



Factsheet: Remote Auditing

What is remote auditing?

Remote auditing is where an auditor uses technology to perform an audit without visiting the building where the audit client is located.

The auditor uses technology to gather audit evidence to review conformity to audit criteria. This may be documents and electronic data via screen sharing. It can also be used for online discussions, opening and closing audit meetings, and in some cases site inspections.

Why remote auditing?

The coronavirus issue has been a major driver of auditors using remote auditing due to local, national and international travel being restricted.

Auditors have always had the opportunity to use remote auditing whether they are internal auditors, ISO management system auditors or external auditors. While some auditors may have dabbled in remote auditing, it was not widespread until the coronavirus issue emptied offices and forced people to work-from-home.

The most likely reason remote auditing was rarely used is that most auditors are tied to the concept of onsite auditing using onsite data which is often documents. Interestingly, auditors have been using electronic data from information systems for decades and yet have not adapted their work practices to consider remote auditing.

Neither have most auditors made the effort to really get into data analytics to analyse data remotely and do away with need for physical site visits.

What technology tools can be used?

There are numerous videoconference applications, with commonly used examples being:

- › BlueJeans
- › Microsoft Teams
- › Skype
- › Webex
- › Zoom

There are many others.

These are freely available, but concerns have been expressed about videoconference application online security.

Advantages and disadvantages

Remote auditing has advantages and disadvantages:

Advantages	Disadvantages
Does not matter where you or your audit client are located	Bandwidth issues in some locations can make technology connectivity problematic
It is immediate	May be questions around security of videoconference applications
Experts can be more easily incorporated into the audit when required	Onsite inspection and observation cannot be replaced by videoconference
Reduced carbon footprint and business travel costs	Many people prefer face-to-face contact
There could be reduced audit time and cost	Can be difficult to get to know, or even confirm the identity of, people via videoconference
	People who turn off the computer camera take away the personal touch
	People multi-task when videoconferencing rather than concentrating on the current task
	Auditor may not see source data or original documents
	Opportunity for fraud through 'doctored' documents presented online for auditor review
	May not be possible to perform every audit test via videoconference for example inventory verification
	Expected reduction in audit time and cost may not be achieved
	Lot of time taken 'checking in' on work colleagues
	Family pets getting in on the videoconference

You would think remote auditing would be embraced by auditors for its immediacy, if only for reduction in auditor travel, therefore leading to quicker audits. But what we seem to have seen so far with the coronavirus work-from-home situation is that audit delivery time seems to be blowing out and annual internal audit plans not being completed on time. The reasons for this are unclear.

Online conferencing netiquette

- › **Location:** Find a quiet space without interruptions or background noise.
 - › **Get a suitable background:** To provide a point of difference and minimise background distractions, consider a suitable visual background behind you by using the online feature. Make sure the background will not be offensive to any meeting participants. This will stop meeting participants passing judgement on you for your choice of books in the bookshelf. Your background should not be sunlight through bright windows.
 - › **Test beforehand:** If it is an important meeting, it can be a good idea to have a quick test the day before to make sure the technology is working for everyone. This will minimise disruption when the meeting starts the next day. The test should include downloading the online videoconference application and familiarising yourself with features you may need to use on the day such as mute / unmute microphone, stop / start video, screen share, etc.
 - › **Join early:** If you are the meeting host, connect about 15 minutes before the meeting. If you are a participant, connect at least 5 minutes before the meeting.
 - › **Look professional:** If it is a work meeting, be well-groomed and wear appropriate clothing (at least the top half people can see).
 - › **Set-up:** Have good lighting on your face so you can be seen clearly.
 - › **Behaviour:** Remember the 'rules' for meetings are no different for face-to-face or videoconference, so apply common sense to your behaviour.
 - › **Mute your microphone:** To help keep background noise to a minimum, make sure you mute your microphone when you are not speaking.
 - › **Be mindful of background noise:** When your microphone is not muted, avoid activities that could create additional noise such as shuffling papers.
 - › **Position your camera properly:** If you choose to use a web camera be sure it is in a stable position and focused at eye level if possible. Doing so helps create a more direct sense of engagement with other participants.
- › **Keep the camera on:** While it may be necessary to turn the camera off because of poor technology bandwidth, it is generally best to keep the camera on to foster engagement with other meeting participants.
 - › **Think about how you look:** Many people have their heads filling the whole screen which is most times far closer than people would see us in a face-to-face meeting. It is OK to sit back from your computer camera.
 - › **Limit distractions:** You can make it easier to focus on the meeting by turning off notifications, closing or minimising running apps, and muting your smartphone. Give the meeting your full attention by not replying to e-mails or text messages during the meeting and wait to work on that PowerPoint presentation until after the meeting ends.
 - › **Address Internet disruptions:** If you are experiencing Internet connection issues, try using your computer to access video while simultaneously dialling in by smartphone for audio.
 - › **Monitor the chat function:** Ensure your chat function is switched to address all participants for questions or comments as they come.
 - › **Asking questions:** Not all participants may have access to an icon which allows them to 'raise their hand' to ask a question or make a point. If this applies to you, it may be best to type in your question or comment via the chat box.
 - › **Take breaks:** It can be difficult to sustain attention when online conferencing, so the chairperson should make sure there are frequent breaks for coffee and comfort stops.

The Key Question

The internal auditor must weigh up the risks and costs associated with remote auditing rather than visiting the client's location. It is still necessary for the internal auditor to collect sufficient, reliable, relevant, and useful information to address the audit objectives. This is a matter for professional judgement and, if the chief audit executive concludes evidence gathering is compromised by any circumstances that preclude site visits, these circumstances and the implications for the results of the audit should be declared in the internal audit report.