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IMPLEMENTATION OF ATLAS IN AUDIT RISK ASSESSMENT PROCEDURES (CASE STUDY AT KAP TARMIZI ACHMAD)

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Abstract

The rapid development of digitalization in the era of technology and information has brought significant changes in business processes, including company audit procedures. The current audit process has shifted to computer-based methods, as seen in the ATLAS application. This application is designed with the aim of assisting the audit process to comply with applicable audit standards. The writing of the article was carried out to determine the level of application of the ATLAS application to the risk assessment process at KAP Tarmizi Achmad. The method used in writing this article involves direct observation of the use of the ATLAS application and interviews with one of the auditors at KAP Tarmizi Achmad. The results obtained in this article indicate that the implementation of the ATLAS application can be carried out optimally and positively impacts the risk assessment process. This is due to the application's ability to help auditors perform the audit process more systematically and organized, as well as in compliance with applicable standards. Additionally, the use of ATLAS also helps reduce errors in risk assessment and accelerates the audit reporting process. Thus, ATLAS not only increases auditor work efficiency but also enhances the accuracy and credibility of the audit results.

Keywords: ATLAS, Risk Assessment, Audit Standards

Abstrak

Perkembangan digitalisasi yang pesat pada era teknologi dan informasi telah membawa perubahan signifikan dalam proses bisnis, termasuk dalam prosedur audit perusahaan. Proses audit saat ini telah beralih ke metode berbasis komputer, seperti yang terlihat pada aplikasi ATLAS. Aplikasi ini dirancang dengan tujuan untuk membantu proses audit agar sesuai dengan standar audit yang berlaku. Penulisan artikel dilakukan untuk mengetahui tingkat penerapan aplikasi ATLAS terhadap proses penilaian risiko pada KAP Tarmizi Achmad. Metode penulisan artikel ini dilakukan dengan observasi langsung terhadap penggunaan aplikasi ATLAS dan melalui wawancara kepada salah satu auditor di KAP Tarmizi Achmad. Hasil yang diperoleh dalam penulisan artikel menunjukkan bahwa penerapan aplikasi ATLAS dapat dilakukan

secara optimal dan memberikan dampak positif terhadap proses penilaian risiko. Hal ini disebabkan oleh kemampuan aplikasi tersebut dalam membantu auditor menjalankan proses audit secara lebih sistematis dan terorganisir serta sesuai dengan standar yang berlaku. Selain itu, penggunaan ATLAS juga membantu mengurangi kesalahan dalam penilaian risiko dan mempercepat proses pelaporan audit. Dengan demikian, ATLAS tidak hanya meningkatkan efisiensi kerja auditor, tetapi juga memperkuat akurasi dan kredibilitas hasil audit yang dihasilkan.

Kata Kunci: *ATLAS, Penilaian Risiko, Standar Audit*

A. INTRODUCTION

The rapid development of digital technology has changed many aspects of the business world, including in the field of financial statement auditing. In this modern era, auditors are required to be able to work effectively, efficiently, and accurately in assessing audit risks in order to produce credible and trustworthy reports. One of the innovations that have emerged in the world of auditing is the use of the ATLAS (Audit Tools and Linked Archive System) application. ATLAS is designed to assist auditors in carrying out audit procedures in a more structured manner and in accordance with applicable auditing standards, namely International Standards on Auditing (ISA).

Audit Tools and Linked Archive System or commonly referred to as ATLAS is a Microsoft Excel-based application developed by the Center for Financial Professional Development (*Pusat Pembinaan Profesi Keuangan*/ PPPK) of the Ministry of Finance. This application is used to carry out audit procedures, document findings during the audit process, and the results are used as a guide in providing opinions (Daewoo, 2021). The ATLAS application was published to encourage Public Accounting Firms (*Kantor Akuntan Publik*/ KAP) to increase competitiveness and ensure audit implementation in accordance with applicable standards (Pradana et al., 2023). The stages of the audit process in ATLAS can be started by accepting the engagement which includes the assignment and ensuring the independence of team personnel. Then proceed with the planning stage, which involves risk assessment. The last stage of the audit process is responding to risks, characterized by reporting by an Independent Accountant which includes an opinion from a public accountant (Krismonanda et al., 2021).

