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The impact of COVID-19 on financial reporting in Norway

Addressing Fraud Risks and Ensuring Accuracy and Integrity of Financial Statements

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Foreword

This master's thesis marks the end of our MRR master's study at the University of Stavanger, specializing in accounting and auditing.

We have chosen the subject of how the COVID-19 pandemic has influenced the financial reporting quality, and the changing risk environment with an emphasis on increasing fraud risks. This master thesis research has the goal of contributing to the further discussion of the impact of the pandemic on financial reporting. We wanted to research how auditors and accountants have experienced the changes in the fraud environment, and how they have adapted their procedures to accommodate.

We would like to express our gratitude to our supervisor Iris Caroline Stuart for dedicating her time to supervise us and drive us toward a subject we have had much interest in learning more about. We are extremely grateful to our families for their motivation and patience in this hectic and rewarding time. Finally, our thanks go to all the participants in this thesis who have devoted their time to help complete the research work.

Work on this thesis has been rewarding and educational, and we look forward to applying these learnings in our careers moving forward.

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Abstract

The COVID-19 pandemic has had a huge negative impact on the economy, health, and society, stifling worldwide economic progress. The worldwide pandemic had a huge impact on the global economy, making the function of financial report quality even more crucial. The purpose of this research is to investigate and assess the influence of the COVID-19 pandemic on the quality of financial reporting, including the risk of fraudulent financial reporting, to end it with the steps that can be taken to ensure the accuracy and integrity of financial statements.

The research population is the body of Norwegian employees and international employees working in the private sector. This research is mainly based on the qualitative method for data analysis, in which a set of questions have been prepared and distributed among Norwegian and international employees. The analysis of the questionnaire is based on the answers of 10 accountants and 10 auditors. The results of this study were analyzed qualitatively using a survey questionnaire distributed to Norwegian and international financial management employees and accountants working in the private sector.

In this research, the independent variable is the COVID-19 pandemic, and the dependent variables are the quality of financial reporting and the risk of fraudulent financial reporting. This study proves that COVID-19 significantly affects the quality of financial reporting.

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1. Introduction

In this introductory chapter, we will provide the background for the thesis and an overview of the research topic, outline the research questions, and explain the significance of the study for contributing to future studies. This introductory chapter sets the stage for the rest of the thesis, providing a clear and concise introduction, as well as the chapter outline for the rest of the thesis.

1.1 Background

One of the most significant shifts in the global economy has been the appearance of the COVID-19 pandemic in early 2020, which has caused an unparalleled shock over the previous two years and has touched every corner of the globe (Chen et al., 2023). The COVID-19 pandemic is caused by a new virus that rapidly spreads over the world and affects the human respiratory system (Chen et al., 2023). As a result, the global pandemic has posed a serious threat to all governments.

The onset of the COVID-19 pandemic affects the well-being of all people, which in turn hinders the growth of the economy. According to Albitar (2021), the pandemic has produced the greatest worldwide health, financial, and social catastrophe, resulting in a halt in economic activity and especially financial reporting. Uncertainty about the economy dampens economic activity, affecting practically every company facing financial difficulties (PWC, 2020).

Many businesses are worried about their financial reporting because of the economic downturn caused by the COVID-19 pandemic due to shutdowns of organizations and quarantines (Chen et al., 2023). The ongoing economic uncertainty hurt stakeholders' trust in the organization’s financial success. The most important issue that management therefore must consider in understanding factors impacting financial reporting and consumers' perceptions of an organization’s financial position is stakeholder trust in financial reports (Chen et al., 2023). Material misstatements lower the trust in the organization which in turn hurts the organization’s reputation.

There are several distinctions between this study and earlier pandemic studies undertaken in other nations. Yet, only a few studies particularly examined the circumstances of firms' quality of financial reports influenced by the COVID-19 pandemic, emphasizing the necessity for more study. Furthermore, the ongoing COVID-19 pandemic has changed the auditor's perspective toward adopting various methods in their operations. This explains why various study circumstances may yield diverse outcomes. As a result, this research addresses the vacuum by presenting empirical data and answering the research questions, and it seeks to determine how the quality of financial reporting has been impacted by the COVID-19 pandemic.

Therefore, the purpose of this master thesis research is to explore the impact of the COVID-19 pandemic on financial reporting quality, with a focus on fraudulent financial reporting, and to give an analysis of the procedures and regulations that should be implemented and followed to protect financial statement accuracy and integrity. This thesis will also include an assessment of what fraud is, how and why it is committed, and the theoretical background of what auditors and accountants are required to do to prevent fraud. This thesis aims to contribute to the ongoing discussion on how organizations and auditors may successfully handle the challenges posed by the COVID-19 pandemic while also preserving stakeholders' trust and confidence, by providing an in-depth assessment of the research problem.

1.3 Research Problem

The prevalence of poor-quality financial reporting endangers the authenticity and openness of financial information. In financial statements, low-quality financial reporting is characterized as the inclusion of errors, missing data, deception, and failure to comply with accounting rules and laws (Scott, 2014). Financial statements could therefore end up as inaccurate financial analysis, inadequate disclosure of critical data, and in turn a loss of confidence in the organization (Scott, 2014).

Additionally, poor financial reporting quality may contribute to misleading financial performance measurements, jeopardizing financial statement consistency and reliability (Christensen et al., 2013). The identification and avoidance of poor financial reporting are critical to ensuring the dependability and utility of financial data for decision-making (Parker, 2016).

Financial reporting fraud is a critical issue with major consequences for the quality and reliability of financial information. This issue has long been a source of worry for investors, regulators, and auditors (ACFE, 2018). Such fraudulent activities have substantial consequences, including financial losses for investors and corporate damage to reputation (Albrecht et al., 2019). One of the most common kinds of fraudulent financial reporting is financial statement fraud, which is committed by purposely misstating an organization’s financial statements (Cohen et al., 2002). This can be accomplished in a variety of ways, including exaggerating income statistics, understating costs, or overvaluing assets (Wells, 2013).

The objective of this research thesis is to assess the research problem:

“The impact of COVID-19 on the quality of financial reporting: An assessment of the impact of the pandemic on the quality of financial reporting, including the risk of fraudulent financial reporting, and the steps that can be taken to ensure the accuracy and integrity of financial statements.”

1.4 Research Questions

The following research questions will guide this study, and the data collected to answer the research problem:

1. *What is the impact of the COVID-19 pandemic on the quality of financial reporting?*

2. *How has the risk of fraudulent financial reporting changed during the COVID-19 pandemic?*

3. *What steps can be taken to ensure the accuracy and integrity of financial statements in the context of the COVID-19 pandemic?*

1.5 Research Significance

This thesis aims to have six important points for further research as it concludes, both practical and theoretical.

1.5.1 Practical Importance

Practically, this research will first help organizations to understand the impact of Covid-19 on financial reporting and take necessary measures to ensure the accuracy and integrity of their financial statements.

Secondly, this thesis will provide insights into the risk of fraudulent financial reporting during the pandemic and suggest measures to prevent it.

And lastly, it will provide a framework for organizations to review their financial reporting processes and implement changes to improve their overall quality.

1.5.2 Theoretical Importance

For its theoretical importance, this thesis hopes to first contribute to the literature on the impact of crises on financial reporting, particularly in the context of the COVID-19 pandemic.

Secondly, this study hopes to add to the existing literature on fraudulent financial reporting by examining its occurrence in the context of the pandemic.

And lastly, this study aims to provide a theoretical framework for understanding the role of financial reporting in crises and suggest ways to improve its effectiveness in such contexts.

1.6 Research Plan

This thesis will be structured into distinct sections that are essential in achieving the research objectives, consisting of five chapters.

Chapter One will provide an overview of the research topic and its significance, research problem, objectives, and research questions. Chapter two will focus on the theory and literature review. This chapter will critically review the existing literature on the impact of COVID-19 on financial reporting, and fraudulent financial reporting, as well as the steps that can be taken to ensure the accuracy and integrity of financial statements. It will analyze the gaps in the literature and provide a theoretical framework for the study.

Chapter three will present the methodology for this research. It will describe the research design, population, sampling technique, data collection methods, and data analysis techniques. It will explain why the chosen methods are appropriate for addressing the research problem and achieving the research objectives. Chapter four will be presenting the data analysis and discussion of the questionnaire. It will present the findings of the study, analyzing the data collected through interviews, as well as testing the research hypotheses.

And lastly, chapter five will conclude with a summary of the thesis with a discussion of the implications of the research findings for financial reporting, including the steps that can be taken to ensure the accuracy and integrity of financial statements. The chapter will also provide recommendations based on the collected research data and present the limitations for future research, as well as concluding thoughts.

2. Theory and Literature Review

Chapter two reviews the theoretical background of the research topic and its definition. This chapter provides background and the relationship between variables that are not included in chapter one. The first section will present an overview of the theories that are related to fraudulent financial reporting. The second section will provide the theoretical background of fraud in financial reporting, as well as exposed accounts, and relevant issued standards. The last section focuses on the review of the literature and will tackle secondary sources that consist of journal articles, books, and trade/financial publications/reports, and concludes with the hypothesis development based on the theoretical background and literature review of the thesis, linking the two together.

2.1. Theoretical Background

It is vital to acknowledge the fact that financial reporting quality is critical for conforming to and complying with various regulations and regulatory requirements (Al Balushi et al., 2019). Thus, there are several longitudinal research and literature on the topic of financial reporting quality.

Several factors that affect the quality of financial reporting have been discussed. One of the most important factors that have been the subject of this research is the COVID-19 pandemic outbreak. This research also emphasizes the risks of fraudulent financial reporting during the pandemic.

Therefore, the three theories that aim to understand the importance of financial quality importance, are the agency theory, the independency theory, and the fraud triangle. These make up the theoretical background for the data analysis and discussion.

2.1.1. The Agency Theory and Its Relevance to Fraud

According to Thompson (1967), the agency theory obtained plenty of consideration in organizational and information system literature after it appeared as a new concept in information economics literature to deliver a theoretical model of the connection that exists between one party (the principal) assigning tasks to another party (the agent). Thompson also stated that the agency theory seeks to clarify organizational behavior on a worldwide scale by emphasizing the link between the management as the company's "agent" and the shareholder as the "principal" (Thompson, 1967).

