



The Impact of a Pandemic on Internal Audit

The world has suddenly found itself thrust into a remote environment with little in the way of preparation or warning due to the COVID-19 pandemic. The overriding question is how internal auditors can conduct remote audits while organizations, both businesses and firms alike, are forced to limit in-person contact as much as possible. The trend of working from afar is experiencing a major boost as businesses shift to digital channels and more people avoid physical gatherings.

And while audit teams may be hard at work re-assessing the entity's business-wide continuity plans, have they taken the time to focus on their own processes and audit team continuity plans? The coronavirus has the potential to be massively disruptive to internal audit activities, which often involve travel, on-site field work, and lots of human interaction. So, keeping internal audit up and running will take some planning, some creativity, and some hard work.

This survey addresses internal audit preparedness for continuing operations during a pandemic and assessing risk for business continuity.

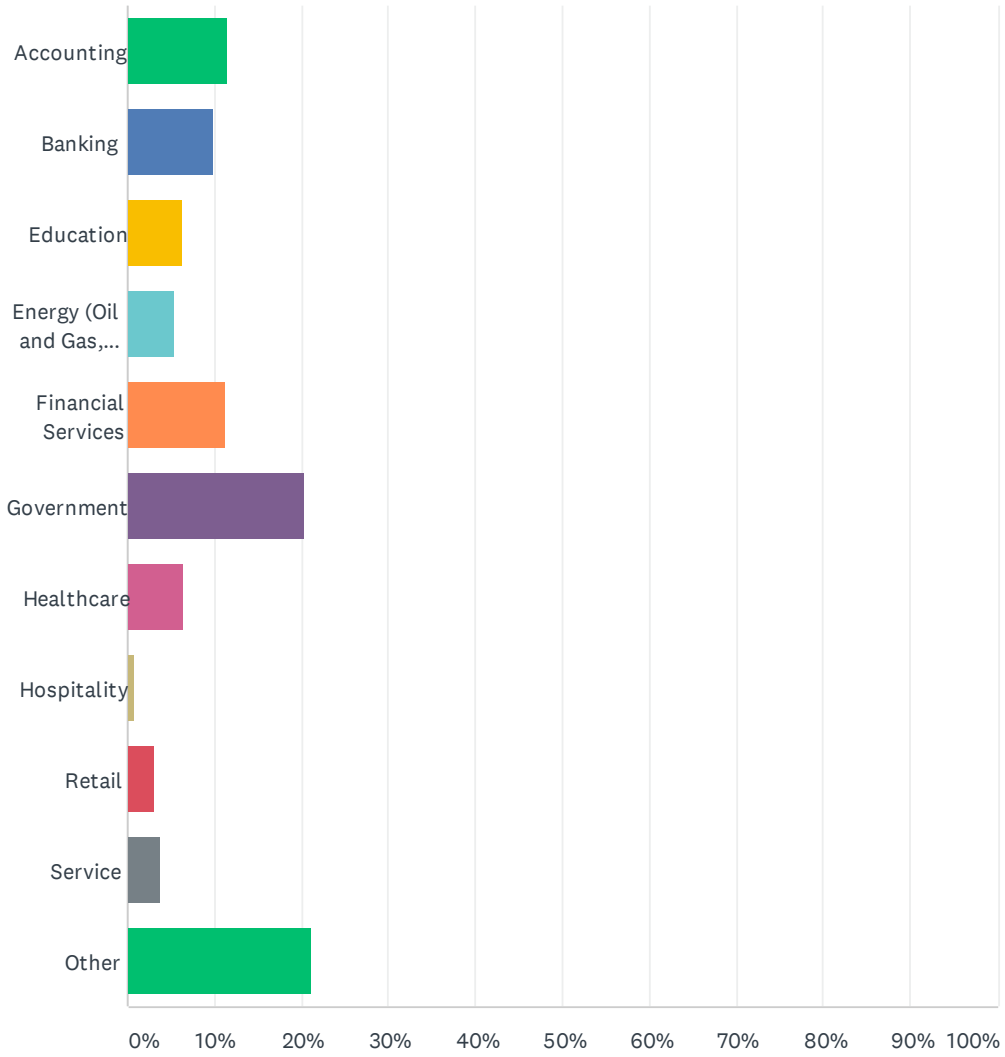
The survey results from 463 respondents showed that internal audit was well positioned to address issues arising from the global pandemic. Auditors could continue their work from remote locations and took precautions to safeguard staff from the impact of Covid-19.

- More than half of those responding indicated that their organizations had business continuity plans.
- Over 90% had plans to work remotely.
- 62% indicated that their department re-prioritized the audit plan based on the impact of COVID-19.
- While 52% indicated plans for a business-wide continuity review included in next year's audit plan, that means that 48% did not leaving those department vulnerable to future pandemics.

Changes in the global environment suggest that business threatening events will continue and internal audit must be prepared to address the associated risks. AuditNet® will continue to conduct surveys on high risk areas for internal audit.

Q1 Which industry do you work in?

