



Delivering remote internal audits Responding to COVID-19

The rapid global spread of COVID-19 has quickly eclipsed other recent crisis in both size and scope. In addition to the deadly human impact and disruption to normal life, economic damage is significant and far-reaching. Amongst other challenges, the COVID-19 crisis has forced Heads of Internal Audit (HIAs) to re-engineer their internal audit approach to delivery fieldwork remotely.

Of the three COVID-19 crisis stages: Respond, Recover or Thrive, most organisations remain in the Respond phase but it is essential that they quickly move to Recover. With that in mind Internal Audit teams will need to rapidly acclimatise to remote audits, become more resilient and better prepared for future crises. Remote audits will create challenges for Internal Audit teams. However, below we identify a number of potential mitigations that will accelerate the switch to remote audit delivery, allowing your team to Thrive.

	Potential challenges	Actions to mitigate those challenges
01 ➤	Inability to access locations may necessitate reprioritising the audit plan to focus on audits that can be performed remotely.	Engage early with management and your audit committee Chairperson to agree changes. Prioritise availability of evidence, systems and topics that sit above field and manufacturing locations.
02 ➤	Access to the required documentation depending on the level of electronic vs paper-based evidence.	Understand the level of electronic vs paper-based evidence, explain to management your requirement for electronic copies and request evidence as far as possible in advance to allow for scanning paper documents.
03 ➤	Timeliness of receiving information, which is harder to enforce when you operate remotely.	Keep on top of all document requests, with clear deadlines defined for receipt. Retain all requests in a single document and share this with management daily.
04 ➤	Risks associated with delays in receiving information, where there could be a lack of credibility of audit information received remotely.	<p>For physical evidence, request the auditee time stamp evidence. For example, photos of assets or inventory.</p> <p>For data, request a replicated production environment with an "as of" time stamp that gives auditors access to extract data without accessing the real time production environment.</p> <p>Accelerate the deployment of analytics to increase coverage, focus on outliers, and reduce business interruption, while providing valuable insights and assurance.</p>

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05 >	Lack of face-to-face interactions make it harder to build a rapport with management and to understand the culture of the organisation.	Use video during fieldwork to perform “talkthroughs” and other activities, including meetings that would have been held in person. Leverage newer conference facilities and agree with management in advance if appropriate to record the conversations as audit evidence.
06 >	Calls are likely to need scheduling, removing the ability for ad hoc ‘at desk’ conversations with management.	Identify key management during planning and schedule time well in advance for walkthrough, progress updates and close-out discussions.
07 >	Coaching team members is more difficult remotely and it may take more time than when team members are co-located.	Pre-fieldwork coaching through video allows for more effective feedback. The team lead should hold calls with each team member in advance of fieldwork to walkthrough their scope area and work programme and support preparation of test sheets.
08 >	It is harder for team members to share knowledge and stay aware of progress from other scope areas that may impact their own area when the team is not co-located. Teams are in general more efficient and focused when co-located. Team members are more likely to be pulled into other activities when working remotely.	Setting up regular team catch up calls in advance of and during fieldwork (e.g. daily stand-ups to share progress and emerging findings; more detailed weekly meetings and prior to the close meeting) to promote collaboration.
09 >	Reports and work papers may take longer to get reviewed than they would in a normal business environment.	To improve efficiency, a video-meeting should be scheduled with the auditor to review reports and work papers in real-time.
10 >	Work may seem less structured when performed remotely compared to when it is conducted in a normal business environment.	Adopt a set of guiding principles: <ul style="list-style-type: none"> • Support flexibility for where, when, and how work is performed; • Recognize open communication and clearly defined deliverables; • Encourage remote workers to disengage as appropriate and maintain work life balance; • Proactively discuss tools and technologies, be open to more efficient technologies to improve the audit.
11 >	For global organisations, time differences may make it difficult to schedule calls with management and other team members.	When allocating resources, factor in time zones and locations of people working on the same or overlapping scope areas, determine feasibility of co-sourcing resources as appropriate.
12 >	Where teams are in different locations, language barriers make it harder to translate documents in real time, and can be greater over the phone than face-to-face.	Balance language skills across teams at planning stage so that translation is available as needed. Review need for external language support if needs are not aligned.
13 >	Staff may be less engaged in the audit where they operate remotely.	Instigate daily stand-ups, weekly check-ins and virtual coffee breaks to maintain motivation. Be aware of employee wellness, and contingency plan for some level of illness.

Where you cannot execute audits due to the COVID-19 threat, there may be opportunity to re-purpose time and make progress on internal initiatives to allow for enhancement of internal audit capabilities. Such initiatives might include;

refreshing analytics or digital strategies, developing new analytics methodologies, moving forward with automation pilots and accelerating planning activities on audits down the road.

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