Moreover, two behavioral principles underpin the agency theory (Zogning, 2022). The first implies that people aim to optimize their utility, whereas the second believes that people are likely to gain from contract incompletion. Agency relationships are often more complicated and unclear than contractual partnerships exactly because the agent is obligated to represent the interests of the principal, particularly when it involves ethics (Zogning, 2022). It is thought that the principal's interests are usually ethically acceptable, or that the agent should frequently act against ethics to complete its "contract" in the agency relationship. These are positions that do not conform to any reasonable corporate ethics paradigm (Zogning, 2022).

Therefore, the agency theory focuses on the conflicts of interest that may arise when the goals and interests of the agents are not aligned with those of the principals, leading to agency costs and suboptimal decision-making (Eisenhardt, 1989). The central premise of agency theory is that the agents responsible for carrying out the day-to-day operations of an organization may not always act in the best interest of the principals. This may occur due to differences in risk preferences, information asymmetry, or the pursuit of personal goals or self-interest (Eisenhardt, 1989).

Agency theory suggests that the principal-agent relationship can be improved through mechanisms such as incentive alignment, monitoring, and contractual arrangements (Jensen & Meckling, 1976). For example, performance-based compensation, performance evaluations, and regular reporting and monitoring can help align the incentives of agents with those of principals. Additionally, contracts and agreements may be established to ensure that the agents act in the best interest of the principals (Jensen & Meckling, 1976).

Overall, the agency theory provides a framework for understanding and addressing the challenges that may arise in the principal-agent relationship, particularly in situations where the interests of the agents may diverge from those of the principals.

2.1.2 The Independence Theory and Its Relevance to Fraud

The theory of auditor independence is the theory that an auditor has independence when he/she has no conflict of interest with the agent (manager). This correlates with the previously discussed agency theory in the manner that they both require ethical reassurance from the auditor in reporting material misstatements. It means that the auditor is free from any personal or financial interest in the organization or its management that could compromise their objectivity, integrity, or professional skepticism (Austin & Herath, 2014).

By maintaining auditor independence, the investors will have a higher reassurance that the financial statements are reported according to the applicable financial framework, and therefore auditor independence is linked to creditability while also increasing audit quality. Auditor independence is achieved when the auditor can make an objective and unbiased opinion with no influence from outside sources (Austin & Herath, 2014).

Auditor independence is critical to ensuring the credibility and reliability of an audit. If the auditor has a financial or personal interest in the organization or its management, it can create a conflict of interest that may affect the auditor's judgment, impair their ability to be objective and compromise the quality of the audit.

To maintain auditor independence, auditing standards as well as the International Ethics Standards Board for Accountants (IESBA) code of ethics handbook, require that auditors and accountants comply with a set of rules and regulations that prohibit them from having any direct or indirect financial or business relationships with the organization or its management. These rules may include restrictions on investments, employment, or financial relationships with the organization or its affiliate (IESBA, 2022).

Moreover, auditors are also required to disclose any relationships or potential conflicts of interest that could affect their independence, including financial relationships with the organization or its management, business relationships with related parties, or employment with the organization or its affiliates (IFAC, 2022). To summarize, maintaining auditor independence is critical to ensuring the integrity and reliability of the audit process and promoting public trust in the audit profession.

In addition to that, auditor independence theory is relevant to fraud because auditor independence is critical for ensuring that auditors can detect and report fraud without fear of retribution or bias. The theory suggests that auditors must be independent in both fact and appearance to perform their duties objectively and effectively (IFAC, 2022).

Hence, if auditors are not independent, there is a risk that they may be influenced by the organization's management or other parties with an interest in the financial statements and may not identify or report fraudulent activities. Therefore, the independence of auditors is important for maintaining the integrity of financial reporting and preventing fraud (Yakubu & Williams, 2020).

In practice, auditor independence is maintained through a combination of regulatory requirements, ethical guidelines, and professional standards. Auditors must be independent in fact, meaning that they must not have any financial or personal relationships with the organization or its management that could compromise their objectivity. They must also be independent in appearance, meaning that they must avoid any actions or relationships that could give the appearance of a lack of independence (Yakubu & Williams, 2020).

Therefore, auditors who are not independent are more likely to miss red flags and warning signs of potential fraud and may be more likely to overlook or downplay the significance of questionable accounting practices. Therefore, auditors' independence is crucial for maintaining trust and confidence in financial reporting, preventing, and detecting fraud, and improving high audit quality (Yakubu & Williams, 2020).

2.1.3 The Fraud Triangle

The incentives behind a person's actions to commit fraudulent financial reporting within an organization have long been studied. The most used in the exploration of the key components is the fraud triangle. The fraud triangle is a model developed by criminologist Donald Cressey to explain the three key components that are present in most cases of fraud. The three components are:

1) **Pressure:** The financial, emotional, or other pressures that an individual feels may cause them to commit fraud. This may include financial pressures such as personal debt or the need to meet sales targets or personal pressures such as addiction or gambling problems. (Stuart, 2020). There may also be excessive pressure for management due to external third parties as pressure works as a motivator for fraud, especially external pressure from analysts and investors, and is especially increasing in difficult economic times (Ross, 2016). With the pandemic, the amount of remote work has increased, and this could cause layoffs, which in turn exacerbates the pressure (Arman & Mayes, 2021).

2) **Opportunity:** The ability of an individual to commit fraud due to access to assets, control over financial transactions, or other factors that create the opportunity for fraud, such as the lack or the weakness of internal/physical controls (Stuart, 2020). The same is also true for the turnover in the organization, as this may affect the internal control effectiveness (ISA 240). The opportunity is greater when the individuals performing important control functions are let go in companies, or reduced staff during restructuring (Ross, 2016). This includes overly complicated organizational structures, where the chain of command is unsure, and the opportunity for fraud is greater due to the complexity (ISA 240).

3) **Rationalization:** The justification or explanation that an individual uses to convince themselves that fraud is acceptable or justified. This may involve telling oneself that the fraud is necessary to maintain one's lifestyle, or that the company owes the individual something. (Stuart, 2020). Rationalization in accounting fraud refers to the process by which individuals who commit fraud convince themselves that their fraudulent actions are justified and that they have a legitimate reason for their behavior. Rationalization is a key element of the fraud triangle, as it works as the justification for fraud (Stuart, 2020).

According to the fraud triangle, fraud is most likely to occur when all three components are present. If an individual has an opportunity to commit fraud, can rationalize their actions, and feels pressure to do so, they may be more likely to engage in fraudulent activity.

The fraud triangle is a useful tool for understanding the underlying motivations and conditions that may lead to fraud and can help organizations identify and mitigate the risk of fraud by addressing these components. Rationalization is the most powerful component of the fraud triangle, and in accounting, fraud can be difficult to detect or prevent, but by reducing opportunities for fraud, creating a strong ethical culture that discourages rationalization, and providing support to individuals facing financial or personal pressures, organizations can reduce the risk of fraud and maintain the integrity of their financial reporting (Stuart, 2020).

In the context of accounting fraud, rationalization may involve convincing oneself that the fraud is necessary to achieve a desired outcome, such as meeting financial targets or avoiding negative consequences (Ross, 2016). Rationalization may also involve minimizing the harm caused by the fraud, or convincing oneself that the fraud will be temporary and that the individual will be able to repay any losses (Ross, 2016). In terms of rationalizations for fraud during the pandemic, the pressure and opportunity may cause those who would not normally commit fraud to see it as a way for going concern the company, and the “greater good” (Deloitte, 2020). Rationalization is a powerful force in accounting fraud and can be difficult to detect or prevent.

In summary, effective internal controls, ethical leadership, and a strong corporate culture that values honesty and integrity can help to reduce the likelihood of rationalization and mitigate the risk of accounting fraud (Stuart, 2020). The fraud triangle is therefore a useful tool for organizations to be aware of to be able to navigate the risk environment, why for example managers commit fraud, and how to prevent it.

2.1.4 Accounting Standards

According to Wagh et al., (2020), an accounting standard is a concept and practice that organizations must adopt while preparing financial accounts. It is established by regulating authorities to prevent the business's management from distorting its statements for their benefit or deceptive portrayal. Accounting standards not only promote financial reporting transparency, but they significantly promote financial responsibility. Goodwill accounting, depreciation methods, mergers and acquisitions, and revenue recognition are considered some of the accounting standards (Wagh et al., 2020).

Accounting standards are critical in assuring financial reporting uniformity, comparability, and transparency. These guidelines establish a structure for capturing, assessing, and disseminating financial data, enabling stakeholders to reach sound choices (Nobes & Parker, 2016). Nevertheless, the International Financial Reporting Rules (IFRS), produced by the International Accounting Standards Board (IASB), are one generally accepted set of accounting rules. According to Nobes and Parker (2019), the International Financial Reporting Standards (IFRS) enhance transparency and allow worldwide comparison by offering a uniform framework for financial reporting among countries. A well-known collection of rules is the Financial Accounting Rules Board's (FASB) Generally Accepted Accounting Principles (GAAP) in the United States.

Hence, the GAAP promotes financial reporting uniformity and dependability for organizations functioning in the United States (Wahlen et al., 2019). These guidelines give out rules and procedures for generating revenue, assessing assets as well as liabilities, presenting data in financial statements, and acting as a baseline for financial reporting.

Accounting standards use serves to manage any information imbalance between organizations and stakeholders, increasing confidence and trust in financial reporting. It guarantees that financial statements are generated in compliance with recognized standards and best practices, lowering the possibility of inaccurate or missing data (DeFond et al., 2020). Accounting standard compliance additionally enables cross-company and industry comparison, allowing investors and analysts to analyze efficiency, identify risks, and make trained investment decisions (Leuz et al., 2003).

On top of that, accounting standards are used as a platform for auditing and regulatory control, offering a foundation for external audits and assuring reporting conformity (DeFond et al., 2020). They improve corporate responsibility and market efficiency by delivering accurate and reliable financial data.

To summarize, accounting standards play a critical role in defining how financial information is generated, provided, and evaluated. Standards encourage financial reporting clarity, comparability, and confidence, which benefits a variety of customers, notably investors, creditors, authorities, and the broader business community. These standards must be implemented and followed to ensure the integrity and dependability of financial statements, enable rational decision-making, and build trust in global financial markets.