Answered: 463 Skipped: 0

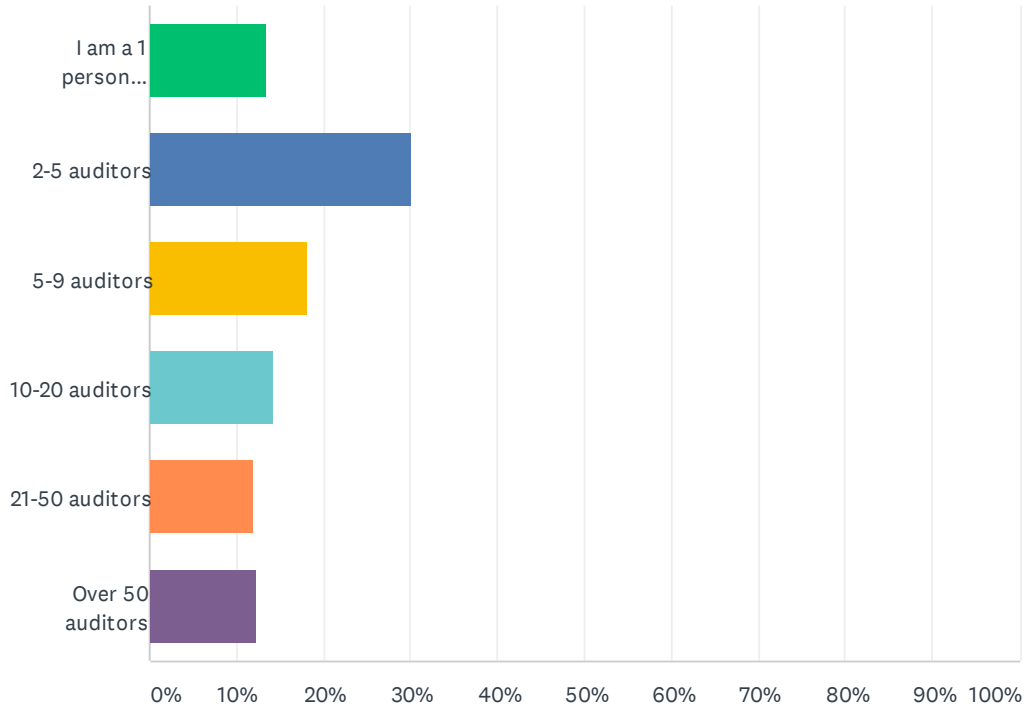


Internal Audit & Covid-19

ANSWER CHOICES	RESPONSES	
Accounting	11.45%	53
Banking	9.94%	46
Education	6.26%	29
Energy (Oil and Gas, Electric)	5.40%	25
Financial Services	11.23%	52
Government	20.30%	94
Healthcare	6.48%	30
Hospitality	0.86%	4
Retail	3.24%	15
Service	3.67%	17
Other	21.17%	98
TOTAL		463

Q2 What is the size of your audit department?

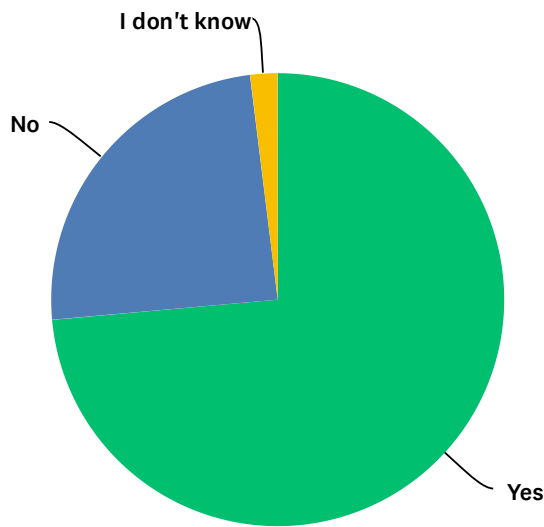
Answered: 463 Skipped: 0



ANSWER CHOICES	RESPONSES	
I am a 1 person department	13.39%	62
2-5 auditors	30.02%	139
5-9 auditors	18.14%	84
10-20 auditors	14.25%	66
21-50 auditors	11.88%	55
Over 50 auditors	12.31%	57
TOTAL		463

Q3 Does your organization have a telework (work from home) policy?

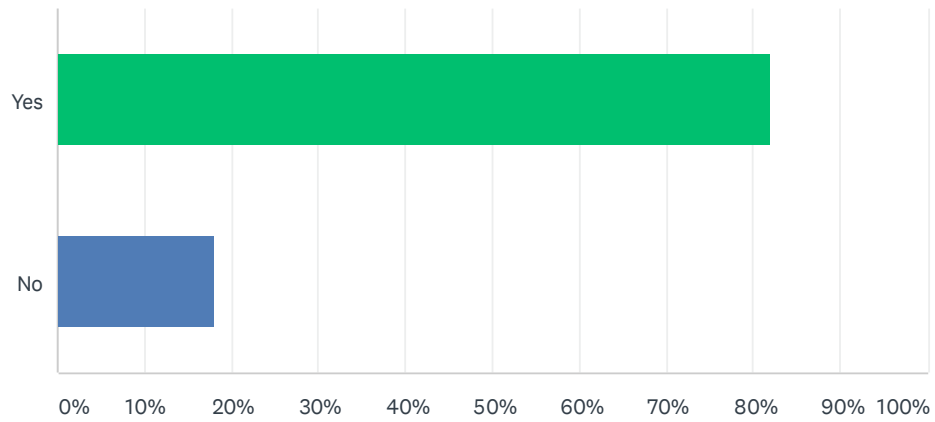
Answered: 462 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	73.59%	340
No	24.46%	113
I don't know	1.95%	9
TOTAL		462

Q4 Has audit management communicated operational changes to staff during the COVID-19 crisis?

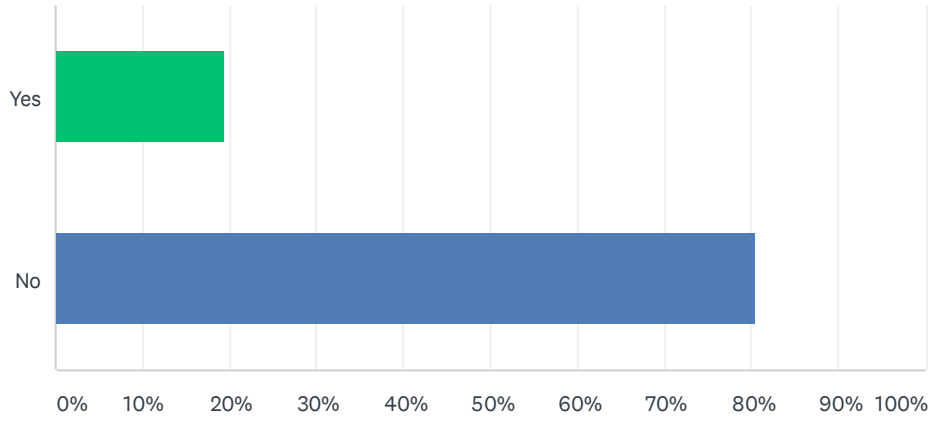
Answered: 459 Skipped: 4



ANSWER CHOICES	RESPONSES	
Yes	81.92%	376
No	18.08%	83
TOTAL		459

Q5 Has there been a reduction in force for audit staff due to the COVID-19 pandemic?

