level, remote audits can include big data and artificial intelligence to enhance what is typically done in a traditional audit. Remote auditing can help to facilitate a shift from retrospective audits to real-time, continuous audit (Kwakye et al., 2018). The Aquaculture Stewardship Council (ASC) policy for audits during the COVID-19 outbreak (2020) defines assisted remote auditing as "an audit that is conducted partly remotely and partly onsite." It typically occurs when at least one auditor of the audit team (not a technical expert or interpreter) is able to be onsite while the rest of the team is not (Silva & Schutte, 2021). The remote auditor(s) shall guide the coordination and the collection of evidence with the auditor onsite.

In the wake of the outbreak of the COVID-19 pandemic on December 31, 2019, which was traced to Wuhan, China, there was a drastic shift from the traditional on-site auditing practice all over the world to the use of remote auditing. Interest in remote auditing increased further owing to the restrictions of movement, mandatory stay-at-home policies, closure of borders, and work-from-home orders (Igwe et al., 2020). As onsite auditing became difficult to realize, a problem emerged in terms of enhancing the reliability of the reported figures. Using alternative auditing approaches became necessary. Otherwise, creditors and shareholders, without strong convictions regarding the reliability of the audit, may lose confidence in the reported figures.

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A search of the available literature indicates remote auditing tools recommended by various professionals, standard, certification bodies, and regulators/NGOs. These tools include the use of electronic gadgets such as video conferencing (e.g. Skype, Zoom, Cisco, WebEx, Microsoft Teams); document sharing technology (e.g. email, secured shared drives, Dropbox, confluence); online voting tools (e.g. Poll Everywhere, Sido, EBox, Quick Poll); data and analytic tools (e.g. Power BI, ACL, IDEA), and finally, audit management software (e.g. Galvanize audit bond, LogicManager, Audit360) (Kwakye et al., 2018; KPMG, 2020).

While businesses may have had remote-work contingency plans in place before the onset of the COVID-19 pandemic, few could have expected the need to implement the procedures almost overnight. Therefore, it is likely that the sudden need to switch to remote work could have found many unprepared auditing firms and companies, especially the smaller ones, operating in developing countries.

Although some recently published studies discuss the magnificent economic and social impacts of COVID-19 so far (Goodell, 2020), to the best of our knowledge, a study exploring the effect of remote auditing on the sustainability of audit quality from the developing country perspective (and from the Nigerian perspective) does not exist. Albitar et al. (2021) theoretically examine the impact of COVID-19 social distancing on audit quality in the United Kingdom. They find a decline in audit fee (i.e. audit firm revenue) and a huge possibility of personnel loss as a result of the coronavirus. The authors recommend audit firms invest in digital programs such as artificial intelligence, block chain, network security, and data function development. Similarly, Akrimi and Borders (2021) study the impact of the COVID-19 pandemic on the audit quality of Saudi auditors. Their findings reveal that COVID-19 has impacted audit quality significantly. Bader (2021) examines the impact of COVID-19 on the accounting profession from an accounting manager's perspective. His findings show that the pandemic increased the difficulty in accounting as a result of a decline in organizational activities. In line with the work of Lafi and Almutairi (2021), the work of Papadopoulou and Papadopoulou (2020) carried out in Greece shows that COVID-19 significantly influenced the activities of accounting professionals. They argue that this is because of the increase in client business risk, which caused additional audit effort. As social distancing and work from home becomes the new normal, it seems to increase the working hours and auditor effort, although companies are likely to start asking for lowballing of audit fees (Boitan et al., 2020).

Potential Risks Associated with Remote Auditing

Until recently, there has been criticism of remote audits stemming from the angle of the risks associated with it, especially as it concerns developing countries. Igwe et al. (2020) posits that developing countries may have technological difficulties and that weak monitoring may put auditing firms at risk of hacking. Table 1 lists the risks associated with remote audits and offers suggestions regarding how to mitigate such risks (Grant Thornton, 2021).