2.2 Fraud in Accounting

Accounting fraud is defined as the deliberate and deceptive manipulation of financial statements or accounting records to misrepresent the financial performance or condition of a company (ISA 240, 11A). This may involve intentionally misstating financial data, such as revenues, expenses, assets, or liabilities, to create a false impression of the company's financial health. Accounting fraud may be committed by individuals or groups within a company, such as senior executives, accountants, or auditors.

Accounting fraud can take many forms, such as overstating revenues, understating expenses, overstating assets, or understating liabilities. Some common examples of accounting fraud include; fictitious revenue, by creating false or inflated sales transactions to increase revenues, overstating assets, meaning inflating the value of assets or recording fictitious assets to create a false impression of financial health, understating liabilities, with methods such as failing to disclose or understating liabilities to make the company's financial position look stronger than it is, and misappropriation of funds, diverting company funds for personal use or use in other fraudulent activities (Deloitte, 2020).

Accounting fraud can have serious consequences for a company, its shareholders, and its employees. It can lead to reputational damage, legal and regulatory action, and financial losses for stakeholders. It can also undermine the integrity of financial reporting and erode public trust in financial markets.

2.2.1 Types of Fraud in Accounting

One type of accounting fraud that has been observed during the pandemic is the manipulation of revenue recognition. This occurs when companies recognize revenue that has not been earned or inflate their revenue figures to meet targets or projections. In some cases, companies have also delayed the recognition of revenue to improve future financial results (Deloitte, 2020).

Another type of accounting fraud during the pandemic involves the manipulation of expenses. Companies may understate expenses or classify them as assets to inflate profits. This can be done by misrepresenting the value of inventory or other assets, or by failing to record expenses such as write-offs or impairments (Deloitte, 2020).

In addition to these types of fraud, the pandemic has also created opportunities for cyber fraud and theft, such as increased instances of phishing scams and ransomware attacks (Deloitte, 2020). With many employees working remotely and businesses relying on online systems and communication, cybercriminals have been able to exploit vulnerabilities and gain access to sensitive financial information (Deloitte, 2020). This increase is of interest and is addressed by other auditing firms, as it pertains to the current threat environment.

2.2.2 Exposed Accounts

Anything that must be estimated is subject to fraud and the uncertainty was great during the pandemic. There are several accounts in the financial statements that are commonly targeted in accounting fraud schemes. These accounts may be particularly susceptible to fraud because they often involve estimates or judgments that can be manipulated by individuals seeking to commit fraud (Deloitte, 2020). Some of the most exposed accounts in the financial statements relating to accounting fraud include the following:

- Revenue: Overstating revenue is a common tactic used in accounting fraud schemes. This can involve recognizing revenue prematurely, recognizing revenue that does not meet the requirements for revenue recognition, or inflating the amount of revenue recognized (Deloitte, 2020).

- Expenses: Understating expenses is another common tactic used in accounting fraud schemes. This can involve failing to record expenses, deferring expenses to future periods, or misclassifying expenses as assets (Deloitte, 2020).

- Inventory: Manipulating inventory levels is a common tactic used in accounting fraud schemes. This can involve inflating the value of inventory, failing to write down obsolete inventory, or recording fictitious inventory (Deloitte, 2020).

- Accounts receivable: Manipulating accounts receivable is another common tactic used in accounting fraud schemes. This can involve recording fictitious sales, manipulating the timing of sales, or inflating the value of accounts receivable (Deloitte, 2020).

- Fixed assets: Overstating the value of fixed assets is another common tactic used in accounting fraud schemes. This can involve inflating the value of assets, recording fictitious assets, or failing to write down impaired assets (Deloitte, 2020).

Organizations need to implement effective internal controls and engage external auditors to help detect and prevent accounting fraud (Deloitte, 2020). Additionally, organizations can reduce the risk of accounting fraud by promoting a strong ethical culture and by providing regular training to employees on fraud prevention and detection.

Research and updates from the big four auditing firms suggest that the consensus is adjusting the risk assessments is the best course of action in the current environment. There is agreement on the relevance of the fraud triangle and relevant risks mentioned in the articles by both Mitchell and Arman & Mayes (Deloitte, 2020). PwC points out that the priority focus is not on controls, and the need to be adjusting internal control's effectiveness, again mentioning the fraud triangle with factors such as pressure and rationalization playing parts in the rising fraud risks (PwC, 2023).

Supply challenges and asset misappropriation are the most exposed during the pandemic. PwC therefore recommends formulating a structured approach to identify, reduce, and remediate fraud risks as a response to the pandemic to protect shareholders, and stakeholders (PwC, 2023).

KPMG shares the same sentiments, with the changing work environment, introducing remote work, the fraud risk changes, and subsequently the standards and internal controls should as well. They recommend updating the fraud risk scenarios and reassessing the existing controls, adjusting them, introducing technology that can help automize controls, as well as stressing the importance of improving fraud risk awareness in organizations (KPMG, 2020). Steenkamp for EY concurs with this statement and corresponds with the need for changing internal controls and updating the risk assessment to fit the challenges that arise with increased remote work, such as gathering sufficient evidence (Steenkamp, 2021).

2.3 Auditing Standards

Auditing standards are a crucial component of the auditing process, providing a framework for auditors to plan, execute, and report on their audits. They are designed to ensure that audits are conducted with integrity, objectivity, and due professional care and that, the audit reports provide clear and reliable information to users of financial statements. The most relevant standard for fraud detection for auditors is International Standards on Auditing (ISA) 240.

"ISA 240 – The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements" is an International Standard on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB) that guides auditors on how to design and perform audit procedures to identify and respond to the risk of material misstatement due to fraud in financial statements (ISAAB, 2009).

The main objective of ISA 240 is to provide auditors with guidance on how to obtain sufficient and appropriate audit evidence regarding the risk of material misstatement due to fraud or suspected fraud in financial statements and to respond appropriately to such risks (ISA, 10).

Firstly, to achieve this objective ISA 240 requires auditors first obtain an understanding of the entity's internal control system, specifically regarding the prevention and detection of fraud, while assessing the risks of material misstatement in the financial statements due to fraud, based on the information gathered during the planning phase of the audit (ISA 240, 16).

ISA 240 also emphasizes the importance of professional skepticism in the audit of financial statements and encourages auditors to maintain an attitude of critical assessment of audit evidence, particularly regarding the risk of material misstatement due to fraud (ISA 240, 8). The standard also states that the risk of an auditor not detecting a material misstatement is greater for managerial fraud, again showing the necessity for an independent auditor, free from an interpersonal relationship with management and an unbiased opinion (ISA 240,7)

Secondly, the standard requires that the auditor obtains sufficient and appropriate audit evidence in response to the assessed risks of material misstatement due to fraud (ISA 240, 10). Auditors are responsible for detecting and reporting these fraudulent activities during the audit process.

However, detecting fraud can be difficult, as fraudsters may take measures to conceal their actions and mislead auditors.

To combat auditing fraud, auditors must employ a variety of techniques, such as testing internal controls, analyzing financial statements, and supporting documentation, and conducting interviews with key personnel. This includes assessing the management's processes for identifying and responding to risk in the organization, and management's communication with relevant staff. (ISA 240, 17). In addition, auditors must remain vigilant for red flags that may indicate fraud, such as unusual transactions, inconsistencies in financial data, or unexplained fluctuations in financial performance (ISAAB, 2009)

And lastly, ISA 240 requires auditors to respond appropriately to the identified risks of material misstatement due to fraud, including evaluating the implications of the fraud for the audit report and considering the need to report the fraud to external parties (ISA 240, 10). This evaluation is crucial for the prevention of fraud.

In summary, ISA 240 provides important guidance to auditors on how to design and perform audit procedures to identify and respond to the risk of material misstatement due to fraud in financial statements and helps to promote the integrity and reliability of financial reporting (ISAAB, 2009). And with this standard being in effect during the pandemic, it would require more work from the auditor, with an emphasis on the gathering of sufficient appropriate evidence due to the higher risk of material misstatement.

2.4 Variables Conceptualization

2.4.1 The Independent Variable: The COVID-19 Pandemic

COVID-19 was discovered around the end of the year of 2019 in the Chinese city of Wuhan, and the WHO declared it a worldwide outbreak in the middle of March 2020. According to WHO statistics, COVID-19 has afflicted about 430 million individuals worldwide as of February 25, 2022 (Chen et al., 2023).

The pandemic's uncommon magnitude has brought various obstacles, notably overloading healthcare systems, interruption of supply chains, and widespread socioeconomic ramifications (European Centre for Disease Prevention and Control, 2021). Hence, lockdowns, limitations on travel, and social isolation procedures have been established by governments as well as organizations throughout the globe to slow the propagation of the virus (CDC, 2020). While these actions are vital for public health, they have had serious economic effects, including firm closures, employment losses, and instability in the financial markets (International Monetary Fund, 2021).

In addition, the worldwide pandemic has exposed systemic flaws in healthcare facilities global governance, and disaster preparation (WHO, 2020). Consequently, scientists, politicians, and healthcare providers have been diligently cooperating to gain insight into the virus, produce viable vaccinations, and start prevention initiatives (CDC, 2021). The long-term consequences of COVID-19 are yet unknown, and continued research is critical for addressing the existing crisis and preparing for future public health catastrophes (IMF, 2021).

Because of the massive impact of COVID-19, this period will live on in every individual's memory for years (Khan, 2022). The COVID-19 pandemic has generated widespread anguish, posing significant economic and societal concerns (Khan, 2022). Economists have emphasized the importance of financial stability and company performance in assessing economic progress (Khan, 2022). Businesses are having a tough time coping with the pandemic's effect, which has differed across various industries (Didier et al., 2021).

Sadly, businesses of every kind, which are the foundation of any country's economy, were particularly hard hit, considering their relatively fragile position in periods of health crises that transformed into economic crises, and particularly their reliance on bank financing or commercial loans (Hasanov et al., 2022). Causing many small businesses to file for bankruptcy.

2.4.2 The dependent variable: Financial Reporting

Financial reporting is critical for all firms, regardless of size or sector. It has two basic goals: (1) to fulfill external regulatory requirements or industry standards and (2) to provide data to support internal management decision-making (Russo, 2022). Compliance with the stringent financial reporting responsibilities imposed by regulatory agencies such as the Securities and Exchange Commission (SEC) is necessary for major publicly listed corporations. Private organizations, on the other hand, may have financial reporting duties to lenders or owners, and even tiny enterprises must participate in some kind of financial reporting when submitting their tax returns (Russo, 2022).

