

# Audit & Assurance in a virtual Environment

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# Key considerations to be made during covid audits

1. Public interest responsibility remains paramount
2. Heightened risk either from deliberate action or errors
3. A need for diligence, integrity & professional judgement
4. The world is depending on auditors for fair and reliable financial reporting and disclosures
5. Need for greater transparency and disclosure of forward-looking information
6. play a pivotal role in ensuring the continued ability of organizations to be resilient to the significant challenges they face in these difficult times
7. Our actions today will have a significant impact on our reputation and standing tomorrow
8. being open and alert to further action needed

# Key considerations For TCWG

1. Preparation of financial statements still remains the responsibility of TCWG
2. Asses the impact of C19 on estimates and judgements
3. Asses the going concern of the entity
4. Need for proper and adequate financial reporting and disclosures
5. Keep the reporting deadlines
6. Be careful with valuations
7. Look at possibility of enhanced impairment
8. Keep hope alive

# Key areas management will have to look at

- Going concern (IAS 1)
- Events after the reporting date period, adjusting events: (IAS 10)
- Fair value measurement (IFRS13)
- Impairment of non-financial assets (IAS 36)
- Expected credit losses for financial assets (IFRS9)
- Lease accounting (IFRS 16)
- Revenue recognition (IFRS 15)

# Identifying and assessing risks of material misstatement ISA 315 (Revised)

- The impact on the planned audit approach of new or revised risks that have arisen because of COVID-19
- Possible revision of risk assessments already made
- The impact of changes to the auditor's understanding of the entity's system of internal control, including:
  - The control environment
  - Changes to the planned reliance on controls in determining responses to identified risks of material misstatement

# Responding to Assessed Risks (ISA 330)

- ability to obtain sufficient appropriate audit evidence
- Access of locations or critical client personnel
- Need for experts in valuation
- Review of end year journal entries & adjustments
- The financial statement closing process
- overall presentation of the financial statements
- Adequacy of disclosures have been made.
- sufficient appropriate audit evidence has been obtained.

# ISA 540 (Revised)

## Auditing Accounting Estimates

- Changes to regulatory factors that may affect accounting estimates (e.g., initiatives aimed at sustainable solutions for temporarily distressed debtors in the context of the outbreak).
- Whether assumptions are appropriate in the circumstances and in the context of the applicable financial reporting framework (e.g., cash flow forecasts, discount rates, etc.).
- Whether data being used by the entity is relevant and reliable.
- The effect of changing inherent risk factors, in particular uncertainty.

## The auditor's responsibilities relating to subsequent events (ISA 560)

- shifting reporting deadlines increases the period (and therefore the related risks) for events occurring between the date of the financial statements and the date of the auditor's report.
- The identification of any material subsequent events related to COVID-19
- whether these have been appropriately addressed or disclosed in the financial statements in accordance with the financial reporting framework

# The auditor's responsibilities relating to going concern (ISA 570)

- The company's liquidity over the duration of Covid-19 and after
- Any breach of financing terms
- Deferral of financing repayments and
- The use of available government subsidies and other support
- the impact of Covid-19 in the overall operations of the company
- Loss of major market, key customer(s), revenue, labour shortages
- Significant deterioration in value of assets used to generate cash flows
- • Significant deterioration in the value of current assets – inventory
- • Delay in the launch of new products or services

# Group audits (ISA 600)

- If applicable, reassessment of the group auditor's planned procedures in relation to the work of component auditors, such as the ability of the group auditor to appropriately review (or be involved in) the work of component auditors, i.e.,
- whether alternative procedures need to be considered, and the impact on the sufficiency and appropriateness of audit evidence on which to base the group audit opinion..

# Forming an opinion and reporting on financial statements (including key audit matters) (ISA 700 (Revised) and ISA 701

- Focusing on matters to be able to conclude, including whether all key aspects of the audit have been appropriately addressed, such as:
- Areas that may require management to provide further evidence due to the fast-changing nature of this issue.
- New uncertainties introduced as a result of COVID-19, e.g., have appropriate changes been made to recognize any enhanced uncertainty in the calculation of accounting estimates (including impairment calculations);
- The impact of new or changed laws or regulations on the financial statements.
- Where applicable, new key audit matters to be included in the auditor's report (e.g., matters that rise to the level of requiring significant auditor attention owing to the impact of COVID-19).