KAP Tarmizi Achmad has implemented the use of ATLAS in the audit process, especially at the risk assessment stage. Risk assessment is an identification process in an audit that aims to assess financial statements so that material misstatement errors do not occur (Mahsun, 2021). An auditor is required to understand the client's business in assessing business risks and internal controls of the client's business (Wardani, 2019). According to Auditing Standard 315 Revised 2021 (2021), the purpose of risk assessment is to understand the entity and the environment and internal control of the client in order to assess the risk of material misstatement at both the financial statement and assertion levels. The initial risk assessment stages in ATLAS can be carried out by determining the initial materiality, applying the initial analytical method and initial strategy memorandum, understanding the business entity and environment,

assessing the risk of material misstatement (inherent risk and control risk), communication with TCWG (Those Charged with Goverment), and Internal Control System (*Sistem Pengendalian Internal*/ SPI).

In implementing the risk assessment stage using ATLAS, there are problems faced by auditors at KAP Tarmizi Achmad, namely the complexity of the question indicators in ATLAS, which requires more time for risk assessment. However, the complexity in risk assessment in ATLAS can increase the results of risk assessment more relevant and accurate because it is supported by more in-depth data and indicators. The output results in ATLAS also show a high level of complexity and require more in-depth data to support the accuracy and relevance of the output produced. This shows that the quality of output in ATLAS is highly dependent on the availability and depth of data used in the analysis process. ATLAS also does not support the format of financial statements as used by clients with the Government Accounting System (*Standar Akuntansi Pemerintahan*/ SAP), so there are still audit processes that are carried out manually. In addition, ATLAS presents many features that can be used in the audit process that require deeper understanding and experience in auditors for effectiveness in operating ATLAS. In general, ATLAS is a Microsoft Excel-based application, which can only be used by one user. This can be another obstacle to the use of ATLAS in determining risk assessments that should be carried out by all team members and not impose responsibility on one member of the audit team.

In overcoming the obstacles faced in the implementation of ATLAS, especially in risk assessment, several solutions can be applied by the Public Accounting Firm (*Kantor Akuntan Publik*/ KAP) and other parties related to ATLAS. First, the need for training and capacity building of the audit team so that auditors can better understand the indicators in ATLAS. Second, planning is needed regarding requests for data completeness to clients to improve the quality of output in ATLAS. Third, in order for ATLAS to be more compatible with Government Accounting Standards (*Standar Akuntansi Pemerintahan*/ SAP), it is necessary to develop ATLAS features by the Center for Financial Professional Development (*Pusat Pembinaan Profesi Keuangan*/ PPPK) of the Ministry of Finance towards conformity with Government Accounting Standards (*Standar Akuntansi Pemerintahan*/ SAP). Fourth, implementing training on the use of ATLAS on a regular basis for all members of the audit team at the Public Accounting Firm (*Kantor Akuntan Publik*/ KAP). Fifth, it is necessary to hold regular feedback sessions from ATLAS users to identify operational obstacles faced. The feedback can be used as a basis in developing a more multi-user and efficient version of ATLAS. By implementing these solutions, it is expected that the effectiveness and efficiency in implementing ATLAS for risk assessment can be improved.

B. IMPLEMENTATION AND METHODS

The writing of the article is based on the results of the internship at KAP Tarmizi Achmad, located at Jalan Dewi Sartika Raya No. 7, Semarang (50221). The selection of the internship location was based on the suitability of the Accounting Department courses, especially the Auditing Practicum, Auditing II, and the application of the use of ATLAS in the audit process at KAP Tarmizi Achmad. The internship period lasted for 82 days from August 20, 2024 to November 22, 2024.

The method used in collecting data in writing this article is through direct observation and interviews with one of the auditor staff at KAP Tarmizi Achmad. The purpose of using this method is to gain an in-depth understanding of the implementation of ATLAS in the audit risk assessment procedure at KAP Tarmizi Achmad. Observation is done by directly observing the use of ATLAS in the audit risk assessment process. The interview method is carried out by asking questions related to the use of ATLAS to auditor staff who have expertise and in-depth understanding of the use of ATLAS at KAP Tarmizi Achmad.