Table 1
RISKS ASSOCIATED WITH REMOTE AUDITING

Risks	Suggested Mitigants

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Information security	Enterprise Resource Planning (ERP) access rights to audit team should be set to read-only access Personal email accounts to receive or send out audit information should be prohibited Use a secure virtual private network (VPN) to receive or transmit information via email or shared drive
Integrity of audit evidences obtained	Ensure that all process owners are informed of the implications of tampering with audit evidences to deter them from doing such Corroborate and conduct multi-level confirmation with additional and independent departments for high risk or suspected instances
Overrun of pre-agreed audit timeline	Reassess the audit scope considering current realities Proactively engage with process owners and project sponsors on audit challenges Leverage data and analytics in fast tracking reviews (e.g., use of automated process review dashboard)
Insufficient data	The company needs to provide adequate data for the auditors to cater for increased usage during the remote audit. Subscription to a good internet company is a must.

Note. Table based on information from Grant Thornton (2021).

Despite these risks, Dyball and Seethamraju (2021) document that remote auditing provides opportunity for the use of technology in the audit of financial statements in the absence of physical visits to clients. Corbet (2020) observes that there were increases in the demand to develop and provide these technologies and programs by organizations to meet their accounting needs with less cost and clear savings in time and effort. Therefore, according to ISEAL (2021), remote audits enhance artificial intelligence in the audit and accounting profession during the pandemic.

DATA AND RESEARCH METHOD

Design and Sample

This study employs both the content analysis approach and the survey analysis approach. The content analysis method has been used by earlier scholars (Prutina & Sehic, 2016; Alshabibi, Shanmuga, & Khaled 2021). It involves a literature search of the audited reports and/or stand-alone reports of companies with a view to determining the organizations' disclosure of their practices, as well as audit firm practices during the COVID-19 pandemic and their impact on the reported figures. This book-related information is complemented by information collected from a survey. Survey-based results are a common practice in accounting and financial research studies (Akrimi & Borders, 2021; Kwakye et al., 2018; Gadedjisso-Tossou et al., 2022). Twenty-eight auditors were interviewed, and their responses collected. Information was also sourced from each company's audited reports for each year. In total, 48 reports were downloaded and analyzed. This represents a total sample of 16 different companies drawn from four sectors in accordance with Nigerian Stock Exchange (NSX) classification. The sample is presented in Table 2.

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Table 2
SAMPLE DESCRIPTION OF THE EXTENT OF DISCLOSURE PER FIRM

Sector	Number of Companies that Indicated Using Remote Auditing	Percentage of Companies Indicating that Pandemic has Affected Their Performance (%)	Auditor Type (Big 4 or Others) Per Company	Annual Reports Used
Hospitality	5	31.3	Yes (2) No (3)	15
Industrial	5	31.3	No (2) Yes (3)	15
Infrastructure	3	18.8	Yes (1) No (2)	9
Services	3	18.6	No (1) Yes (2)	9
Total	16	100.0	-	48

Audited annual reports are used, since it is mandatory for companies to publish reports each year. Our choice of periods is informed by the fact that the COVID-19 pandemic started in 2019. For a company to be selected for the study, it must have published Audited Annual Reports (AAR) during the period of the pandemic (December 2019 to June 2021). Second, the AARs must disclose either a brief statement of the impact of the pandemic on reported earnings and/or mention any of the remote auditing tools used by the auditor in the exercise of his responsibility irrespective of stay-at-home orders and restrictions in movement.

Variables Descriptions

We generate data on three key areas of auditing. First, how management assesses going concern effectiveness, including how subsequent events are reported in the face of the pandemic. Second, how internal control effectives are ensured in view of the fact that auditors work from home and business transactions are done remotely. Third, what auditing procedure the outbreak of the pandemic has added to auditing practices and how auditors are complying with it. These areas are based on the requirements of regulatory agencies (KPMG, 2020).

The variables are based on the guidelines given by various professional bodies and standard setters to auditors as ways to ensure that they provide reports that are relevant and reliable.