# Challenges to auditing remotely

General guidance, tips, and resources for employees during the COVID-19 outbreak

As of March 17, 2020

# Considerations for working remotely

1. Work characteristics
2. Work and technology set up
3. Compliance with labour laws
4. Cost considerations
5. Readiness and acceptance
6. Value for the employee
7. Value for the firm
8. Cultural issues

# Some unique audit complexities

1. Team members need both task and relationship support .
2. Sharing on what to do, and, how to do it
3. The experienced/technical members guide on how to perform certain tasks.
4. Difficult to identify & respond to those who need emotional support.
5. Long working hours can take a toll on many
6. Being around a big family or household
7. sense of isolation many remote workers feel.
8. audit teams are constantly changing

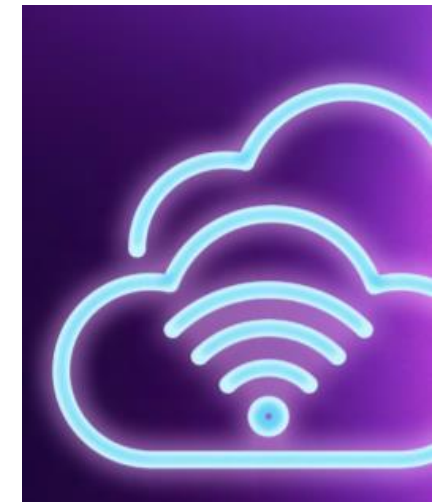
# Preparing Future-Ready Audit practices

- **Practice Transformation Action Plan – A Road Map to the Future**
  - Embrace Change
  - Leverage Technology
  - Focus on Talent Management
  - Evolve the Firm Operating Model and Build Advisory Services
- Dedicated webpage featuring examples/ case studies from innovative SMPs and PAO initiatives



# Adopt & Embed Technology

1. Conduct an Environmental Scan
2. Align with the Long-Term Strategy & Formulate a Realistic Implementation Plan
3. Adopt the Cloud
4. Involve Clients in Technology Decisions
5. Identify and Support an Internal Technology Champion



# Areas That SMPs Can Evolve In The Digital Era .....

1. Offer On-going Learning and Continuous Development
2. Empower Staff to Innovate
3. Engage in Transparent Career Progression Conversations
4. Introduce Flex-Time
5. Use a Variety of Recruitment Techniques  
e.g. social media