C. RESULTS AND DISCUSSION

KAP Tarmizi Achmad has implemented ATLAS in all audit processes for clients, especially in audit risk assessment procedures. Risk assessment procedures in audits are carried out to identify, evaluate, and understand material risks that may affect the client's financial statements. Based on the observation method and direct interview with one of the auditor staff at KAP Tarmizi Achmad on the use of ATLAS in risk assessment, there are stages that need to be carried out by the auditor in the audit risk assessment. The following are the stages in risk assessment using ATLAS, which are presented in the form of a picture:

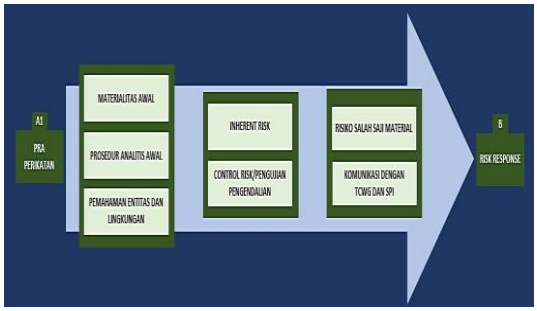

Figure 1. Stages of Risk Assessment Procedure in ATLAS

The first stage in the risk assessment procedure is to pre-engage the audit process, which is done by analyzing the risk of accepting and continuing the relationship with the client. The analysis includes the client's type of business, ownership status, financial accounting standards used, previous financial reporting issues, management integrity, competence, time availability, and independence of KAP personnel for the appointment of the engagement team. The results of this analysis the auditor can categorize as high or low, where high indicates a significant risk and needs to be considered, while low indicates a minimal or insignificant risk. By carrying out the pre-engagement stage, the auditor can draw conclusions based on risk analysis regarding the acceptance and continuation of the relationship with the client, so that the auditor can decide whether to continue the engagement with the client or not.

The second stage is to determine the initial materiality in the risk assessment procedure. At this stage, the auditor can determine the level of materiality that will be used as a benchmark in evaluating the potential impact of misstatements found during the audit. In conducting the initial materiality stage, the auditor must know the limits of the opinion form starting from determining materiality, implementation materiality, and uncorrected value thresholds. The initial materiality stage of the auditor requires some data, such as the client's financial statements and the conclusions of the risk analysis at the pre-engagement stage. From this data, input is made to ATLAS and will automatically display the client's materiality level. The results of determining the initial materiality of the client will affect the amount of client evidence. The third stage is carried out after determining the initial materiality, namely the auditor can perform the initial

analytical procedures and the initial audit strategy memorandum. Auditors can analyze the comparison of the presentation of financial statements in two periods. If in the process of comparing the financial statements, there are significant increases and decreases in the financial statements from the year-end period to the previous period, the auditor can analyze the causes. Next, analyze financial ratios on the client's financial statements. With the comparative analysis and financial statement analysis, the auditor can draw conclusions from the results of the analysis to ensure there is no risk of material misstatement in the financial statements.

The fourth stage is understanding the entity and environment at the client, which is done to evaluate whether the client has Standard Operating Procedures (SOP) in running its business. This is important to understand how structured and consistent the client's operational processes are, as well as to assess the effectiveness of the established internal controls. By knowing the existence of SOP, auditors can evaluate potential risks and ensure compliance with applicable policies and regulations. In the stage of understanding the entity and environment at the client, there are eight categories in it, namely as follows:

1. General information and legal aspects: used to understand the client's identity, legal status, and regulatory compliance.
2. Organizational structure and responsibilities: an evaluation is carried out to determine the division of tasks and authority in the client company, which has an impact on internal control.
3. Key business activity processes and accounting policies: auditors study key business activity processes and accounting policies to understand the company's core operations and the accounting policies applied.
4. Understanding of relevant regulations: conducted to ensure client compliance with applicable laws and regulations in the relevant industry.
5. Understanding the business environment: necessary to identify external factors that may affect the company's performance.
6. Business continuity analysis: used to assess the company's ability to maintain its operations in the future.
7. Understanding the preparation and compilation of financial statements: conducted to evaluate compliance with applicable accounting standards.
8. Fraud factor analysis: conducted to identify potential fraud risks in the client company's financial statements and business activities.

The fifth stage is the inherent risk assessment, which is carried out to assess the inherent risk in each account. This stage contains 11 categories, which can be assessed based on the category of each account's inherent risk level, namely low, moderate, and high. Here 11 categories in the inherent risk assessment stage:

1. Is a transaction that occurs frequently
2. Misstatements that were corrected in the past period
3. Vulnerable to changes in the business environment
4. Contingencies identified
5. Impact on loss
6. Account received special attention for accounting or reporting
7. Accounts that have complexity or complexity
8. Accounts of transactions with significant related parties
9. Accounts that are measured using estimates
10. Significant accounts that are not routine
11. Susceptible to fraud risk

The sixth stage is control risk, which is carried out to find out the SOP steps have been carried out properly by the client. In this stage, each stage of the SOP will identify the risks, causes of occurrence, controls, documentation of control activities, and accounts that have an impact related to control risks.