Every business, whether the largest in the region or the smallest, needs financial reporting for operation. It is all about providing financial information at scheduled and specified times during the fiscal year. The fiscal year differs period from one organization to another, however, it is at the end of the organization's fiscal year when financial reporting usually occurs (Russo, 2022). It provides the financial performance of the company, in addition to its position for the whole year. Financial reporting usually takes a good amount of time, and it happens depending on the company's standards of procedures. Some companies generate financial reports every month, some of the time provide reports quarterly and some provide them each year. It all differs from one company to another (Russo, 2022).

Regular financial reporting intervals allow stakeholders to assess and monitor the organization's performance, make informed decisions, and assess its financial health.

2.4.3 Financial Reporting Quality (FRQ)

Audits executed successfully by competent auditors result in high-quality financial reports because it is expected that, to preserve trustworthiness, auditors become more vigilant in executing the audit procedure to identify errors or any kind of fraud, either intentionally (fraud) or unintentionally (fraud). To ensure economic efficiency, high-quality financial reports are essential. As a result, preserving transparency and accountability in financial reports is critical for all businesses.

Numerous scholars have undertaken broad studies on different facets of the quality of financial reporting (Herath, 2017). According to Herath (2017), accounting standard convergence, accounting standard harmonization, economic downturns, increased disclosure requirements, and other reasons have resulted in an overemphasis on financial reporting. Furthermore, the global surge in accounting scandals in the early twenty-first century has shown flaws in financial reporting quality.

The value of accounting reporting is determined and dependent on the quality of financial reporting. Establishing a precise and comprehensive description of the quality of financial reporting has become more popular throughout the globe. It is critical to deliver high-quality financial reporting to shape users' choices regarding investments and improve the efficiency of the market (Herath, 2017).

High-quality reporting delivers decision-useful information that is pertinent and accurately portrays the economic state of the business's activities throughout the reporting period, in addition to the financial status of the firm after the time frame (CFA, 2023).

In addition to that, extreme flaws in financial reporting quality have culminated in high-profile controversies, resulting not just in investor losses but also additionally in diminished trust in the financial system (CFA, 2023). Users of financial statements who could effectively judge the quality of financial reporting were more qualified to minimize damages. These errors highlight the difficulties that analysts have, as well as the possible implications of missing to spot behaviors that end up in deceptive or erroneous financial reporting. Misreporting examples can give an analyst a glimpse at numerous indications that may suggest poor-quality financial reports (CFA, 2023).

It is also mentioned that the quality of financial reporting is essential in every organization since it measures how well an organization's financial statements communicate its operating performance, financial condition, and planned cash flows (Biddle et al., 2009). FRQ lowers the cost of capital and optimizes resource allocation, which boosts economic development (Gomariz & Ballesta, 2014).

Moreover, the quality of financial reporting is of primary significance not just for prospective participants, but also for the entire society, as it impacts financial actions, and that could eventually damage society (Gerged et al., 2020). Additionally, it is supported by a succession of accounting frauds and financial institution failures. Consequently, stakeholders' trust in the trustworthiness of financial reporting has been broken, even though controlling this sort of activity serves a far more important societal function (Cohen et al., 2004).

2.5 Literature Review and Hypotheses Development

2.5.1. The Relationship between COVID-19 and the Quality of financial reporting

Only a few articles have tried to analyze the influence of COVID-19 on financial reporting quality currently. Considering questionnaire survey data from Vietnam, for instance, Pham et al. (2021) advise that the quality of financial reporting is not valuable by the time the pandemic started.

Although the COVID-19 outbreak has had a substantial influence on the global economy (Zhu & Song, 2021), financial report quality has grown into a more critical problem. This situation was expected to have an impact on the quality of financial reporting (Pham et al., 2021). Many organizations have suffered financial difficulties because of the pandemic and are possibly heavily dependent on financing from creditors and investors. Businesses are urged to adopt earnings management during the crisis because they are worried about their financial reporting due to the worsening economy caused by the pandemic (Pham et al., 2021).

It is important to consider that the research made on the 2008 financial crises clarifies that such emergency cases or crises have a severe effect on the quality of financial reporting; such effects can be whether negative or positive. During the COVID-19 pandemic, the same is relevant and considerable (Hsu & Liao, 2021). Businesses that use additional data are more prone to control their profitability to impress their investors and other stakeholders and limit the negative impact of COVID-19 (Hsu & Liao, 2021).

Deloitte mentioned in its report in 2020, that as the pandemic spreads, organizations are encountering circumstances commonly correlated with an economic crisis, such as financial market volatility and market value deterioration, deteriorating credit, liquidity challenges, the government intervening in every activity, unemployment percentages are at a constant increase, broad declines in consumer discretionary spending, rising inventory levels, and a huge decrease in the production percentage because the demand and supply have drastically decreased. If these circumstances persist, they may have a long-term detrimental influence on an organization's financial situation and outcomes (Deloitte, 2020).

Moreover, most organizations encountered financial and logistical hurdles amid the worldwide pandemic owing to governmental limitations, which exacerbated market uncertainty (PwC, 2020) and altered the conditions of company monitoring (KPMG, 2020).

On the other hand, businesses might have greater motivation to enhance their financial reporting quality during the COVID-19 pandemic to minimize disparities in data and promote confidence among investors (Arthur et al., 2015). Enhanced auditing and regulatory monitoring could potentially limit the application of earnings management (Cimini, 2015), resulting in better and improved quality in financial reporting during the COVID-19 pandemic.

Therefore, in a research paper written by Emmanuel Kaka (2021), he researched how COVID-19 has affected the way and manner financial statements are prepared, audit engagement, and information gathering and reporting (Kaka, 2021). This paper concluded that the effect of COVID-19 on financial statements and audit reports is being monitored by auditing bodies as they unfold and will be addressed accordingly, by such measures as issuing new guidelines (Kaka, 2021). The paper further concludes with a recommendation on auditor professional skepticism, and auditor independence, with a focus on what is in the public (Kaka, 2021).

In the article by Appelbaum et al., (2020), they discuss what pressure the pandemic has had on auditors in terms of alternative ways of collecting audit evidence and completing engagements (Appelbaum et al. 2020). This includes alternative ways such as virtual inventory counts, and drones to do inspections, as well as video feeds (Appelbaum et al. 2020). The biggest takeaway from this article in terms of our research question is that the article states that there needs to be a bigger leeway towards the technological ways of collecting sufficient physical evidence and implementing this in the issued standards (Appelbaum et al. 2020). These updates will be necessary in the future, due to the need of the auditors.

In terms of audit procedures, an article written by Kend & Nguyen (2020) found that 3% of the audit procedures undertaken during 2020 were designed to address audit risks associated with the pandemic. The article also found a difference in the number of audit procedures performed by the smaller practitioners relating to the COVID-19 audit risks to the amount performed by the larger audit firms (Kend & Nguyen, 2022). This research leads us to the first hypothesis we will be testing in this thesis:

***H1:* COVID-19 has a significant impact on the quality of financial reporting.**

2.5.2 The Relationship between COVID-19 and the Increase of Fraud in financial reporting

On a global scale, the COVID-19 crisis is having an enormous financial effect on numerous companies, in addition to revealing them to an array of different arising risks associated with virtual activities, the field of cybersecurity, and shifts in client and vendor connections that place strain on operations and delivery of services (IFAC, 2020). This new environment increases the danger of fraud and inaccurate financial reporting since new possibilities and pressures might exist for both internal personnel and external parties (IFAC, 2020).

Because of the current crisis, many organizations have had to swiftly adapt working methods and procedures to permit working from home, which increases the danger of fraud if internal safeguards can be circumvented (Gould & Leka, 2020).

Hence, with organizations and persons suffering severe economic hardships, the motivation to perpetrate fraud may be increased. Individuals under considerable employment-related or personal stress might display and excuse unusual conduct such as increased risk-taking and unethical decision-making in difficult circumstances (Gould & Leka,2020). They might also purposefully provide a rosier image of the present reality by manipulating financial statements and disclosures.

In addition to that, there has been a large surge in financial reporting fraud throughout the COVID-19 pandemic, providing issues for companies globally (Association of Certified Fraud Examiners, 2020). The pandemic's chaos, along with the quick move to working-from-home practices and economic uncertainty, has produced a climate susceptible to fraud (Wells, 2013). During these exceptional circumstances, businesses have encountered several obstacles in ensuring the integrity and accuracy of financial reporting (Wells, 2013).

The heightened likelihood of revenue recognition fraud is one major source of worry. Several organizations' earnings and sales have been diminished because of the economic crisis and interruptions in their supply chains (Wells, 2013).

In the context of changes to the fraud triangle, there is an article written by Carl Mayes and Dave Arman (2021) on how the pandemic has changed it and how auditors need to be aware of the changes. Due to the pandemic, internal controls may be weakened, and thus the opportunity is greater for fraud. A greater risk is in the opportunity for misappropriation of assets (Arman & Mayes, 2021). This can be due to the changes in the work environment and the conditions, such as working remotely. The article again mentions the need for more professional skepticism from auditors and recommends testing internal control differently than they normally do or with different procedures than normal, as well as monitoring management and how they handle the rising fraud risks (Arman & Mayes, 2021).

An article by Dean Mitchell for KPMG build on the same sentiments. He believes that in the current financial environment with rising opportunity, rationalization, and motive, the threat of fraud rises concurrently (Mitchell, 2020). There are three recommended steps in the article to reduce the risk, such as refreshing a fraud threat assessment, identifying the controls that are not effective in the current environment, and calibrating the controls as required (Mitchell, 2020). This article stresses that organizations must be quick to identify working controls and assess the threat environment caused by the pandemic. This research leads us to the second hypothesis we will be testing in the thesis:

***H2:* COVID-19 increases the risk of fraud in financial reporting.**

2.5.3 Conceptual Framework

A conceptual framework is the study's guidance (Grant & Osanloo, 2014). It is a structure built upon a theory that exists in an area of research that is connected to and/or represents the hypothesis of the study (Grant & Osanloo, 2014).

