

## Remote IT Compliance Audits During COVID-19 Pandemic

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**ABSTRACT:** Organisations have been trying to minimize the business interruptions during COVID-19 pandemic and stay compliant to IT security standards and regulations. Adopting to communications and analytic technology is aiding in reducing the costs of audit compliance processes. This research paper describes the concept of the “remote audit” as the process where the auditor interacts with auditee and collect evidence via electronic means irrespective of the physical location of the auditor or auditee. Performing audits remotely have its limitations but it can surely render positive results depending on the efficient usage of Information & Communication technology tools. Though, may not be complete replacement of traditional on-site audits, remote audits promise positive future with ever evolving communication technology.

**KEY WORD:** IT Audit, Compliance, Remote Auditing, COVID-19

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### I. INTRODUCTION

An Information Technology (IT) audit is the assessment of an organization's IT infrastructure, policies and procedures against recognized standards or established policies. IT audits establish whether IT controls protect organizations’ assets and ensure that Confidentiality, Integrity and Availability (CIA) of data is maintained. Very few organisations would have anticipated how the regular on-site compliance audits would change during COVID pandemic. Since most of organisations’ staff work from home during COVID, this has made on-site audit possibility nearly unfeasible. The absence of IT compliance checks could lead to weaker IT infrastructure and susceptible to cyber-attacks which are prevalent during COVID pandemic. Thus, the remote audits play a vital role in maintaining the IT security compliance keeping the IT infrastructure secure during pandemic.

### II. REMOTE AUDIT AND ITS PROS & CONS

The remote audit is the process where the auditor interacts with auditee and collect evidence via electronic means without any physical meeting (Teeter, Alles and Vasarhelyi, 2010). The crucial difference between traditional audits and remote audits is the absence of in-person, face-to-face interactions, which changes how audit elements like walkthroughs, inspections, interviewing, and other audit procedures must be performed. The reliance is totally on technology components which include interactive and web-based video conference platforms, software to securely share data, and remote access to IT systems of the auditee (Eulerich, Wagener and Wood, 2021).

Remote audit has its pros and cons over traditional audit. The table below highlights some of the major advantages and disadvantages of remote audits (Barnhill, 2020; Litzenberg and Ramirez, 2020).

**Table 1: Remote IT Audit – Pros & Cons**

Advantages	Disadvantages
No travel time and travel costs involved. This can provide significant savings.	Due to network issues, interviews and meetings can be interrupted.
Comfort and flexibility to the audit team as they would be working from home environment,	Limited or no ability to visualize facility and equipments, culture of the organization, and the body language of the auditees. Time zone issues could also affect the efficiency of remote audit session.
Time required to gather evidence can spread over several weeks, instead of concentrated into an audit period that takes personnel from their daily activities.	The opportunity to present doctored documents and to omit relevant information is increased. This may call for additional planning, some additional/different audit procedures,
Auditor can get firsthand evidence directly from the IT system as direct access may be provided.	Remote access to sensitive IT systems may not be allowed. Security aspects related to remote access and privacy needs to be assessed.
Remote auditing requires additional planning and preparation for the auditor which will result in improved and effective audit.	Auditor fatigue as there are no tours or breakout sessions with the auditees to break up the day.
Widens the selection of auditors from global network of experts.	Cultural challenges for the auditor. Lack of knowledge for local laws and regulations could impact the audit.

### III. EFFECTIVE REMOTE AUDIT APPROACH

Organisations must develop tailored strategies to ensure the remote audit meets the requirements and deliver results equivalent to traditional onsite audits. Below are the steps which could aid the efficiency and effectiveness of remote audits.

#### Planning

Audit planning and scoping is crucial in every audit. This includes a discussion of the scope and schedule, and auditors must allow adequate time to explain the remote audit approach to the participants. This should include an explanation of anticipated similarities and differences between face-to-face audits that stakeholders are accustomed to and remote audits (Litzenberg and Ramirez, 2020).

The COVID-19 pandemic has changed the entire business landscape and processes have been adjusted to this new situation. There are newer risks with the changed business environment, thus, it is essential to assess the new risks and changes it may cause in the internal control environment.

Planning should also involve agreeing on audit timelines, meeting platform to be used for audit sessions, data exchange mechanisms, any access authorization requests.

#### Execution

The execution phases of a remote audit involve video/tele conferencing with auditees. The documentation for audit evidence should be transferred through a document sharing platform. To ensure data security and confidentiality, access to document sharing platform should be sufficiently restricted and secured by encrypting the data that is sent across the network. The information, once reviewed and documented by auditor, is removed from the platform, and stored according to applicable archiving standards and data protection requirements. Remote documentation review does not allow simultaneous questions thus while reviewing audit documents, the auditor should take notes and write down questions to be asked during the remote interviews.

#### Reporting

The communication from auditor as well as auditees need to be clear and consistent, and this becomes crucial during remote audit. Since, the businesses are already distressed due to COVID, focus should be on key risk findings. During the closure meeting, each observation needs to be discussed and validated with the auditees before finalizing the report. This will help resolve any questions or concerns. There can be a debrief on the remote audit procedure to assess its effectiveness and to identify opportunities for improvement (Litzenberg and Ramirez, 2020).

### IV. CONCLUSION

Remote auditing plays a vital part, and provide assurance when unprecedented circumstances, like COVID, prevent business as usual and restrict travel worldwide. It provides an opportunity for organisations and auditors to leverage communication technology tools. In addition, management perception about remote audits is changing as it provides flexibility in terms of time ensuring that day-to-day business activities are not impacted, along with the reductions in costs. Audit teams would need to quickly adapt to remote audits, become more resilient for future crises. Remote audits would be prevalent even after pandemic due to advantages they have over the traditional methods but may not be complete replacement for on-site audits due to innate limitations associated with remote audits. With the emerging technology and tools, the limitation associated with remote audits may reduce but the organisations need to find the balance whether to use remote or on-site audit approach depending on the risk analysis of the business environment it operates.

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