Scoring Procedure

In the survey questionnaire responses are provided in the form of Yes/No. For the content analysis, a score of 1 is given if the information is available in either standalone or audited reports and 0 if otherwise. However, we recognize that some researchers used a similar procedure of a separated report in stand-alone and annual reports. Because of the nature of our study, we have decided to use them interchangeably. We also descriptively analyze five key remote auditing tools. These tools include: firm use of the video conferencing tool, use of the document sharing tool, use of online voting high technology, use of data and an analytic audit tool, and use of audit management software.

The results of our analysis are presented in the tables 3-7 below.

FINDINGS AND DISCUSSION

A document content analysis is performed to examine the remote auditing implicationsof COVID-19 on the sustainability of the audit report on selected companies. As discussed in the

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methodology, the content analysis is presented under three different coded categories. Application of additional auditing procedures by auditing firms is also examined. Even though these are not the only reporting practices that guarantee the sustainability and reliability of audit reports, the literature provides evidence that these three practices are crucial.

Going Concern Effectiveness Assessment

The going concern assumption (also known as the going concern basis of accounting) means that the income statement/statement of comprehensive income and statement of financial position are prepared on the assumption that the entity will continue in operational existence for the foreseeable future. The auditor needs to be satisfied that the going concern assumption is appropriate to the financial statement under audit. This will involve an investigation of the financial statement and operating position of the client before the end of the operating period. If this review indicates that the going concern assumption may not be appropriate, further investigation will be needed. The work of the external auditor on the going concern status of an entity is covered by International Standards on Auditing (ISA) 570, Going Concern. Key points from ISA 570 are that the auditor must ensure that he obtains sufficient and proper evidence about the appropriateness of management's use of the going concern assumption in the preparation of and presentation of the financial statements. Second, the auditor must draw a conclusion on whether material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Finally, the auditor must determine the implications for the audit report. Some of the factors that may cast significant doubt are when the auditor notices that the company is unable to pay dividends, is unable to pay creditors, or is unable to comply with the terms of the loan agreements. Others are the withdrawal of financial support by creditors and adverse events affecting the company. All of these events are issues that were common during the COVID-19 pandemic and auditors need to satisfy themselves that these do not affect the company. In preparing the financial statements, the directors must satisfy themselves (in accordance with International Accounting Standard [IAS] 1) that the going concern basis is appropriate. The standard (IAS 1) further states that management should consider all available information related to at least the next 12 months. This includes any COVID-19 related uncertainties that may cast doubt on the ability of the company to continue as a going concern. In line with these requirements, Lamberton (2005) defines sustainability as any action that allows the present generation to meet their own needs without compromising the ability of the future generation to meet their own needs. These needs include quality audited financial statements that stand the test of time. Any material uncertainties that cast significant doubt on the ability of the company not to continue operation for the foreseeable future represent [un]sustainability issues that must be given attention. Given the uncertainty brought about by COVID-19, sustainability of the reported figures is questioned. Thus, we argue that any report that guarantees perpetual existence represents sustainability. Therefore, given the indeterminate impact of the coronavirus and the work-from-home orders, the auditor is expected to provide information that guarantees that the company will continue to exist for the foreseeable future.

From the content analysis, it is evident that the financial statements prepared by the companies provide valuable information that will enable stakeholders to assess the sustainability of the company amidst the uncertainty created by the COVID-19 pandemic. Companies took great care in considering the impact of COVID-19 on going concern and whether or not the company will continue in business for the foreseeable future. Ninety percent

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of the companies included in this study prepared their financial statements on the going concern assumptions, despite the unpredictability of the pandemic. Most of the management teams provided users of the financial statements with information relating to assessment of the ability of the company to operate as a going concern in the next 12 months. In order to assist with this assessment, some companies made cash flow forecasts in terms of the knowledge available and the expectations of the ongoing developments related to the COVID-19 pandemic. Other companies stated that they had made the assessment to prepare the financial statements under the going concern assumption, believing that they will be able to operate in the foreseeable future even if the national lockdown restrictions were not lifted. Companies also disclosed additional information about material uncertainties faced by the company due to COVID-19. They disclosed information about the uncertainty relating to the impact of the national lockdown, additional restrictions imposed by the government, the liquidity implication of these uncertainty and restrictions on the financial statements, and the ability or inability of the company to meet their debt obligations. Most companies provided users of the financial statements with information on plans in place to ensure the liquidity of the company.