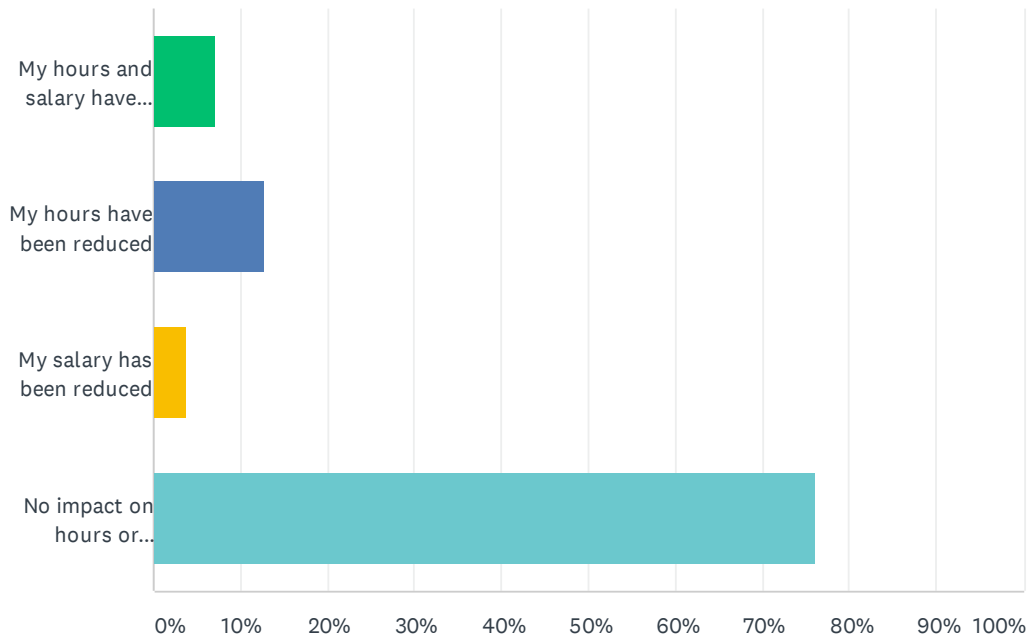
Answered: 461 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes	19.52%	90
No	80.48%	371
TOTAL		461

Q6 COVID-19 impacted my department's compensation or hours as follows:

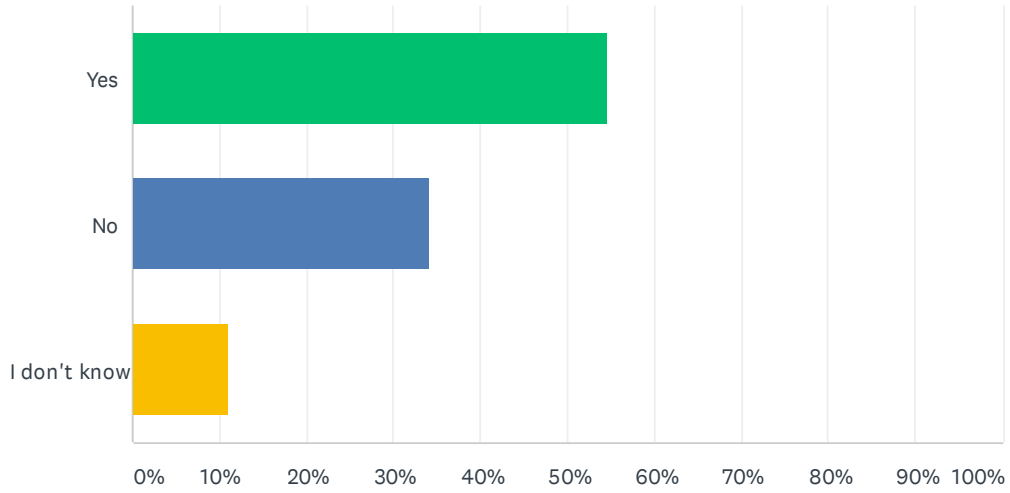
Answered: 459 Skipped: 4



ANSWER CHOICES	RESPONSES	
My hours and salary have been reduced	7.19%	33
My hours have been reduced	12.85%	59
My salary has been reduced	3.70%	17
No impact on hours or salaries	76.25%	350
TOTAL		459

Q7 Has your audit department assessed the organization’s business-wide continuity plans?

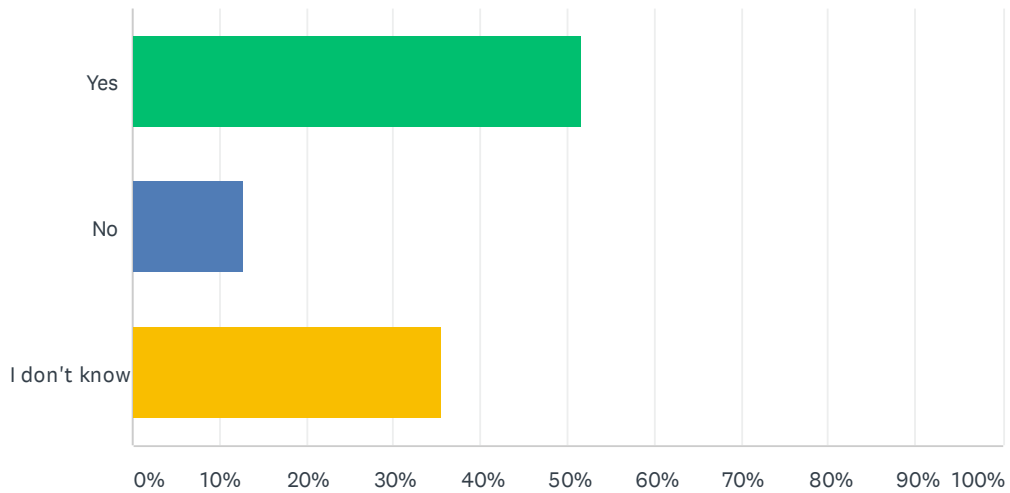
Answered: 459 Skipped: 4



ANSWER CHOICES	RESPONSES	
Yes	54.68%	251
No	34.20%	157
I don't know	11.11%	51
TOTAL		459

Q8 Will a business-wide continuity plan review be included in next year's audit plan?