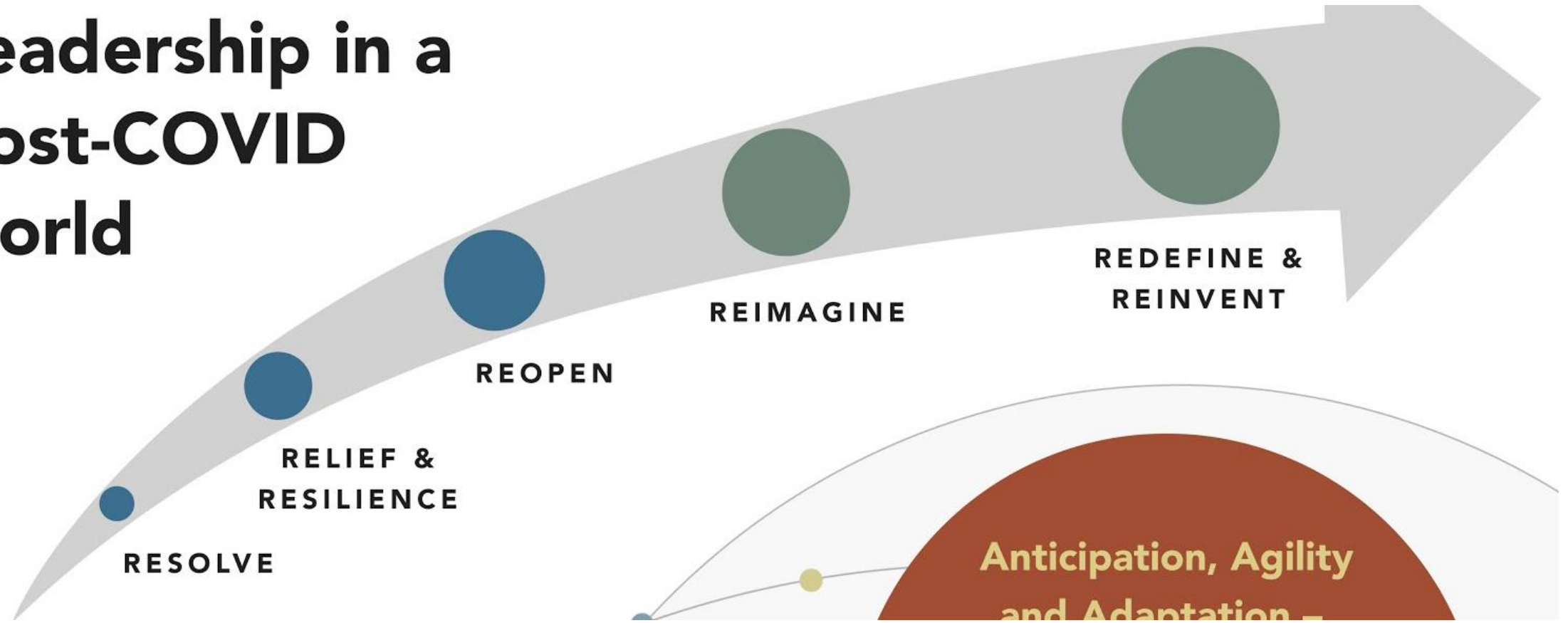
## ....In Order To Thrive

1. Move from Transactional to Strategic Services
2. Re-Evaluate the Services provided and Marketing Strategies
3. Move into a Niche Market
4. Use Networks, Associations and Alliances to Add Value
5. Conduct a Regular Strategic Review

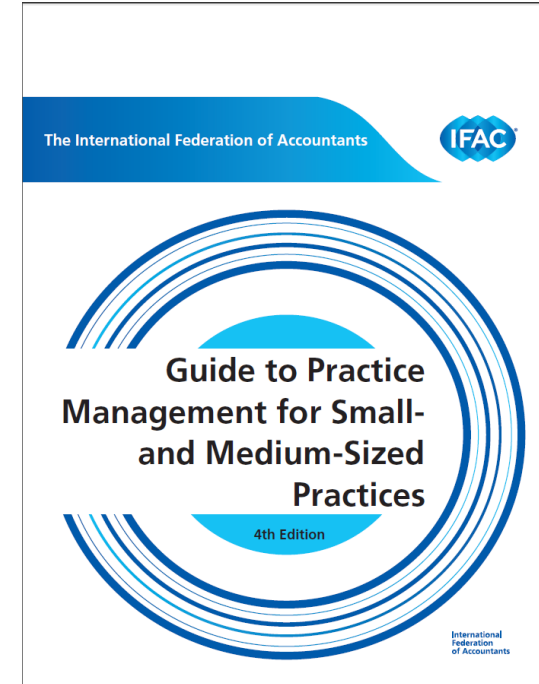


# Impact of COVID

## Leadership in a post-COVID world



# The New Tomorrow



# Guide to working from home

General guidance, tips, and resources for employees during the COVID-19 outbreak

As of March 17, 2020

# Global concern

- Goal is prevent further spread of the COVID-19 virus
- Many are working from home for the first time
- sustained period of working from home
- working from home is new and can feel difficult.
- tips to help you stay healthy, engaged, and productive.

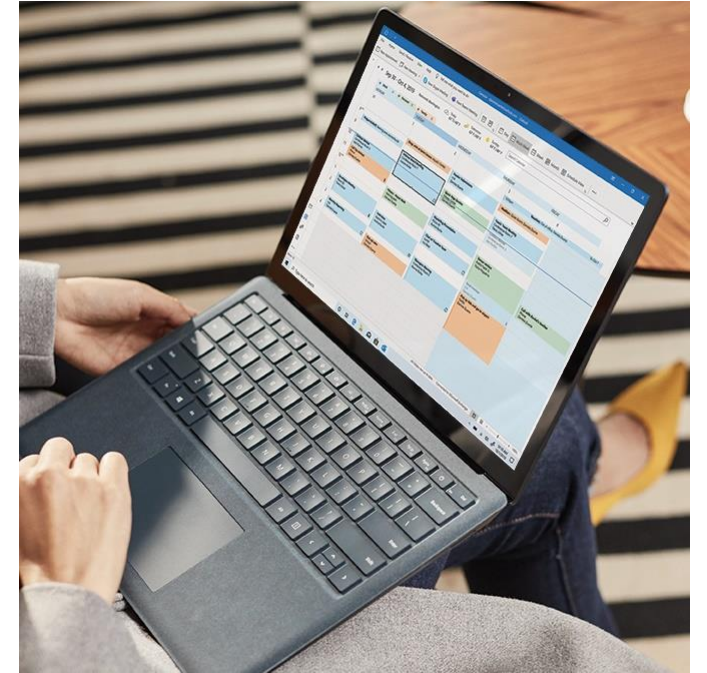
# Guide to working from home



**Set up  
your workspace**



**Stay connected  
to each other**



**Manage your time  
and well-being**



**Set up your (physical and virtual) workspace**

# Set up your physical workspace

Take the time to set up a workspace that is safe, comfortable, and where you can work effectively.