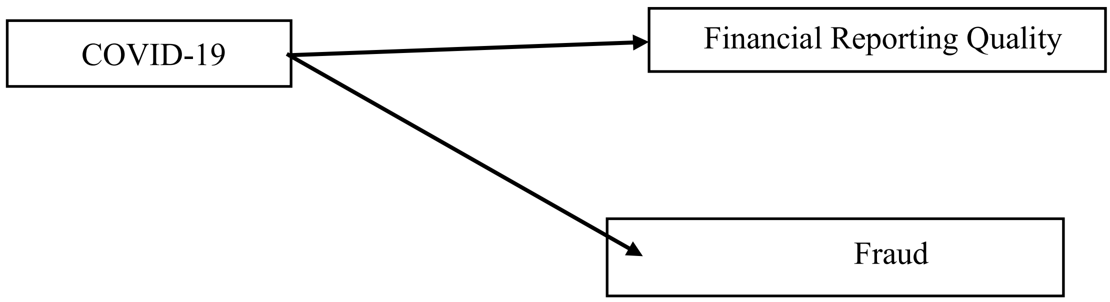

Figure 1: *Conceptual Framework of the Impact of COVID-19 on Financial Reporting Quality and Fraud in Financial Reporting*

2.5.4. Steps to Ensure the Accuracy and Integrity of Financial Statements.

It is important to state that it is crucial to ensure the accuracy and integrity of financial statements, and to do that, several steps must be taken. The section below describes the steps that are fundamental for the accuracy and integrity of financial statements.

According to Arribatec (2023), when financial reporting of the organization is the topic of discussion, the process of making sure that the quality of data and its integrity whilst at the same time encouraging engagement and communication between team members, is very critical for the success of the organization.

Keeping up with the financial accounts on a regular basis is one of the finest strategies to assure their accuracy. While organizations generating a yearly balance sheet or income statement is a wonderful place to proceed, providing regular updates to the financial records is far superior (Avisar, 2022).

Moreover, generating and evaluating financial statements will assist the business in identifying issue spots prior to them becoming serious issues. Knowing the balance sheet, for illustration, will assist the company evaluate whether anything appears to be amiss. Lacking that acquaintance, the organization may miss when something has been improperly utilized or neglected entirely (Avisar, 2022).

It is very critical to leverage the use of Microsoft Excel since Excel provides one of the most flexible programs for preparing and maintaining financial accounts, and it is no surprise that every experienced accountant employs it (Zhang, 2023). Excel helps swiftly produce precise and structured financial information that is straightforward to browse and comprehend thanks to robust tools like filtering and formatting choices. Furthermore, its computerized features allow enterprises to effectively develop enormous volumes of data in a fraction of the time that manual approaches would require (Zhang, 2023).

It is also very essential to hire employees that have strong attention to detail. In finance, accuracy is critical. Even little inaccuracies in financial data entry may result in substantial problems in financial statements, thereby generating uncertainty and diminished confidence. To prevent mistakes, it is vital to thoroughly check every single detail and value (Zhang, 2023).

While operating in the finance departments, giving meticulous attention to detail is critical. It aids in the production of reliable financial statements that disclose the financial state of an organization, which is critical in making sound business decisions. ignoring details can lead to costly mistakes; therefore, it is necessary to treat this obligation seriously (Zhang, 2023).

In the article written by Avisar (2022), it also stated that it is very important to always analyze and monitor the current reports of the organization before developing and creating new ones, because everyone makes mistakes, and mistakes can still occur in the most perfect reports. Monitoring allows the opportunity to create solutions to mitigate and limit mistakes and financial data issues. This is very important and necessary especially when important decisions are taken because of the financial data provided.

It is critical to properly analyze current reports before developing new ones, as mistakes can still occur in even the most well-designed reports. This is especially important in a data-driven environment where reliable reports are required to make sound business decisions (Zhang, 2023).

By examining and contrasting the data contained in these papers, the organization may readily identify and correct mistakes or discrepancies. This ensures that the reports are reliable and accurate, while also saving the effort and money that may have been spent on creating reports with wrong data. In summary, reviewing previous reports is a critical component of any effective reporting plan. Examine existing reports for errors or inconsistencies (Zhang, 2023).

Errors or inconsistencies may go undetected if internal procedures are not applied. This is when developing internal procedures gets in handy. Businesses may considerably reduce the risk of financial errors by creating protocols that assure adequate documentation, evaluation, and authorization for financial transactions (Avisar, 2022).

Therefore, strong internal controls not only provide confidence to individuals in charge of the finances of a business, but they also foster reliability and confidence among external stakeholders who rely on precise financial reporting. Establishing strong internal controls is a critical step toward creating an organization's financial integrity and stability (Avisar, 2022).

Finally, to remain ahead of its funds, all businesses require reliable financial accounts. Companies risk missing significant possibilities for development or becoming reluctant to generate critical cash flow management choices if financial data is not reported and disclosed accurately.

Developing and sustaining excellent accounting procedures is critical for preventing expensive errors and gathering trustworthy data that business executives, managers, and shareholders may use to make decisions.

2.5.5 Literature Review Conclusion

As discussed earlier, studies are conducted worldwide regarding the perspectives of COVID-19's impact on the quality of financial reporting and fraud. Yet, the results differ from one country to another; sometimes the demographic factors play a vital role in determining the degree of adoption and the segmentation of users.

Hence, it would be interesting to understand how Norwegian and international employees observe the impact of the pandemic. Reviewing the literature, most researchers suggest that COVID-19 severely affected financial reporting quality as well as increased fraud in financial reporting.

3. Methodology

This chapter presents the methodology used to explore the impact of the COVID-19 pandemic on the quality of financial reporting with an emphasis on the risk of fraudulent financial reporting. The study aimed to investigate the experiences and perspectives of auditors and accountants regarding fraud during the COVID-19 pandemic. A qualitative approach was adopted, using semi-structured interviews with participants to gather rich and detailed data.

Overall, this chapter provides a detailed account of the methodology used to collect the data to research the impact of the COVID-19 pandemic on the quality of financial reporting as the findings of this study have important implications for the accounting profession and can inform the development of effective strategies for mitigating fraud risk during periods of economic crisis.

3.1 Research Design

The research design is qualitative and comprised of an in-depth researcher-administrated questionnaire. A questionnaire is defined as "a list of mimeographed or printed questions that are completed by or for a respondent to give his opinion" (Roopa & Menta Satya, 2012, p. 273). This is the main means of collecting qualitative primary data for this thesis (Roopa & Menta Satya, 2012).

This questionnaire was distributed to ten auditors and ten accountants, with experience in fraud risk and detection. The questions on the questionnaire were designed to explore the impact of the COVID-19 pandemic on fraud risk and detection, the challenges faced by auditors and accountants in identifying and preventing fraud during the pandemic, and the strategies adopted to mitigate fraud risk.

However, the research for this thesis has some limitations, such as the small sample size and the potential for bias due to self-reporting in the interview questionnaire. The sample is solely located in Norway, which can also be biased as it only outlines a Norwegian accountant and auditors' viewpoint. Therefore, these limitations were addressed by ensuring that the participants had diverse backgrounds and experiences.

3.2 Preparation

The questionnaire for this study was designed to explore the experiences and perspectives of auditors and accountants regarding fraud during the COVID-19 pandemic. The questionnaire was developed based on a thorough review of the literature on fraud risk and detection in the accounting and auditing profession, as well as the impact of the COVID-19 pandemic on financial reporting quality.

The questionnaire was developed using a combination of open-ended and closed-ended questions. Open-ended questions were used to gather detailed and nuanced responses from the participants, while closed-ended questions were used to gather quantitative data (Roopa & Menta Satya, 2012).

Overall, the questionnaire was designed to gather rich and detailed data on the impact of the COVID-19 pandemic on fraud risk and detection in the accounting profession.

3.3 Data Collection

The interviews were conducted via a questionnaire with in-debt and open-ended questions, and follow-ups with the individual participants. These questions were also altered to fit the individual participant's occupation, accountant, or auditor, and translated to Norwegian for easier answering for the participants. This interview questionnaire was distributed via email to the participants, and the data obtained were transcribed and made consistent and coherent for the analysis in chapter four (Roopa & Menta Satya, 2012).

This method of analysis allowed for the exploration of the experiences and perspectives of the participants regarding fraud during the COVID-19 pandemic. We will also be discussing comparing secondary data in the analysis from different publications stating the effect of the pandemic on fraud, the implemented security measures during the pandemic, and the documented fallout and rising fraud trends as of spring 2023, on the questionnaire questions.

3.3.1 Questionnaire build-up

The interview questionnaire was built up of three sections of questions. The first section focuses on the impact that of COVID-19 on financial reporting, with questions such as how it has affected the participant's organizations, the accuracy, and completeness of financial information disclosed, what challenges the organization has faced in preparing the financial statements during the pandemic and how they have addressed these challenges, as well as how the organization has addressed delays in reporting during the pandemic.

The second section of the interview questionnaire focuses on the risk of fraudulent financial reporting. These questions ask the participant if they have observed any instances of unusual reporting activities during the pandemic that may indicate fraud, and if the answer was yes, what actions have been taken to investigate and address the concerns. Also, what steps their organization have taken to mitigate the risk during the pandemic, as well as if they have noticed a change in the frequency or severity? This section also asks the participant how organizations have organizations balanced the need for transparency in financial reporting with the need for confidentiality during the pandemic, and changes in internal controls for prevention and detection during the pandemic.

The third and final section is there to research what steps the participant's respective organization has taken to ensure the accuracy and integrity of financial statements. Including the specific measures, the role technology can play, the believed most effective methods, strategies implemented for monitoring and detecting instances of fraud, and recommendations from the participant to other organizations to improve.

These sections of the questionnaire are designed to retrieve the most relevant information regarding the research question (Roopa & Menta Satya, 2012).

3.3.2 Population and Selection

The participants were selected based on their professional qualifications, expertise, and experience in the accounting and auditing profession. The criteria for the selection were that they would have to have interacted with financial statements before, during, and after the height of the COVID-19 pandemic, meaning the period of March 2020 until the writing of this thesis began.