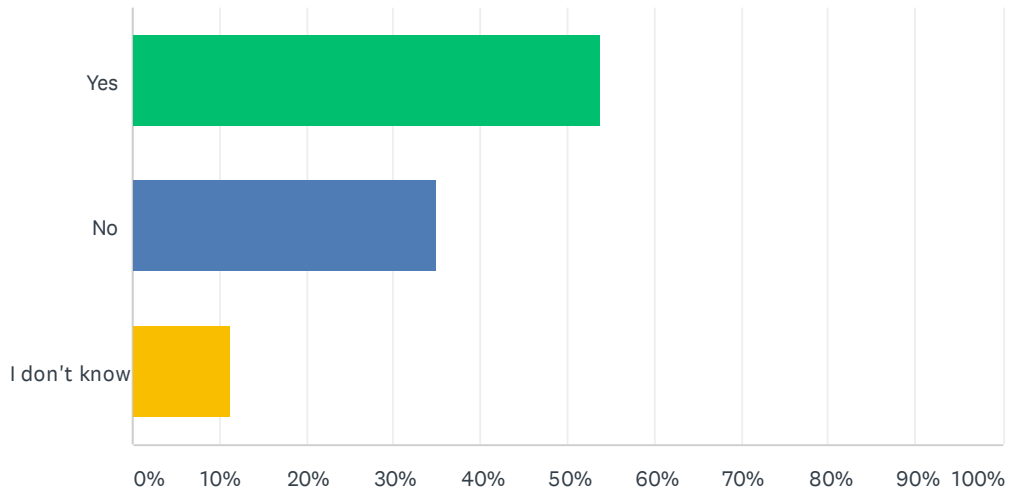
Answered: 463 Skipped: 0



ANSWER CHOICES		RESPONSES	
Yes		51.62%	239
No		12.74%	59
I don't know		35.64%	165
TOTAL			463

Q9 Does your audit department have it's own operational continuity plan?

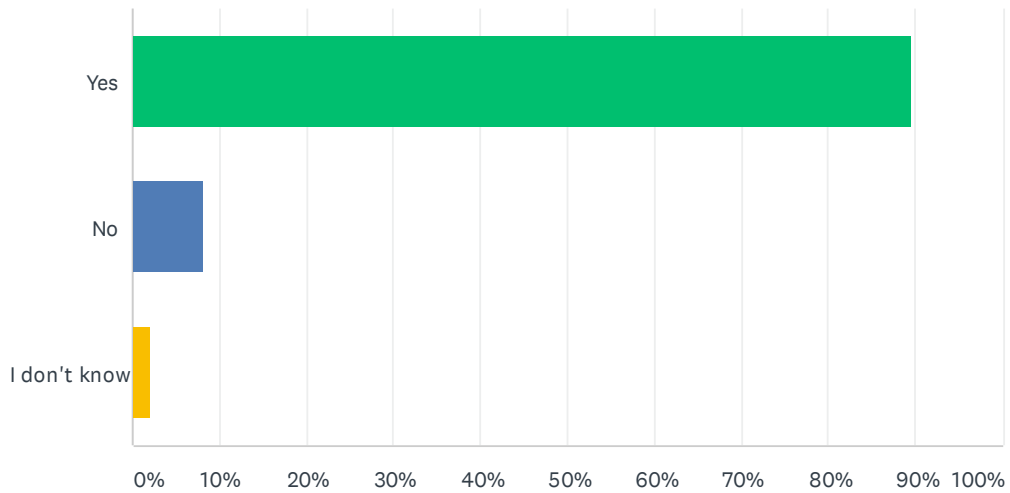
Answered: 460 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	53.70%	247
No	35.00%	161
I don't know	11.30%	52
TOTAL		460

Q10 Is your department able to arrange virtual meeting times to help keep everyone up to date?

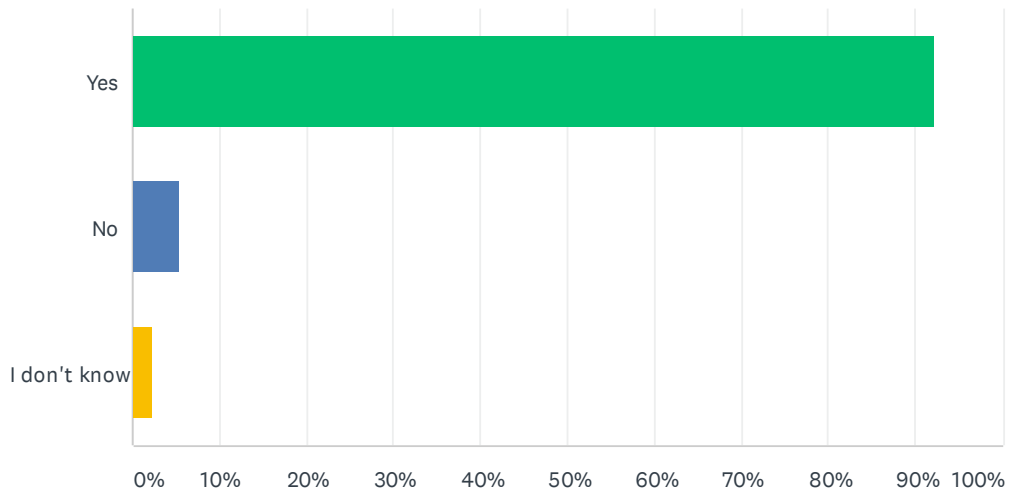
Answered: 461 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes	89.59%	413
No	8.24%	38
I don't know	2.17%	10
TOTAL		461

Q11 Does IA staff have a plan to work remotely (i.e. laptop, screens, connection)?