The seventh stage is communication with TCWG (Those Charged With Governance) and Internal Control System (*Sistem Pengendalian Internal*/ SPI), which is carried out before the field audit to find out the conditions that occur in the company. The eighth stage is the assessment of the risk of material misstatement which is a combination of the results of inherent risk and control risk. From these stages will produce conclusions about the risk of each account which is classified into the low, moderate, and high categories. In addition, there is an assessment of the assertions of each account, which consists of completeness, existence, accuracy and cut-off, valuation, test of control, test of detail, and the timing of the examination before or after the period ends.

The final stage of risk assessment using ATLAS is the audit strategy memorandum update based on the results of the risk assessment and significant changes that occur during the audit process. This stage contains conclusions from the implementation of the risk assessment stages such as the nature, timing, and timing that will be reviewed by the audit team leader.

According to one of the staff at KAP Tarmizi Achmad, in conducting risk assessments using ATLAS there are major obstacles such as the lack of understanding of auditors in using ATLAS. In addition, ATLAS also does not yet support the format of 7 financial statements such as those of BLUD. Currently, ATLAS can only receive input for 5 types of financial statements, namely balance sheets, operational reports, statements of changes in equity, and cash flow statements. Meanwhile, the other 2 financial statements, namely the budget realization report and the statement of changes in excess budget balance, cannot yet be input into ATLAS. Therefore, for clients who use Government Accounting Standards (*Standar Akuntansi Pemerintahan*/ SAP) in carrying out their audits, it cannot be done entirely through ATLAS, but there are several stages that must be done manually.

Based on direct observation of the use of ATLAS in risk assessment procedures at KAP Tarmizi Achmad, there are obstacles found, namely the complexity of the question indicators in ATLAS, which affects the time in conducting audit risk assessments. The question indicators in ATLAS require very detailed and in-depth information to accurately evaluate risk. The more complex the indicators, the more data must be collected and analyzed. The output results in ATLAS also show a high level of complexity, thus requiring more in-depth data to support the accuracy and relevance of the output produced. ATLAS does not support real-time multi-user access or can only be used by one user. This can result in the centralization of responsibility for risk assessment in one member of the audit team. So that the work in the risk assessment procedure is uneven, increasing the workload on one member of the audit team, and causing delays in the risk assessment process.

From the obstacles found at KAP Tarmizi Achmad to the application of ATLAS in risk assessment procedures, solutions can be provided and implemented to overcome these obstacles. First, it is necessary to conduct comprehensive training on a regular basis to ensure auditors have an in-depth understanding of ATLAS features,

including how to operate ATLAS in all stages of the audit, especially in risk assessment procedures. Second, it is necessary to develop ATLAS features by the Center for Financial Professional Development (*Pusat Pembinaan Profesi Keuangan*/ PPPK) of the Ministry of Finance to support the format of financial statements with Government Accounting Standards (*Standar Akuntansi Pemerintahan*/ SAP). The development of the ATLAS feature needs to focus on adding capabilities to receive and manage data from the budget realization report and the report on changes in budget balance. Third, training and capacity building of the audit team is needed so that auditors can better understand the indicators in ATLAS, thereby improving efficiency and accuracy in the risk assessment process. Fourth, to overcome the high complexity of the output results in ATLAS, which requires more in-depth data to support the accuracy and relevance of the resulting output, auditors need to carry out careful planning regarding requests for data completeness to clients. This is very important so that auditors can collect accurate and relevant data from the start, so as to minimize risk analysis errors and improve the quality of output in ATLAS. Fifth, it is necessary to develop a real-time multi-user access feature in ATLAS, so that all audit team members can contribute to data collection and risk analysis using ATLAS. Thus, responsibilities and tasks in risk assessment can be shared more evenly and efficiently.

