e-ISSN: 2550-0813 | p-ISSN: 2541-657X | Vol 12 No 11 Tahun 2025 Hal. : 4532- 4535

NUSANTARA: Jurnal Ilmu Pengetahuan Sosial

available online http://jurnal.um-tapsel.ac.id/index.php/nusantara/index

AUDIT RISK ANALYSIS IN ADJUSTMENT OF AUDIT PROCESS IN INDONESIA

Riska Franita

Prodi Akuntansi , Fakultas Sosial Sains, Universitas Pembangunan Panca Budi

Abstrak

This research focuses on the results of adjustment audits in Indonesia using secondary data. The greater the audit risk, the greater the adjustments made by the auditor. Auditors must be able to understand the client's business in depth, conduct initial risk assessments, establish materiality, and develop risk-based audit plans. have knowledge in AI, and prepare a competent team

Kata Kunci: audit risk analysis, in indonesian

INTRODUCTION

As we approach the 2026 era, which is rife with conflict, politics, and various political and economic issues, auditors must maximize their existing competencies in understanding a client's business processes. In conducting adjustment audits, an auditor must be competent and apply skepticism.

In Indonesia, many complex business transactions, developments in information technology, regulatory dynamics such as the implementation of IFRS-based PSAK, in Indonesia auditors must be able to be transparent in explaining audit results to stakeholders, this situation causes the characteristics of audit risk to become more diverse and complex. This situation requires auditors to adjust the audit process to remain relevant, effective, and in accordance with Auditing Standards (SA) in SPAP. In this situation, an auditor is less than optimal if using a traditional approach, but must apply a risk-based audit that emphasizes the identification of high-risk areas and the determination of appropriate audit procedures to reduce detection risk.

Audit risk is a significant issue because misjudgment of risk can lead auditors to incorrectly determine testing procedures, inappropriately narrow or expand audit areas, and ignore critical areas that could potentially conceal material misstatements. Numerous audit failure cases in Indonesia, particularly in public companies and the financial sector, demonstrate that auditors' inability to recognize inherent risks and internal control weaknesses can result in audit opinions that do not reflect the true state of affairs.

In Indonesia, challenges arise from varying levels of internal control systems, limited documentation, ownership dominance in family businesses, and inconsistent levels of regulatory compliance. These factors add to the complexity of the risks auditors must consider. To maintain audit quality, auditors must conduct a thorough risk assessment and adapt audit techniques, procedures, and scope to the level of risk faced.

Thus, audit risk analysis is the primary foundation for adjusting the audit process. Auditors are required to adopt a structured approach from the planning stage through to completion, ensuring that the audit not only meets professional standards but also delivers high-quality, reliable results for financial statement users. Therefore, it is important to examine how audit risk impacts audit process adjustments, particularly in the context of the ever-evolving audit practices in Indonesia.

RESEARCH METHODS

This research uses secondary data through books and research journals by using data collection, then analyzing and drawing conclusions regarding risk analysis and adjustments.

RESULTS AND DISCUSSION

Audit risk is a fundamental element that influences how auditors plan, conduct, and complete an audit. In the Indonesian context, the characteristics of business entities, the quality of internal controls, regulatory dynamics, and national economic conditions make audit risk assessment even more critical. Auditors must adapt the entire audit process to minimize the risk of issuing an inappropriate opinion on the financial statements.

Audit risk is at the heart of the entire financial statement audit process. This concept explains that the auditor may issue an inappropriate opinion if material misstatements in the financial statements are not detected. Therefore, audit risk serves as the basis for determining the auditor's strategy, procedures, techniques, and depth of testing.In the context of audit practice in Indonesia, audit risk serves as the primary guideline for developing the audit plan and audit program, as well as determining sufficient audit evidence in accordance with Auditing Standards (SPAP). The higher the risk detected in an area, the broader and more in-depth the audit procedures performed. Audit risk directly determines how the audit process is designed, performed, and evaluated. Audit risk is the risk that the auditor will issue a qualified opinion on financial statements that actually contain material misstatements. ISA 200

Inherent Risk

The risk of misstatement that might occur due to the nature of the transaction, industry, or business conditions, without considering internal control.

Examples: estimate-based transactions, physical inventory, fixed asset valuation.

b. Control Risk

The risk that internal control will not prevent or detect material misstatements appropriately.

c. Detection Risk

The risk that audit procedures will fail to detect material misstatements.

Audit risk is not just a theoretical concept, but forms the basis of auditor decisions at every stage of the audit:

a. audit planning
b. audit execution
c. audit evidence evaluation opinion formation

The auditor uses these three components of audit risk to determine:
what audit procedures to perform, how much evidence is needed, when to

perform the procedures, and what audit techniques are most effective.

The higher the risk, the more in-depth the audit process.

Indonesian Auditors Implement Risk-Based Auditing This finding is consistent with the theory that auditors should tailor procedures to client risk.