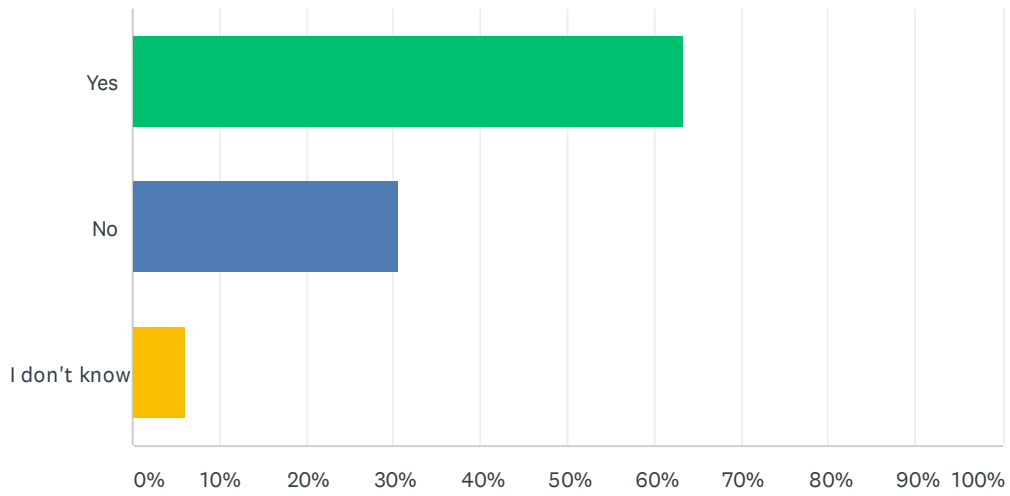
Answered: 461 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes	92.19%	425
No	5.42%	25
I don't know	2.39%	11
TOTAL		461

Q12 Does your audit department have the ability to maintain working papers in the cloud?

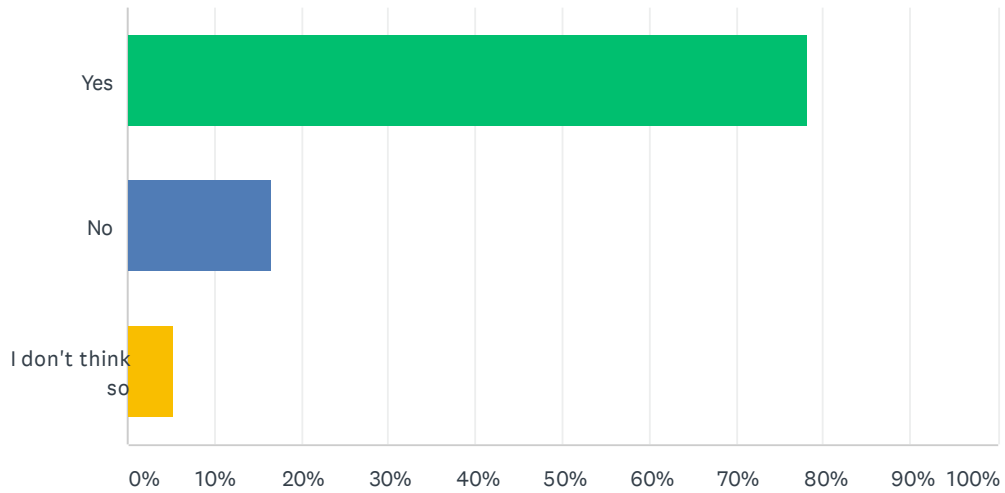
Answered: 459 Skipped: 4



ANSWER CHOICES		RESPONSES	
Yes		63.40%	291
No		30.50%	140
I don't know		6.10%	28
TOTAL			459

Q13 Are you able to continue your audit assignments working remotely?

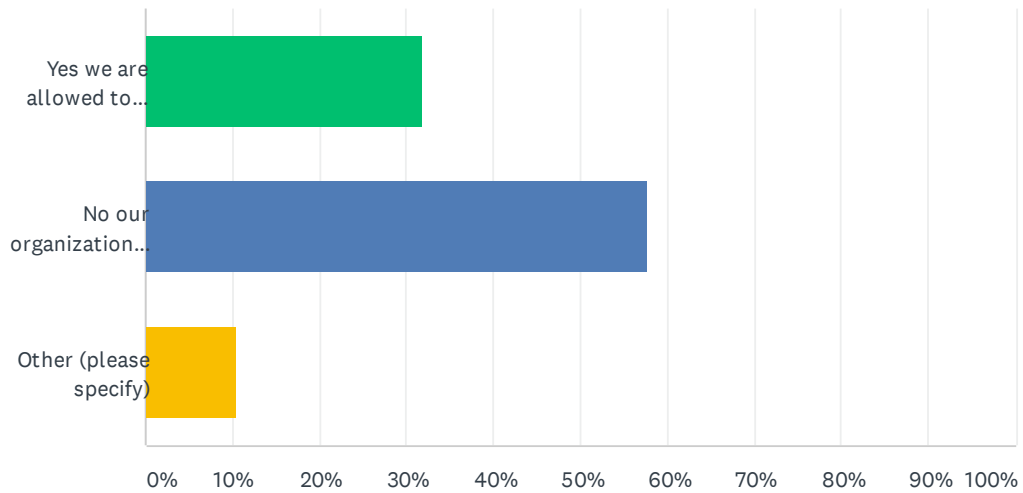
Answered: 461 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes	78.31%	361
No	16.49%	76
I don't think so	5.21%	24
TOTAL		461

Q14 Has the audit staff been allowed to continue working onsite while maintaining physical distancing?