Different companies had put different strategies in place. A number of the companies were planning to ensure liquidity by offering rights to shareholders and obtaining funds from lenders, whereas other companies were focused on cost leadership as a strategy to reduce corporate and shared function cost. Lastly, some companies indicated plans such as the right sizing of workforce, restricting payment to key business creditors, and applying for relief measures given by the Nigerian government. The results of the assessment are shown in Table 3.

Table 3
ASSESSMENT OF GOING CONCERN AS A SUSTAINABILITY MEASURE OF COMPANIES IN THE TIME OFCOVID-19

S/N	Question Items	Percentage of Companies
1	Are the financial reports prepared by means of the going concern assumption, in spite of the coronavirus?	90
2	Is there a reasonable amount of information disclosed regarding the going assumption of the company?	67
3	Did the company provide information about the assessment of going concern?	90
4	Are the effects on COVID-19 regarding the company’s ability to be a going concern discussed?	34
5	Is there any information provided about material uncertainties that may affect thecompany’s ability to operate as a going concern in spite of COVID-19?	23

Subsequent Events Assessment

It is not possible to prepare financial statements that present a true and fair view by considering only those events and transactions that take place before the date at which the statement of financial position is prepared. Material events that occur after the reporting period should also be considered when preparing the financial statements for the year. Events after the reporting periods are covered by IAS 10, Events After the Reporting Period, and are defined as those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The IAS 10 standard has two main objectives: (1) to specify when an entity should adjust its financial statements for

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events that occur after the reporting period but before the financial statements are authorized for issue, and (2) to specify the disclosures that should be given about events that have occurred after the reporting period but before the financial statements were authorized for issue.

The IAS 10 standard also provides that if an entity obtains information about adjusting events after the reporting period, it should update the financial statements to allow for this new information. Non-adjusting events after the reporting period are treated differently. A non-adjusting event relates to conditions that did not exist at the end of the reporting period. In this case, the entity need not adjust the financial statements but must disclose the event in the note to the account, because if it is material, it may affect the information. Therefore, depending on the time the company prepares its account to, COVID-19 information disclosure may be seen as adjusting event or non-adjusting event, each of which may have implications on the audit report. Companies would have to provide estimation on the financial effects of non-adjusting events. For example, they would have to disclose information on how the pandemic had affected their company's processes or operations. If the company does not want to provide the users of the financial statements with this estimation, it is obligated to disclose this fact.

The work of the auditor in this area is covered by ISA 560, Subsequent Events. The objective of the auditor, as per ISA 560, are to obtain sufficient evidence about whether events occurring between the date of the financial statements and the date of the audit report are appropriately reflected in those financial statements. Also, the auditor must respond appropriately to facts that became known to him/her after the date of the audit report that, had they been known at that date, may have caused the auditor to amend the report. This means that the audit procedure must be planned and performed to consider all significant transactions and events occurring that may have impact on the financial statement, as in the case of COVID-19. In line with sustainability reporting guidelines, COVID-19 represents environmental events that affect the audit, and the auditor must plan his audit around these events to ensure that the audit report provides information that is sustainable given the fact that the report recognizes even non-financial information disclosed that may affect the reported figure.

Our content analysis results show that all the companies disclosed information about subsequent events, either stating that there were none or discussing the particulars of the events that had taken place. Moreover, 45% of the companies in the sample addressed the impact of COVID-19 as a subsequent event. Several companies provided information about measures announced by the Nigerian government after their year-end date and how these measures would affect their financial statements. For example, the companies disclosed information about the reopening of organizations after the lockdown alert levels were adjusted by the government. Certain companies provided information on the responses that were implemented after these measures had been announced. The responses disclosed included capital expenditures, rent reliefs, reduction in salaries, and retrenchment of a percentage of the workforce. The results reveal that even though the COVID-19 had affected the economy, only 15% (one) of the companies considered COVID-19 as an adjusting event for the year 2020. The company stated that following the declaration of the national disaster and the related implication, all the assets and liabilities had been adjusted to account for the effect of the coronavirus. The results of the subsequent events assessment are presented in Table 4.