Having these participants with these skills was important for the quality of the answers. The participants were selected by references from connections within our respective firms due to their relevance regarding the research questions and selection criteria. Participants, who for this thesis are anonymous, will be referred to as Accountant1, etc., Auditor1, etc., to retain their privacy for the duration of this thesis, as a part of the ethical guidelines issued by the Norwegian Centre for Research Data (NSD) for collection personal data.

4. Data Analysis and Hypotheses Testing

This chapter provides a deep analysis of the collected research data and a clear vision of the impact of COVID-19 on the quality of financial reporting with an emphasis on the increased risk of fraud in financial reporting during the pandemic, and the steps that can be taken to ensure the accuracy and integrity of financial statements. We will analyze the results of the survey questionnaire which included 10 questions that were distributed to Norwegian and international auditors and accountants working in the private sector by applying the qualitative method to test the hypotheses and provide suitable results.

4.1 Data Analysis

The section below represents the analysis of the questions posed to the participants and their answers in the distributed questionnaire.

1. *What challenges do you feel organizations have faced in preparing financial statements during the pandemic, and do you know how they have handled these challenges?*

Participant's answers are comprised as follows:

The Illness and quarantines that make the organization work including financial reports less efficient. Difficulties in market operation processes due to random opening and closing due to COVID-19. The enhanced use of computer software for accomplishing duties and certainly team virtual work through the internet will define new technological problems that will lead to postponed work deadlines.

The sickness and absence of the employees in the organization will lead to a late in the working process and preparing accounts. The same problem is faced by small companies that are applying to outsource accountant employees that face sickness. Companies try to face this problem by switching to accomplishing the job from home during quarantine which solves a big part of the problem, but the work is still postponed for an extended time because the quality of the process from home is different from the company work. Companies face uncertainty through daily processing work due to sick that make restrictions despite the work from home that did not fulfill the whole duties and certainly internet virtual team meetings.

The inconvenience produced by remote work solutions has been a major concern. Collaboration and interaction have grown increasingly difficult when workers work from home, potentially compromising the effectiveness and accuracy of account creation. Some of the international employees stated that sometimes they do not have a stable internet connection which made it difficult for them to have a consistent and reliable accomplishment of tasks.

Because COVID-19 oblige companies to change the business process in a new way which leads employees to take more time in accomplishing their work due to the new style of work and the sickness will result in an extent in the financial reports.

Therefore, some companies suffered from little time in fulfilling their financial reports and employees' training will not complete the quality needed of the financial information. Moreover, the pandemic has significantly raised uncertainty and volatility in the corporate environment, proving it difficult for firms to analyze and anticipate financial performance effectively and anticipate their financial results. Demand shifts, supply chain interruptions, and market volatility have made estimating income, costs, and asset assessments challenging. Organizations have depended on case organizing, analysis of sensitivity, and regular changes to their financial predictions to overcome these obstacles. They have also improved engagement with stakeholders, offering frequent updates on the outbreak's influence on their financial status and performance.

It has resulted in the answers that during COVID-19 illness increases among employees and companies apply quarantine to hedge sickness through employees. Therefore, companies tried to let employees work from home to accomplish their duties through the Internet and attending online meetings. On the other hand, companies faced new technical problems regarding the internet, software, and employees' technological skills. Additionally, companies changed their daily work process and transactions which led to take additional time due to the new style of applications used. Then, employees suffered from uncertainty in fulfilling duties and low training courses. Finally, all the above problems will lead to an extent of financial reporting quality.

It can be concluded that illness, quarantine, and COVID-19 directly relate to the quality of financial reports.

2. *How have organizations dealt with delays in reporting during the pandemic?*

Participants' answers are comprised as follows:

Many of the participants stated that illness and quarantines are making operations more volatile, and there have not been numerous delays. Companies with ongoing service issues overcame them by giving initial data to banks.

They said that the government simplified the financial process of reports through postponements and the elimination of obligatory delay fines. The government facilitated the report extension and understood the company's situation.

Moreover, some found that many financial reports arrived longer than normal. Companies had missed deadlines for delivering accounts and tax filings.

Others were thinking that COVID-19 forced several companies to report longer than usual. The closing date for the companies' reporting accounts and tax forms has been extended. Tax authorities will not charge a penalty when dates are missed if the company can offer actual proof of its situation. Delays have thereby been resolved by private postponements with clients. Other clients were also unable to meet the deadlines set by the government.

It has resulted from the answers that companies suffering from employee illness and quarantine from COVID-19 will face delays in financial reports. Most of the financial reports of the companies are sent more than the normal time. Additionally, governments and tax departments take into consideration the pandemic issue and facilitated financial reports extension, and eliminate penalties related to late delivery of financial reports. Therefore, these companies should provide suitable information about extending the period of delivering the financial reports.

The government simplified the financial process of reports through postponements and the elimination of obligatory delay fines. The government facilitated the report extension and understood the company's situation. Many financial reports arrived longer than normal. Companies had missed deadlines for delivering accounts and tax filings.

COVID-19 forced several companies to report longer than usual. The closing date for the companies' reporting accounts and tax forms has been extended. Tax authorities will not charge a penalty when dates are missed if the company can offer actual proof of its situation.

Delays have thereby been resolved by private postponements with clients. Other clients were also unable to meet the deadlines set by the government.

It can be concluded that illness, quarantine, and COVID-19 directly relate to postponing financial reports, affecting the quality of financial reports.

3. *Have you observed any instances of unusual financial reporting activities during the pandemic that may indicate possible fraud? If so, what steps were taken to investigate and address these concerns?*

Participants answers are comprised as follows:

One of the participants stated that to increase performance, the company should use some innovative solutions. The auditors and accountants have had limited time to report, which has been problematic for the company. There have been some reporting mistakes; however, this is due to a lack of knowledge rather than fraud.

Other participants said that there had been a lot larger emphasis on the value of assets such as receivables, operational assets, and shares to detect any unusual financial activity. In contrast, one of the participants said that there was no unusual financial reporting observed.

Others stated that there were no reports of abnormal financial reporting practices that may suggest audit fraud. Moreover, several auditor participants stated that there were exceptionally inaccurate financial reports that are related to fraud.

It has resulted from the answers that auditors will not have sufficient time to revise the transactions, leading to inaccurate output results which may cause material misstatements. Therefore, some auditors defined that weak proficiency in accomplishing the work had led to inappropriate financial reports that are different from fraud. On the other hand, other auditors in other companies strongly revised the financial management accounts of the balance sheets and the accounts transactions and had not detected any unusual financial reporting activities during the pandemic that may indicate possible fraud.

It can be concluded that the pandemic period increased the risk of fraud in financial reporting, and in some companies, it did not increase fraud in financial reporting.

4. *What steps has your organization taken to reduce the risk of fraudulent financial reporting during the pandemic, and have you noticed any changes in the frequency or severity of fraudulent financial reporting since the pandemic began?*

Participants' answers are comprised as follows:

Many of the participants stated that there has not been an observation of any inaccurate reporting, although there have been a lot of inventive programs, particularly in conjunction with award plans during the pandemic, that could cause confusion for the organization.

The valuation of receivables, shares, and operational assets has been significantly revised. There is also a greater emphasis on auditing assumptions and solving ongoing financial difficulties. Due to the pandemic, there have been no examples of fraudulent financial reporting.

A variety of steps were taken to identify ongoing operational issues and the necessity for write-downs. The company has not defined any observations about the nature of misleading financial reporting.

The organization specialized in a section for professional assistance for auditing during the COVID-19 pandemic. It identified going concern difficulties and conducted extensive impairment evaluations of doubtful assets. The organization developed its attestation tools to guarantee that new award schemes were utilized effectively. In addition to this, the participating auditors did not see an enhancement in the incidence of fraudulent financial reporting. No fraud in financial reports has been detected for these participants during the pandemic. Therefore, the pandemic has led to an extent in times for some clients and obliged the company to do additional transactions to fulfill the task.

It has resulted in the participant's answers that companies are applying different new technological programs for the accuracy of financial reports and transactions. The companies revised the balance sheet transactions accounts for asserting positive results. Therefore, companies revised all the forecast accounts and provide solutions for the financial problems. In addition to that, companies are obliged to do more transactions to finish their duties properly.

As a result, companies develop new ways of detecting inappropriate data and gaps, and financial failure.

From these answers, it can be concluded that the pandemic period has no relationship to the increased risk of fraudulent financial reporting.

5. *How have organizations balanced the need for transparency in financial reporting with the need for confidentiality during the pandemic, and what internal controls have you implemented, if any, to prevent and detect fraudulent financial reporting?*

Participants' answers are comprised as follows:

Participants stated that companies that want to protect their data apply strong passwords in their application software, including enforcing two-step authorization.

Additionally, some participants stated that this situation is used during the pandemic because employees are working from home. Therefore, the organization provided training about protecting software data to keep up with the current threat environment.

Moreover, there are several solutions that are used for protecting information during COVID-19. Thus, auditors are unable to expect problems that will be faced during work that COVID-19 has caused. The organization tried to hedge inaccurate financial reports to the minimum level. Because of the pandemic, organizations were more obliged to share information on ongoing activities process.

The pandemic has enhanced the importance of documenting ongoing operations and regarding how organizations are dealing with the pandemic. During the pandemic, the organization was usually transparent about the situation and did not stress confidentiality.

Most clients are accustomed to transmitting significant volumes of data digitally. There were fewer possibilities to ask and receive confidential inquiries and information. To acquire this information, the organization has responded to written formal inquiries concerning events that occurred after the balance sheet.

It has resulted from the answers that applying transparency in financial reporting with the need for confidentiality during the pandemic was done by inventing new technical ways of protecting data. In fact, during the pandemic organizations were more pushed to share information about their transactions, assure documentation of their process and be more transparent in sharing information. Therefore, organizations provide training to employees to assure their proficiency in technical software work. On the other hand, auditors are unable to detect and solve all the financial problems.

It can be concluded that transparency in financial reporting, confidentiality, and internal controls during the pandemic has a direct relationship with preventing and detecting fraudulent financial reporting.

6. *What specific measures has your organization taken to combat fraudulent financial reporting during the COVID-19 pandemic?*

Participants' answers are comprised as follows:

Many of the participants said that the organization paid attention to cash flows, followed the money, and concentrated on standards in awards schemes.