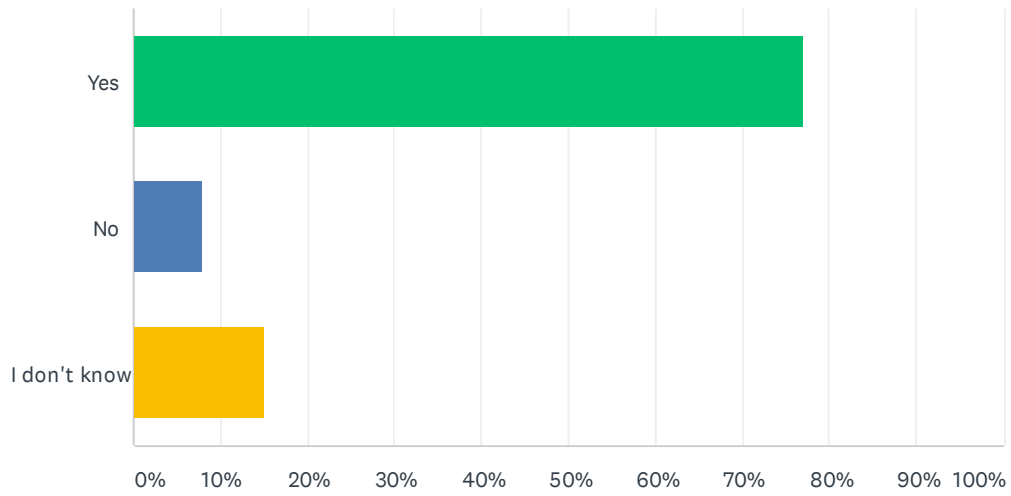
Answered: 461 Skipped: 2



ANSWER CHOICES	RESPONSES	
Yes we are allowed to continue working	31.89%	147
No our organization is not allowing staff to work onsite.	57.70%	266
Other (please specify)	10.41%	48
TOTAL		461

Q15 Are remote access servers secured effectively and configured to enforce telework security policies?

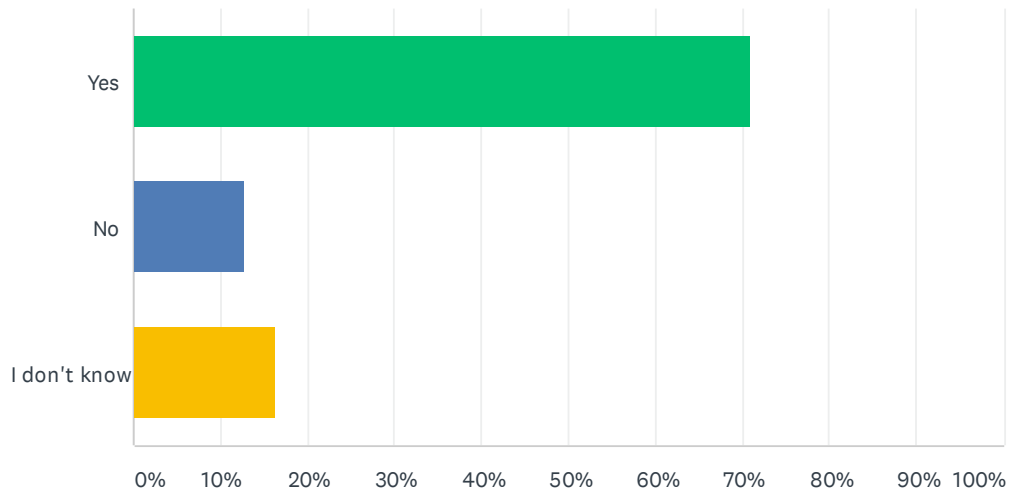
Answered: 453 Skipped: 10



ANSWER CHOICES	RESPONSES	
Yes	77.04%	349
No	7.95%	36
I don't know	15.01%	68
TOTAL		453

Q16 Does the work from home (telework) policy cover safe computing from off-site locations?

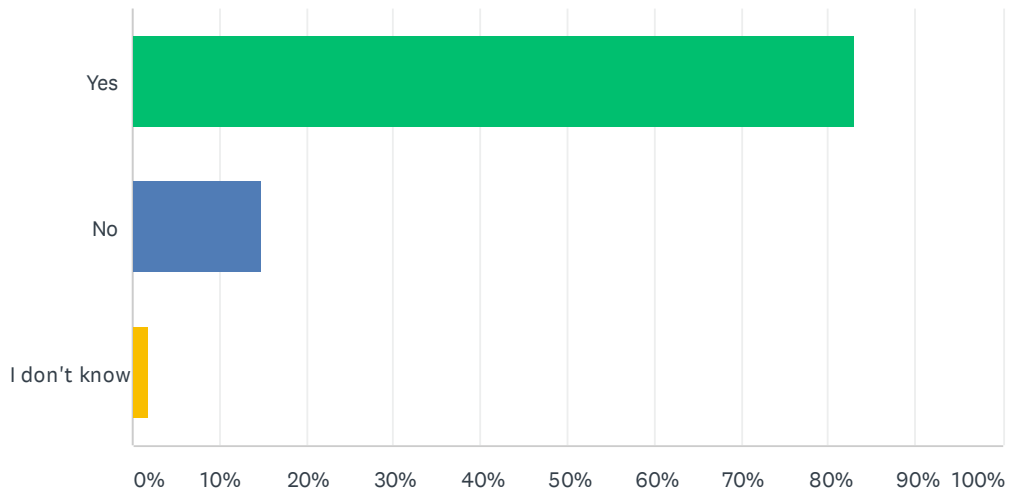
Answered: 453 Skipped: 10



ANSWER CHOICES	RESPONSES	
Yes	70.86%	321
No	12.80%	58
I don't know	16.34%	74
TOTAL		453

Q17 Has your organization communicated a clear plan of action during the Covid-19 Pandemic?