Table 4
DISCLOSURE OF SUBSEQUENT EVENT AS AN ASPECT OF SUSTAINABILITY REPORTING

S/N	Question Items	Percentage of Companies

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1	Were there any events that took place after the reporting date of the company aside COVID-19?	78
2	Is there any disclosure presented regarding subsequent events?	60
3	Does the company address COVID-19 with reference to IAS 10?	45
4	Does the company consider COVID-19 to be an adjusting event after the reporting date?	15
5	Did the company distinguish between adjusting and non-adjusting events?	19

Internal Control Assessment

The requirements of auditors to communicate material weaknesses in internal control identified during the audit are covered by ISA 315, Identifying and Assessing the Risks of Material Misstatement. This requirement is embodied in ISA 265, Communicating Deficiencies in Internal Control to Those Charged with Governance and Management. A deficiency is defined by ISA 265 as where a control is designed, implemented, or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis or where a control necessary to prevent, or detect and correct, misstatements on a timely basis is missing. A significant deficiency in internal control is one which merits the attention of those charged with governance. The communication of significant deficiency is expected to boost the understanding of the figures in the financial statement and hence enhance the sustainability of the audited reports.

Our content analysis reveals that auditor assessment of internal control deficiencies has increased during the COVID-19 pandemic. Fifty-six percent of the companies provided information on how management alter their methods of authentication in response to COVID-19. Eighteen percent stated that the methods of authorization of expenditures and transactions were affected, while 29% indicated that the method of the physical control of assets was done remotely.

Table 5
INTERNAL CONTROL ASSESSMENT DURING COVID-19

S/N	Question Items	Percentage of Companies
1	Does management alter the method of authorizing or approving transactions during the COVID-19 pandemic?	56
2	Does the method of processing transactions change?	18
3	Method of supervision and controlling operations	38
4	Method of designating positions and allocating responsibilities	41
5	Method of physical controlling of assets	29

Additional Auditing Procedures

Companies are required to disclose information regarding any environmental and social issues that may cast doubt on the financial statement. These issues include the corporate social responsibility objectives of the firm within that period and other environmental issues embarked upon to curtail the impact of the COVID-19, such as fumigation, digital innovation, and safety measures.

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Additional disclosure also relates to uncertainties about substantial risks that may result in material adjustments to the carrying amount of assets and liabilities. Disclosure about these assumptions and estimations should be presented in a way that allows users of the financial statements to understand fully the discernment that management had to make regarding the future, other important valuations uncertainties, and how it will affect the future of the company. Companies are also required to consider if any additional information should be disclosed in the financial statements explaining the impact the virus had on provisions, contingent assets, and contingent liabilities (IAS 37).

From the content analysis, it is evident that companies in Nigeria reflected on the additional disclosure required in light of the COVID-19 outbreak. Most of the companies disclosed additional information about the impact of the coronavirus and national lockdown on the financial statements. Some of these companies provided information on how the company was affected: providing statistics on the decline of the number of customers during the pandemic. As the effect of COVID-19 remained uncertain, some companies also supplied information in the disclosure of expected credit losses due to these uncertainties. These companies not only showed how devastating COVID-19 was on banks, but they also provided information regarding the future by looking beyond 2020 and planning for the road to recovery. In addition, some of the companies disclosed information about how the COVID-19 outbreak affected deferred taxation in the financial statement. These companies stated that due to uncertainties around the full effect of the coronavirus, it is not possible to quantify the exact extent of the financial impact on deferred taxation. Furthermore, 57% of the companies disclosed information regarding how estimations were determined pertaining to the COVID-19 pandemic. Each company put their own strategy in place for making much needed and excellent estimations relating to the pandemic. The results of the additional disclosure to enhance firm reporting sustainability are presented in Table 6.