Some of them stated that training has been increased, with an emphasis on detecting misleading financial reporting. The company has set rules and created standard working papers for tasks. Consultation in continuing operations evaluations has been tightened and encouraging interaction with consumers.

During the pandemic, professional procedures for evaluating continuing operations and fixed asset valuations were developed. They developed their attestation techniques to check the validity of award schemes.

During COVID-19, the Auditing department and the assistant auditor have developed further professional assistance for auditing. They concentrate on identifying going concern difficulties and conducting extensive damage analyses of uncertain assets. The organization developed its verification tools to ensure that award schemes were utilized appropriately. Some of the participants stated that nothing unusual occurred with the financial statements during the pandemic.

It has resulted in the answer that the organization should focus on the cash flow account. Therefore, the company has stressed detecting inaccurate data, thereby changing their rules, and creating new standards and processes. In addition to that, the organization has checked transactions of fixed accounts and managers have a larger interaction with clients. The organization has stressed an auditing department to detect misleading financial information and has created suitable business processes for best practices. The specific measures created by the organization are designed to increase the confidence of customers and enhance its reputation. These measures provide the company control cost, suitably estimate assets, enhance trust between organizations and customers and finally combat fraudulent financial reporting during the COVID-19 pandemic.

It is therefore reasonable to conclude that applying specific measures in the organization has a direct relationship with combating fraudulent financial reporting during the COVID-19 pandemic.

7. *What is the way in detecting and preventing fraudulent financial reporting during the pandemic?*

Participants' answers are comprised as follows:

Some of the participants in the interview stated that auditors increasingly rely on technology and tools to extract all transactions and examine all the evidence. This is not concerned with the pandemic but with the organization's performance. The system will be able to provide auditors with profits and advancement projections, which they may utilize to assess difficulties. Analyzing data is important to detect inadequate and fraudulent financial reports. Software tools provide good control of data and information.

Moreover, as per the statements of many of the participants, technology has a vital role in analyzing inadequate financial reports. Technology with digital auditing plays a larger role in improving transactions and avoiding fraudulent financial reporting. Technology has a large possibility of detecting unexpected financial links and analyzing ledgers to detect misstated financial statements.

It resulted in the answer that technology has an important role in solving companies' financial problems during the pandemic. Therefore, auditors that apply technical software have more chances of detecting problems and providing solutions during the pandemic. In addition to that, the software facilitates analyzing data and can detect fraud in financial reports. Auditing digitally will provide the company with a new opportunity on evaluating the quality of financial reports, analyze balance sheet transactions, and avoid fraudulent financial reporting during the pandemic.

It can be concluded from the answers of the participants that technology has a direct relationship with detecting and preventing fraudulent financial reporting during the pandemic.

8. *In your opinion, what are the most effective methods for maintaining transparency and accountability in financial reporting during a crisis such as the COVID-19 pandemic?*

Participants answers are comprised as follows:

Some of the participants stated that setting realistic reporting deadlines and minimizing punitive measures like penalties is a perfect way to ensure transparency and accountability in financial reporting during a crisis.

Others mentioned that there must be effective and excellent communication between the company's auditor and accountant. Clear legal regulations for annual reports accounting requirements.

In addition to that, participants mentioned that to maintain transparency and accountability, they must discourage the company to hedge financial troubles and certainly inaccurate financial transactions. Therefore, information should be verified by an independent third party, which can aid in the creation and maintenance of transparency.

An effective financing structure mitigates incentives by letting businesses obtain assistance if they are truthful and declare negative performance that may be attributed to the pandemic. An efficient funding plan may encourage openness and responsibility in financially troubled businesses. However, because the grant scheme has the potential to be exploited, it is critical that it stresses objective goals.

It is also mentioned by many of the participants in the interview that it is crucial to have clear conversations with customers so that they know every single detail of what they should know, of course maintaining confidentiality.

It resulted from the answers that applying transparency and accountability through attending deadlines and preventing penalties during a pandemic is crucial. Therefore, building good interaction between the managers and the auditors. In addition to that, good regulations for applying financial transactions had helping the company in hedging financial inaccuracy during a pandemic. A third party is a good opportunity for assuring the accuracy and transparency of information during a pandemic.

It can be concluded that applying effective methods for maintaining transparency and accountability has a direct relationship with financial reporting during a crisis such as the COVID-19 pandemic.

9. *What strategies has your organization implemented to monitor financial reporting activities and detect possible cases of fraud during the pandemic?*

Participants' answers are comprised as follows:

One of the participants stated that customers must sign an agreement that requires the organization to conduct an independence check to determine who runs the firm and where the money originates from.

Hence, several participants said that the organization must be applying a high audit process through avoiding companies from financial problems and from making incorrect financial transactions. A third party can verify the information and increase the performance of the company.

In addition to that, an increased emphasis on ongoing operational issues, and the necessity for write-downs external confirmation about transactions.

The organization has concentrated on risk areas relating to going concerned and impairment evaluations. Concerning fraud, the corporation has tightened the criteria for external validation of bank deposits and monitoring of the organization’s procedures for double approval of bank payments. There is also an increased focus on phishing activity and fraud against customers where the organization name is used by fraudsters.

It can be concluded that applying strategies in the organization has a direct relationship with monitoring financial reporting activities and detecting possible cases of fraud during the pandemic.

10. *What recommendations do you have for other organizations looking to improve the accuracy and integrity of their financial reporting during the COVID-19 pandemic?*

Participants' answers are comprised as follows:

The participants shared different opinions on how to ensure the accuracy and integrity of financial statements; their answers are illustrated in the following bullet points.

- Set sufficient time, and resources and make use of professional expertise.
- Take the advice of the auditor to raise problems early.
- Integrate better internal controls.
- The organization should spend more time implementing internal controls and systematizing routines around financial reporting.
- Routines should be implemented around the documentation of controls.
- Companies should implement controls and should show sufficient documentation and control should be carried out.
- Maintaining standard accounting practices should be focused on even if all other areas are being prioritized.

4.2 Hypotheses testing

Hypotheses testing mainly shows whether the research hypotheses previously formed in chapter two are rejected or accepted.

H1: COVID-19 has a significant impact on the quality of financial reporting.

Pham et al. (2021) define that the quality of financial reporting is not usual during COVID-19. Therefore COVID-19 has a negative and a positive relationship with the quality of financial reporting (Hsu & Liao, 2021).

Companies controlling performance and financial reporting will hedge against the negative impact of COVID-19 (Hsu & Liao, 2021), and the pandemic has influenced the organization's financial performance (Deloitte, 2020).

According to the interview answers, H1 is accepted.

H2: COVID-19 increases the risk of fraud in financial reporting.

Several organizations face financial and management troubles during COVID-19 and apply solutions for hedging the risk of fraud (PwC, 2020), as organizations also put more stress on increasing the financial reporting quality during the COVID-19 pandemic to decrease inaccurate fraud financial reports (Arthur et al., 2015).

Increasing auditing and applying good standards will assure the quality of financial reporting and hedge the risk of fraudulent financial reporting during the COVID-19 pandemic (Cimini, 2015).

According to the interview answers, H2 is rejected.

Hypothesis	Hypotheses tested	Result
H_1	COVID-19 has a significant impact on the quality of financial reporting.	Accepted
H2	COVID-19 increases the risk of fraud in financial reporting.	Rejected

***Table 1**: Hypotheses Testing Results*

4.3 Analysis and Hypotheses Testing Summary

The analysis and hypothesis testing in chapter four have offered a valuable understanding of the interaction between technology, fraud in conducting financial reports, and the impact of the COVID-19 pandemic on the quality of financial reporting.

Our study sheds light on the critical significance of technological improvements in guaranteeing the accuracy and integrity of financial reporting by evaluating the function of technology in identifying and deterring fraudulent actions and activities during this difficult era.

5. Thesis Summary and Conclusion

This chapter concludes the thesis and will be presenting a concluding discussion of the findings, recommendations for bettering financial reporting quality, as well as the limitations for further research, and the concluding thoughts of this research.

5.1. Discussion

Assessing the impact of COVID-19 on the quality of financial reporting was the objective behind this research. After further examination, it has been concluded that the quality of financial reporting has been affected by COVID-19. Moreover, the pandemic has increased the risk of fraud in financial reporting as per the researchers. The study has shown the steps that ensure the accuracy and integrity of financial reporting.

Hence, this study has shown that COVID-19 has affected the quality of financial reporting. COVID-19 has been tremendous on each and every individual, family, and business whether it is local or international, large or small.

And since every company has a duty towards providing financial reports to assess the performance of the organization and its status, the quality of its financial reports has changed since the pandemic.

Therefore, when organizations do take all the necessary guidelines to ensure the accuracy of their financial reports, they will keep their businesses on track. These results have been examined and approved by several researchers which are Zhu & Song (2021), Pham et al., (2021), Hsu & Liao (2021), Deloitte (2020), PwC (2020), KPMG (2020), and Kaka (2021).

Secondly, the second research results are about the impact of covid-19 on the increase of fraud in financial reporting. For the time being, the risk of fraudulent financial reports has increased during the pandemic.

As per the researchers Gould & Leka (2020), the Association of Certified Fraud Examiners (2020), Wells (2013), Arman & Mayes (2021), IFAC (2020), and Mitchell (2020), agreed that due to the work-from-home modality and the increase of remote work, alongside the decrease in regular monitoring of financial reports, fraud has increased during this period. The research results, however, contradict the researchers' opinions.

5.2 Recommendations

Based on the research's analysis results, the following section provides six of recommendations for better financial reporting quality, to decrease fraud in financial reporting:

1. Bolster Ethical Culture: Promote honesty, openness, and accountability throughout the company to create an ethical culture that is robust. This may be accomplished by ethics training programs, senior leadership advocating ethical behavior, and developing a code of conduct emphasizing ethical norms.

2. Execute Frequent Risk Assessments: Evaluate and modify the risk profile of the company on an ongoing basis to detect possible financial reporting weaknesses. Recognizing new hazards, analyzing their likely effect, and adopting appropriate measures to reduce those risks.

3. Boost Disclosure openness: Increase the openness and clarification of financial disclosures to offer stakeholders a thorough picture of the organization's financial status and situation. This may entail giving thorough footnotes, additional data, and explicit descriptions of accounting procedures.