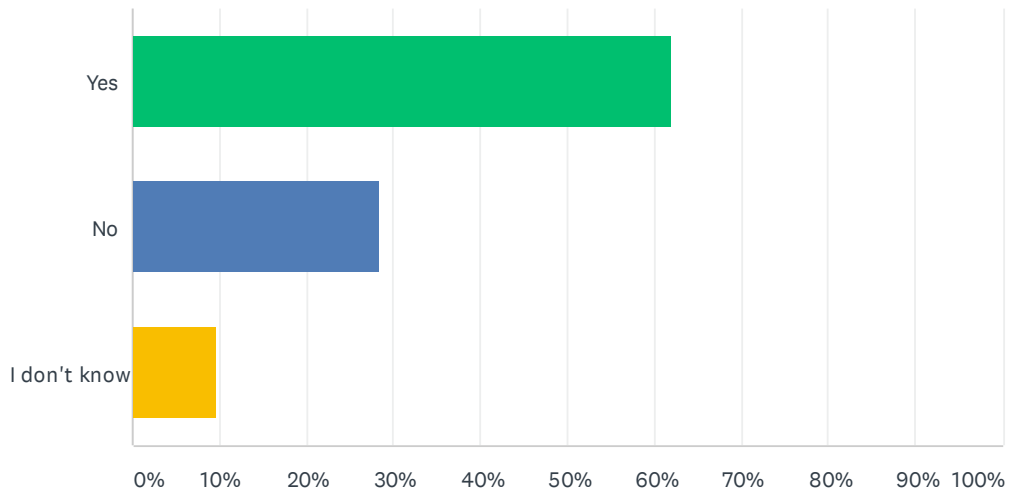
Answered: 456 Skipped: 7



ANSWER CHOICES	RESPONSES	
Yes	83.11%	379
No	14.91%	68
I don't know	1.97%	9
TOTAL		456

Q18 Has your audit department re-prioritized the audit plan based on the impact of COVID-19?

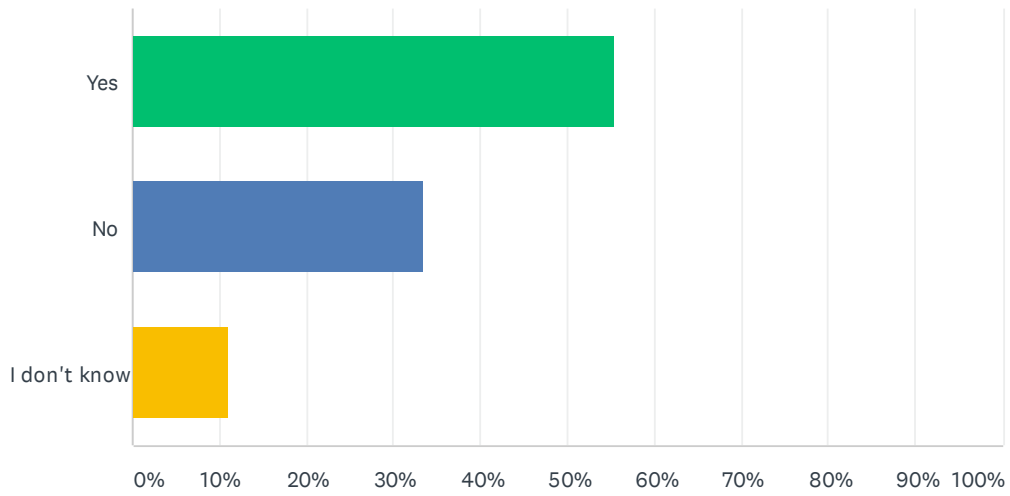
Answered: 460 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	61.96%	285
No	28.48%	131
I don't know	9.57%	44
TOTAL		460

Q19 Does your organization have an emergency check-in procedure for staff?

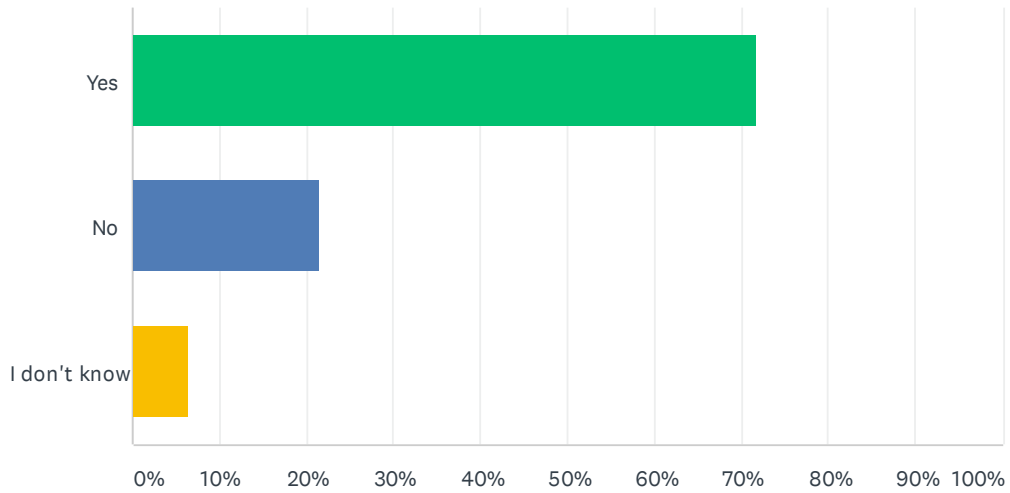
Answered: 459 Skipped: 4



ANSWER CHOICES	RESPONSES	
Yes	55.34%	254
No	33.55%	154
I don't know	11.11%	51
TOTAL		459

Q20 Does your audit department encourage online training during a crisis?

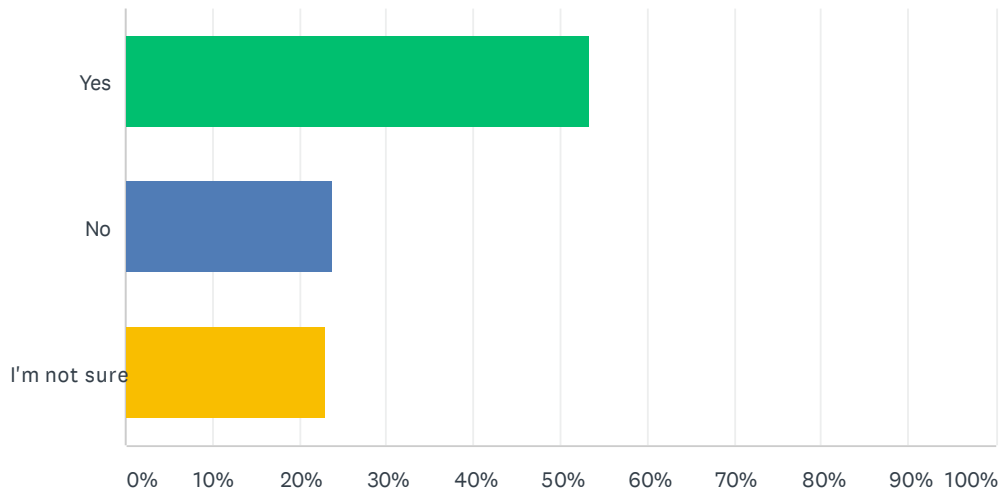
Answered: 458 Skipped: 5



ANSWER CHOICES	RESPONSES	
Yes	71.83%	329
No	21.62%	99
I don't know	6.55%	30
TOTAL		458

Q21 Do you foresee changes in your audit department's operation after the pandemic?