Table 6
ADDITIONAL DISCLOSURE DURING COVID-19

S/N	Question Items	Percentage of Companies
1	Is there any additional disclosure about the effect of COVID-19 has on thecompany available in the financial statement?	78
2	Was any disclosure made about expected credit losses due to COVID-19?	56
3	Is any disclosure provided on how the COVID-19 pandemic affected deferredtaxation?	36
4	Did the company provide any disclosure on the effect COVID-19 had onleases?	37
5	Is there information in the financial statement concerning estimations in viewof COVID-19?	57
6	Did the company disclose particulars on the effect of COVID-19 on provisions, contingent assets and liabilities?	41

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Technologically Enhanced Assessment

Five key remote auditing tools were descriptively analyzed, as shown in Table 7. The tools include firm's use of video conferencing tools, document sharing tools, and online voting high technology; use of data and analytic audit tools; and use of audit management software.

Table 7
REMOTE AUDITING PRACTICES OF FIRMS LISTED BY THEMES

Remote Auditing Themes	Number of Companies Disclosing	Percentage of Companies Disclosing	Maximum Sentences	Disclosure in Annual Report Per Firm
Video Conferencing Tools	6	0.375	5	8
Skype	2	0.125	4	5
Zoom	2	0.125	10	4
Teams	4	0.25	5	3
Cisco WebEx	1	0.0625	3	2
Document Sharing Tools	4	0.25	11	5
Secured Shared Drives	2	0.125	6	1
Dropbox Business	1	0.0625	5	3
Confluence	3	0.1875	1	4
Files.com	5	0.3125	1	3
Online Voting	2	0.125	2	1
Slido	0	0	1	3
EBox	1	0.0625	1	2
Microsoft Forms	-	-	-	-
Miscrosoft Teams Quick Poll	-	-	-	-

Notes. The sample consists in 16 companies. The ‘‘percentage of companies disclosing” relates to the number companies making a remote auditing theme disclosure over the number of companies in the sample; “maximum sentences” signifies the highest number of sentences disclosed by any company in the sample. For all themes, the minimum level of disclosure is 0.

From the analysis, we found that there are variations in the use of these technologies by auditing firms as an alternative to onsite auditing practices. From Table 7, we can see that the firm usage of these tools varies. The analysis uncovers extremely heterogeneous reporting practices. Overall, the volume and quality of remote auditing disclosure were low and were made in the form of narrative disclosures. The key question now is "Does this have any implication for the sustainability of audit report and quality?" Our answer is "yes," from the perspective of continuity. Continuity is therefore implied when Lamberton (2005) defines sustainability as the ability of the present generation to meet their own needs without compromising the ability of the future generation to meet their own needs. With the use of this software, auditing can continue in perpetuity even when there is a national lockdown or restriction from movement. The fact that

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auditors made use of these tools to make going concern assessment, to check for subsequent events, and to make internal control assessment, is in itself a valuable tool that can be employed to enhance the sustainability of organizations. As the use of the software intensifies, there could be a decrease in the risk of material misstatement, and going concern assessment could also be enhanced. In the future, remote auditing procedures using any of the technology enhanced tools can form part of the voluntary sustainability standards where key operational standards can be discussed.

CONCLUSION

This study has examined sustainability as a pillar of new strategies that enhance competitive accounting practices in the COVID-19 era. Specifically, we have discussed various strategies employed by auditors to ensure that the sustainability of firms during the COVID-19 pandemic is not in doubt, and we have described the remote auditing practices adopted by most firms in this period. In addition, the study has discussed the potential risks associated with remote auditing and how to minimize or avoid such risks. Using the content analysis approach and the survey method, the study provides evidence that being sustainability conscious on the part of the managers and the auditor can guarantee continuous operations by firms even during a period of serious calamity and risk. We conclude the study by positing that companies that hold themselves accountable to their stakeholders and increase transparency will be more viable - and sustainable - in the long term.

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