In ensuring the successful implementation of solutions to the obstacles found in the implementation of ATLAS in risk assessment procedures, there are supporting factors and inhibiting factors that need to be considered to achieve maximum results in the application of ATLAS in risk assessment procedures. The following are the driving factors and inhibiting factors:

1. Encouraging Factors
    a. Support from accounting regulations and International Standards on Auditing (ISA): regulatory support and ISA encourage the use of technology to ensure that the audit process is carried out in accordance with applicable audit standards.
    b. High level of commitment from management: high commitment from the management of KAP Tarmizi Achmad in implementing new technology in the form of ATLAS and providing budget support for training and software procurement. By providing budget support for training and software procurement, management ensures that the implemented technology can be used optimally by the entire audit team.
    c. Commitment from auditors at KAP Tarmizi Achmad: the commitment of auditors at KAP Tarmizi Achmad to attend training to deepen the knowledge and skills of auditors in using ATLAS in the audit process. Auditors' commitment to continuous learning and self-development is essential in creating a competent audit team that is responsive to technological development.
    d. Auditors' need for SAP-integrated systems: The high need for auditors to use SAP-compatible systems in conducting risk assessments has led to the accelerated development of ATLAS features that can manage data from budget realization reports and reports on changes in budget surplus balances.

e. Support from client management: support from client management in providing the required data in a complete and timely manner will expedite the data collection process and improve the accuracy of output in ATLAS.
f. Time savings in the audit process: with multi-user access, various team members can work on different parts of the analysis simultaneously, speeding up the completion of audit tasks and allowing audits to be conducted more efficiently.

2. Inhibiting Factors
   a. Limited time and high training costs: the existence of a busy auditor work schedule and the pressure of audit deadlines can reduce the time available for auditors to attend training optimally. And there is a limited budget for organizing regular training.
   b. Cybersecurity risks and data confidentiality: in developing features capable of managing government financial data, cybersecurity risks such as hacking and data leakage are significant threats, requiring a robust and tested security system.
   c. Time constraints in data collection: tight deadlines in the audit process may limit the time available for complete data collection, potentially reducing the accuracy and relevance of outputs in ATLAS.
   d. Limitations in technology infrastructure: if the technology infrastructure used such as servers, internet, and hardware is inadequate, the implementation of real-time multi-access features may be hampered and reduce the overall performance of the ATLAS system.

Indicators of success from the implementation of ATLAS in risk assessment at KAP Tarmizi Achmad show that the application of ATLAS is carried out optimally and has a significant positive impact on the entire audit process, especially in risk assessment procedures. ATLAS has proven effective in helping auditors carry out the audit process in a more systematic and organized manner, so that each stage in the risk assessment can be carried out consistently and in accordance with applicable audit standards.

D. CLOSING

Conclusions

The implementation of ATLAS in audit risk assessment at KAP Tarmizi Achmad, there are nine stages that can be carried out by auditors. These stages are pre-engagement, initial materiality, initial analytical procedures and initial audit strategy memorandum, understanding the client environment, inherent risk assessment, control risk assessment, communication with TCWG and SPI, risk assessment of material misstatement, and audit strategy memorandum update. The stages in risk assessment have been carried out in accordance with Auditing Standard 315, which regulates the identification and assessment of risks of material misstatement through an understanding of the entity and its environment.

The application of ATLAS in the risk assessment procedure at KAP Tarmizi Achmad has had a positive impact on the quality and efficiency of the audit process, although further improvement and development efforts are still needed to optimize its use. By overcoming existing obstacles and optimally utilizing the driving factors, it is expected that the implementation of

ATLAS can further improve the accuracy and relevance of audit results in accordance with applicable standards.

Suggestion

Based on the implementation of ATLAS in the risk assessment procedure at KAP Tarmizi Achmad, there are several things that have and have not been achieved, as well as aspects of sustainability that need attention. The implementation of ATLAS has successfully improved systematization and regularity in audit risk assessment procedures. ATLAS has also proven effective in helping auditors identify and evaluate material risks more consistently and in accordance with applicable audit standards. However, there are several things that have not been achieved optimally, such as the lack of auditor understanding in using ATLAS, the limited format of financial statements supported by ATLAS, and the absence of real-time multi-user access features. to overcome the things that have not been achieved in the application of ATLAS, it is necessary to conduct regular training, develop ATLAS features to be compatible with SAP, and develop real-time multi-user access. The implementation of these suggestions on an ongoing basis is expected to improve the efficiency, accuracy, and effectiveness of audit risk assessment at KAP Tarmizi Achmad, resulting in higher and more reliable audit quality.

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