Audit Adjustment Process Model (Research Results)

The resulting qualitative model:

1. Audit Risk Identification
2. Evaluation of Control Effectiveness
3. Evaluation of Audit Strategy
4. (sample expansion, materiality changes, use of CAATs)
5. Adjustment of Substantive Procedures & Controls
6. Improvement of Audit Quality

Audit risk is a key foundation in designing and conducting a financial statement audit. Audit risk influences: the determination of materiality, the selection of audit procedures, the depth and extent of testing, the timing of the audit, the type of evidence to be collected, the composition of the audit team, the documentation strategy, and the response to fraud risk.

Audit Risk Factors in Indonesia

Complexity of Accounting Regulations Full adoption of IFRS-based PSAK. Routine PSAK changes (e.g., PSAK 71, 72, 73). Increasingly stringent OJK regulations for the banking industry and listed companies. The impact of this situation requires auditors to expand their testing and understanding of the business, as well as adjust audit procedures.High Fraud Cases and Their Impact: Indonesia is experiencing an increase in fraud cases, particularly in: Banking, State-Owned Enterprises, Government, and the private sector (revenue manipulation, mark-ups, and asset embezzlement). Impact: Auditors are adding anti-fraud procedures to the audit process, including forensic analytics.

Adjustments to the Audit Planning Stage
The auditor conducts:

- A more comprehensive initial risk assessment (ISA 315).
- Expanding the understanding of internal control.
- Identifying areas prone to fraud (revenue, inventory, fixed assets, related party transactions).

Using risk scoring to determine priority areas.

Adjustments to Tests of Controls

- If control risk is high, the auditor reduces reliance on internal controls and increases substantive testing.
- If controls are good, the auditor can reduce testing of details.

Adjustments to Substantive Testing Procedures adjusted for risk: Increase sample size. Conduct third-party confirmation. More in-depth trend and ratio analysis. More detailed document testing. More frequent physical testing (stocktaking) in high-risk industries.

Use of Audit Technology
Auditors in Indonesia are starting to use: CAATs (Computer-Assisted Audit Techniques).

- Data analytics
- Continuous monitoring tools
- To reduce detection risk.

CONCLUSION

Increasing audit risks in Indonesia are forcing auditors to: Adapt every stage of the audit.Use analytical technology.Enhance substantive testing.Strengthen skepticism and documentation.Focus on areas most vulnerable to misstatement or fraud.The end result is a more robust, relevant audit that anticipates modern business and regulatory challenges.

BIBLIOGRAPHY

Arens, A. A., Elder, R. J., & Beasley, M. S. (2019). *Auditing and assurance services: An integrated approach* (16th ed.). Pearson.

Boynton, W. C., Johnson, R. N., & Kell, W. G. (2006). *Modern auditing: Assurance services and the integrity of financial reporting* (8th ed.). Wiley.

Bell, T. B., Peecher, M. E., & Solomon, I. (2005). The 21st century public company audit: Conceptual elements of KPMG's global audit methodology. *Journal of Accounting Literature*, 24(1), 1–46.

Bedard, J., & Mock, T. J. (1992). Expert systems in auditing: A review and synthesis. *Journal of Accounting Literature*, 11, 1–39.

Curtis, M. B., & Payne, E. A. (2008). An empirical study of audit risk assessment and risk response strategy. *Auditing: A Journal of Practice & Theory*, 27(3), 55–73.

Institut Akuntan Publik Indonesia. (2017). *Standar Profesional Akuntan Publik (SPAP): Standar Audit (SA) 200, SA 240, SA 315, SA 330, SA 500*. Jakarta: IAPI.

Knechel, W. R. (2007). The business risk audit: Origins, obstacles, and opportunities. *Accounting, Organizations and Society*, 32(4–5), 383–408.

Messier, W. F., Glover, S. M., & Prawitt, D. F. (2017). *Auditing & assurance services: A systematic approach* (10th ed.). McGraw-Hill.

Mulyadi. (2016). *Auditing* (6th ed.). Jakarta: Salemba Empat.

Pramono, R., & Utama, S. (2020). Risiko audit dan implikasinya terhadap kualitas audit di Indonesia. *Jurnal Akuntansi dan Keuangan Indonesia, 17*(2), 145–160.

Rahayu, S. K., & Suhayati, E. (2018). *Auditing: Teori dan praktik*. Jakarta: Salemba Empat.

Tuanakotta, T. M. (2015). *Audit berbasis risiko: Pendekatan baru dalam audit laporan keuangan*. Jakarta: Salemba Empat.

Widyaningsih, I. A. (2021). Pengaruh risiko audit terhadap strategi penentuan prosedur audit pada perusahaan publik di Indonesia. *Jurnal Riset Akuntansi Indonesia, 10*(1), 34–45.