4. Utilize Technological Solutions: Organizations should take advantage of technological advances to improve the accuracy and productivity of financial reporting operations. Employing automated data gathering and analysis systems, deploying modern software for financial statement production, and investigating the application of machine learning and artificial intelligence to minimize fraud possibility.

5. Encourage Professional Development: Engage in continuing professional development and training for employees working in both accounting and finance departments to ensure that they are always up to date with the trends and practices. Organizations must

always provide opportunities for employees to improve in their positions through education, conferences, and seminars.

6. Involve External Auditors: Work extensively with external auditors to verify that the company's accounting records are trustworthy and impartial. Engage with auditors on an ongoing basis, supply appropriate documents, and respond to any audit results or suggestions as soon as possible.

5.3 Limitations for Future Research

This chapter has significantly accomplished its target by discussing this research paper's main results and findings, and explicitly answering the research questions. However, several limitations and constraints were encountered throughout the discussion process and must be considered in the research conducted afterward.

1. Firstly, due to some strict measures taken by the Norwegian government regarding interviewing employees, the collection of primary data was impacted. To clarify, the analyzed data sample was considerably small, since it was hard to collect data through communicating with the targeted employees.

2. Secondly, the responses of the participants are self-reported. This research relied on self-reporting information, especially the answers of the interviews, which in return may introduce inaccuracies due to memory recall. Moreover, participants might not always provide accurate information that might affect the findings of the research.

3. In addition to that, the outbreak of the COVID-19 pandemic has eloquently affected this research paper on several levels. There was a slight lack of information regarding the literature review since access to data was kind of strenuous. In other words, it was extremely difficult to reach important sources of data since a lot of the websites require paying to access articles.

4. The research relies solely on interview answers, which in turn results in limitations related to the results.

5.4 Conclusion

In this thesis, the objective was to assess the impact of the COVID-19 pandemic on financial reporting and the ramifications of the pandemic on the evolving fraud landscape and financial reporting quality. Throughout the research in this thesis, our focus was answering the questions that guided the thesis research stated in our introductory chapter. We first wanted to answer.

1. *What is the impact of the COVID-19 pandemic on the quality of financial reporting?*

Our conclusion for this research question is that the pandemic has impacted financial reporting quality. With new challenges arising during the pandemic, such as working from home, there was rising concern about the risk of fraud due to the lack of proper internal controls. To combat the rising risks and lack of proper internal controls, the participants' organizations had to train their employees in new procedures, and improve their safety procedures, with, for example, introducing two-factor identification. For smaller organizations, this posed a larger challenge as they did not have the proper management/staff or procedure. These issues can lower financial reporting quality if left unmanaged. It is, therefore, reasonable to assume that implementing new procedures as a response to the changing fraud environment will help to combat fraudulent reporting. This conclusion coincides with the literature review and participants' answers which has proved that the pandemic had indeed impacted the financial reporting quality.

Our second research question introduced the potential for a changing risk environment.

2. *How has the risk of fraudulent financial reporting changed during the COVID-19 pandemic?*

Relating to fraudulent material misstatements, anything that can be estimated is subject to fraud. The risk of gathering sufficient appropriate evidence for the auditor, if they could not do physical controls, was of concern, as well as the change to relying more on technology for conducting audit procedures. Our conclusion to this research question, based on both the hypotheses and recipients' answers that although the fraud environment has indeed changed and new fraudulent methods are introduced, there is not enough evidence as of writing this thesis that the risk has changed drastically.

We also wanted to research what measures could be implemented in an organization to ensure the accuracy and integrity of financial statements during the pandemic. This led us to the third research question:

3. *What steps can be taken to ensure the accuracy and integrity of financial statements in the context of the COVID-19 pandemic?*

Organizations that want to maintain accuracy and integrity in the context of the COVID-19 pandemic, need to keep up with the exposed accounts regularly to ensure their accuracy, and update the financial statements regularly (Avisar, 2022). Also, implementing strong internal controls is an important step, as well as refreshing the fraud assessment (Michell, 2020). There was yet no indication that the pandemic had any relation to the increased risk of fraudulent reporting. Transparency in financial reporting, confidentiality, and internal controls during the pandemic does however have a relation to each other. This is according to the collected data from the participants.

For future research, there will need to be a more in debt analysis of to what extent the pandemic has affected and changed the fraud risk environment, as well as the repercussions of the related frauds, to be able to adjust audit procedures. Further research can also explore the use of technology in auditing procedures, especially in gathering evidence.

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Appendices

7.1 Interview questions (English)

The impact of COVID-19 on financial reporting questions:

1. *What challenges do you feel organizations have faced in preparing financial statements during the pandemic, and do you know how they have handled these challenges?*
2. *How have organizations dealt with delays in reporting during the pandemic?*

The risk of fraudulent financial reporting questions:

3. *Have you observed any instances of unusual financial reporting activities during the pandemic that may indicate possible fraud? If so, what steps were taken to investigate and address these concerns?*
4. *What steps has your organization taken to reduce the risk of fraudulent financial reporting during the pandemic, and have you noticed any changes in the frequency or severity of fraudulent financial reporting since the pandemic began?*
5. *How have organizations balanced the need for transparency in financial reporting with the need for confidentiality during the pandemic, and what internal controls have you implemented, if any, to prevent and detect fraudulent financial reporting?*

The steps that must be taken to ensure the accuracy and integrity of financial statements questions:

6. *What specific measures has your organization taken to combat fraudulent financial reporting during the COVID-19 pandemic?*
7. *What is the way in detecting and preventing fraudulent financial reporting during the pandemic?*
8. *In your opinion, what are the most effective methods for maintaining transparency and accountability in financial reporting during a crisis such as the COVID-19 pandemic?*
9. *What strategies has your organization implemented to monitor financial reporting activities and detect possible cases of fraud during the pandemic?*
10. *What recommendations do you have for other organizations looking to improve the accuracy and integrity of their financial reporting during the COVID-19 pandemic?*

7.2 Interview questions (Norwegian)

Effekten av COVID-19 på spørsmål om finansiell rapportering:

1. Hvilke utfordringer føler du organisasjoner har møtt med å utarbeide regnskap under pandemien, og vet du hvordan de har håndtert disse utfordringene?
2. Hvordan har organisasjoner håndtert forsinkelser i rapporteringen under pandemien?

Risikoen for uredelige spørsmål om finansiell rapportering:

3. Har du observert noen tilfeller av uvanlige finansielle rapporteringsaktiviteter under pandemien som kan indikere mulig svindel? Hvis ja, hvilke tiltak ble iverksatt for å undersøke og løse disse bekymringene?
4. Hvilke skritt har din organisasjon tatt for å redusere risikoen for uredelig finansiell rapportering under pandemien, og har du lagt merke til endringer i hyppigheten eller alvorlighetsgraden av uredelig finansiell rapportering siden pandemien begynte?
5. Hvordan har organisasjoner balansert behovet for åpenhet i finansiell rapportering med behovet for konfidensialitet under pandemien, og hvilke interne kontroller har du eventuelt iverksatt for å forhindre og oppdage uredelig finansiell rapportering?

Trinnene som må tas for å sikre nøyaktigheten og integriteten til regnskapsspørsmål

6. Hvilke spesifikke tiltak har organisasjonen din tatt for å bekjempe uredelig økonomisk rapportering under COVID-19-pandemien?
7. Hvilken rolle tror du teknologi kan spille for å oppdage og forhindre uredelig finansiell rapportering under pandemien?
8. Etter din mening, hva er de mest effektive metodene for å opprettholde åpenhet og ansvarlighet i finansiell rapportering under en krise som COVID-19-pandemien?
9. Hvilke strategier har din organisasjon iverksatt for å overvåke finansielle rapporteringsaktiviteter og oppdage mulige tilfeller av svindel under pandemien?
10. Hvilke anbefalinger har du til andre organisasjoner som ønsker å forbedre nøyaktigheten og integriteten til deres økonomiske rapportering under COVID-19-pandemien?

7.3 Approval from NSD for Data Collection (Norwegian)

Sikt

Meldeskjema / Masteroppgave om effekten av Covid-19 på regnskapsmanipulasjon / Vurdering

Vurdering av behandling av personopplysninger

Referansenummer	Vurderingstype	Dato
792901	Standard	20.04.2023

Prosjekttittel
Masteroppgave om effekten av Covid-19 på regnskapsmanipulasjon

Behandlingsansvarlig institusjon
Universitetet i Stavanger / Handelshøgskolen ved UiS

Prosjektansvarlig
Iris Caroline Stuart

Student
Kristine Aarvik

Prosjektperiode
01.01.2023 - 01.07.2023

Kategorier personopplysninger
Alminnelige

Lovlig grunnlag
Samtykke (Personvernforordningen art. 6 nr. 1 bokstav a)

Behandlingen av personopplysningene er lovlig så fremt den gjennomføres som oppgitt i meldeskjemaet. Det lovlige grunnlaget gjelder til 01.07.2023.

Meldeskjema

Kommentar
OM VURDERINGEN
Sikt har en avtale med institusjonen du forsker eller studerer ved. Denne avtalen innebærer at vi skal gi deg råd slik at behandlingen av personopplysninger i prosjektet ditt er lovlig etter personvernregelverket.

FØLG DIN INSTITUSJONS RETNINGSLINJER
Vi har vurdert at du har lovlig grunnlag til å behandle personopplysningene, men husk at det er institusjonen du er ansatt/student ved som avgjør hvilke databehandlere du kan bruke og hvordan du må lagre og sikre data i ditt prosjekt. Husk å bruke leverandører som din institusjon har avtale med (f.eks. ved skylagring, nettspørreskjema, videosamtale el.)

Personverntjenester legger til grunn at behandlingen oppfyller kravene i personvernforordningen om riktighet (art. 5.1 d), integritet og konfidensialitet (art. 5.1. f) og sikkerhet (art. 32).

MELD VESENTLIGE ENDRINGER
Dersom det skjer vesentlige endringer i behandlingen av personopplysninger, kan det være nødvendig å melde dette til oss ved å oppdatere meldeskjemaet. Se våre nettsider om hvilke endringer du må melde: https://sikt.no/melde-endringar-i-meldeskjema

OPPFØLGING AV PROSJEKTET
Vi vil følge opp ved planlagt avslutning for å avklare om behandlingen av personopplysningene er avsluttet.

Lykke til med prosjektet!