Answered: 458 Skipped: 5



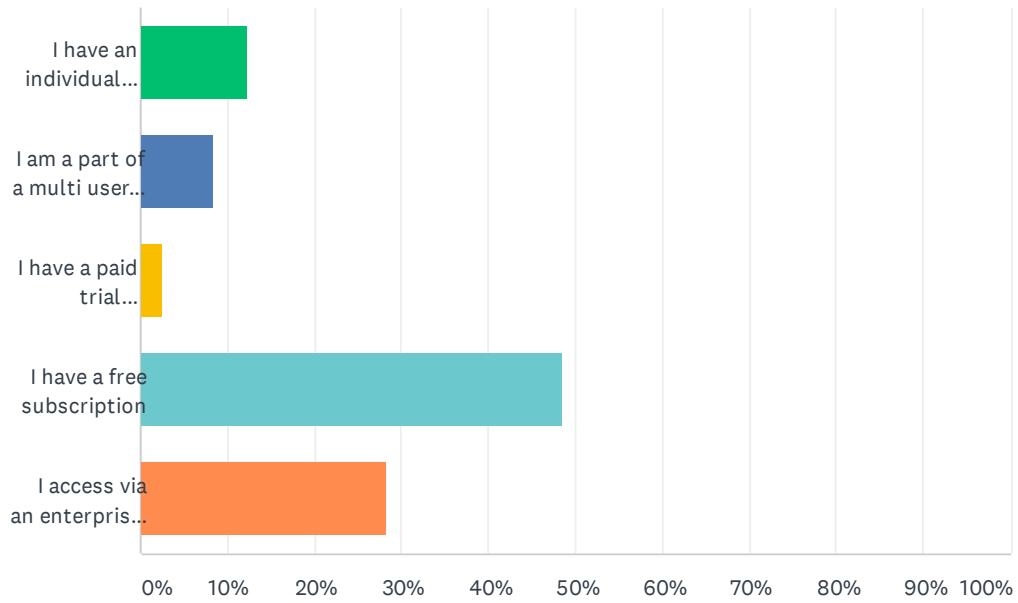
ANSWER CHOICES	RESPONSES	
Yes	53.28%	244
No	23.80%	109
I'm not sure	22.93%	105
TOTAL		458

Q22 What is the biggest change you expect in your audit organization?

Answered: 312 Skipped: 151

Q23 How do you access AuditNet?

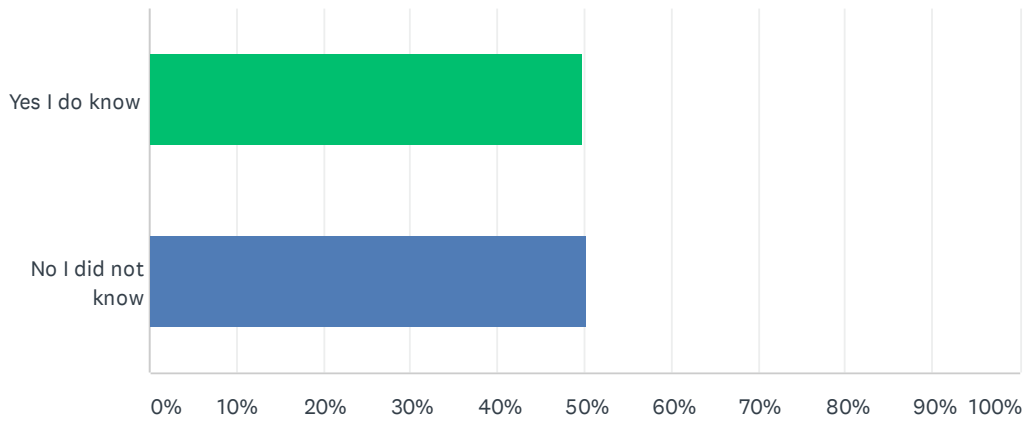
Answered: 358 Skipped: 105



ANSWER CHOICES	RESPONSES	
I have an individual annual subscription	12.29%	44
I am a part of a multi user group subscription	8.38%	30
I have a paid trial subscription	2.51%	9
I have a free subscription	48.60%	174
I access via an enterprise site license (ACL, Arbutus, AHIA, Caseware IDEA, KnowledgeLeader, SAP, TeamMate, Workiva)	28.21%	101
TOTAL		358

Q24 Did you know that paid subscribers and site license users can register and attend AuditNet hosted Webinars and earn free CPE?

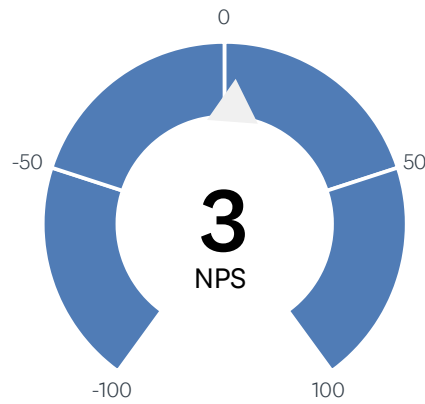
Answered: 448 Skipped: 15



ANSWER CHOICES	RESPONSES	
Yes I do know	49.78%	223
No I did not know	50.22%	225
TOTAL		448

Q25 How likely is it that you would recommend AuditNet to a friend or colleague?

Answered: 434 Skipped: 29



DETRACTORS (0-6)	PASSIVES (7-8)	PROMOTERS (9-10)	NET PROMOTER® SCORE
29% 125	39% 171	32% 138	3

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Answered: 121 Skipped: 342