## A safe and secure space

Find a safe space to work—good ventilation, proper lighting, good ergonomics, and comfortable furniture are just a few things to consider.



## Minimize distraction and disruption

If possible, aim for a space with minimal distractions (noise or clutter) and disruptions. We realize this can be challenging with others home as well during this time.



## A place for equipment and materials

Identify a 'work base' where your equipment and materials can remain undisturbed, even if you shift locations during the day.

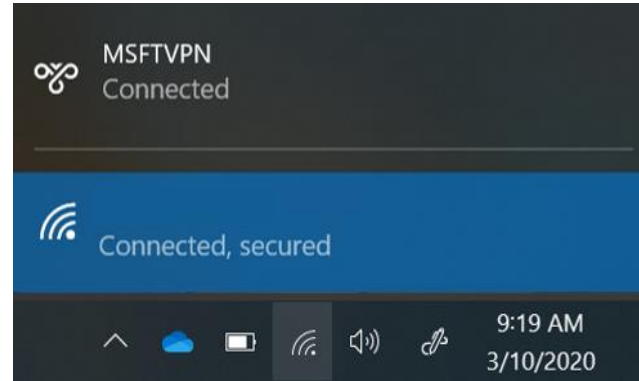
# Set up your virtual workspace

Continue to collaborate and be productive from wherever you might be working.



## Use your best connection

A wired network connection is best, if possible. When using a wireless connection, consider your distance from the router and obstacles in between that can affect your connection quality.



## Think secure, be secure

You can use many apps and sites with a standard internet connection. To securely access internal resources and work with confidential data, you might need to connect via VPN or remote desktop.



## Mobile when you need it

Installing the apps you need on your phone is a great alternative when your local internet is experiencing high usage that affects your connectivity.

# Get your video ready

Using webcam can help connect with colleagues and customers when you are not together in person.



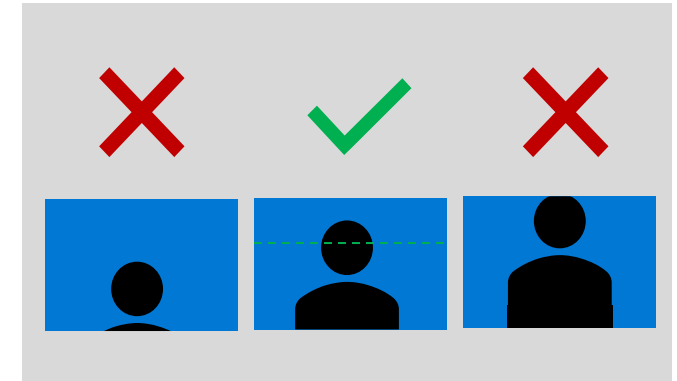
## Video on (when possible)

It makes for more inclusive meetings and helps you to be present and engaged in the meeting. It can also help to see facial expressions to increase connection and understanding.



## Check your surroundings

Be aware of what is in view and use 'blur my background' in Microsoft Teams to help minimize distractions and protect privacy.



## Camera framing

Point your camera so your eyes are ~2/3 up the screen and your face is visible.



Video can sometimes strain limited bandwidth so consider turning your camera off if the connection is poor. Need additional resources for using Teams video? Learn more on the [Office support site](#).



**Stay connected to each other**

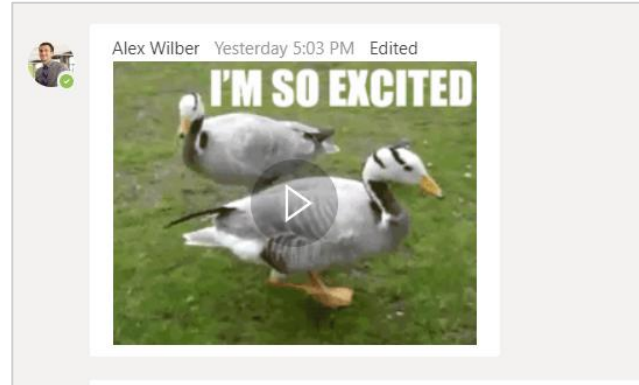
# Communicate

There are many ways to stay connected while working from home.



## Communicate often

Make it a habit to connect frequently with your colleagues and stakeholders. Open a Teams channel for ongoing conversations or start a shared document to share progress updates.



## Make space for fun

Use a Teams channel dedicated to fun—share news, pictures, and stories. Try a GIF, sticker or emoji to express yourself.

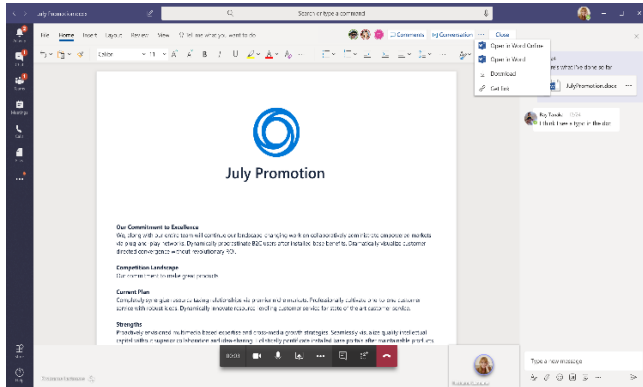


## Virtual 'water cooler'

Make up for missing corridor talk or connecting in the kitchen or canteen by using chat messages or calling. Set yourself a reminder to check in with people regularly.

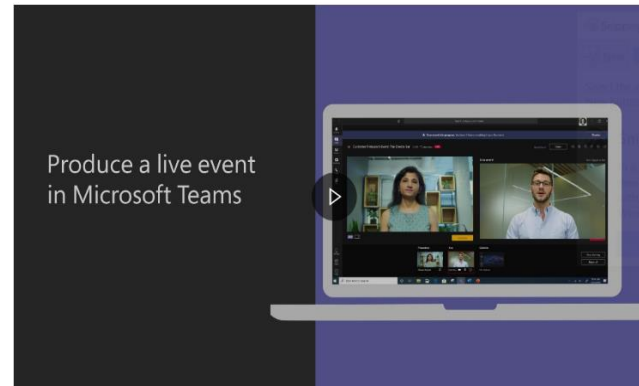
# Collaborate

Don't miss a beat by using technology to connect and collaborate regardless of location.



## Ideate and iterate—real time

Share the content your audience needs to see with screen sharing, and work to edit in real time with coauthoring in Teams. If you need to brainstorm, use Whiteboard in Teams as a digital canvas for your ideas to come to life.



## Switch to digital events

Keep your events on the books with Teams live events that allow you to broadcast video and meeting content to large online audiences. This can be used for anything from a team all-hands to external forums.

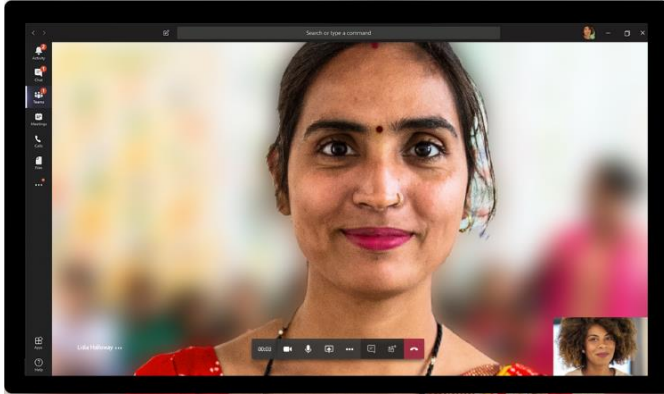


## Virtual 'huddle'

Quick meetings are effective at getting everyone on the same page quickly. Schedule a quick call with your collaborators to get the same impact of a quick in-person connection.

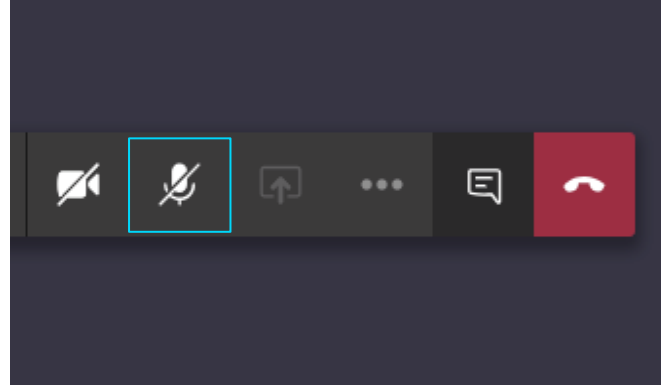
# Lead inclusive online meetings

As you move your meetings online, take these steps to make them productive and welcoming for everyone.



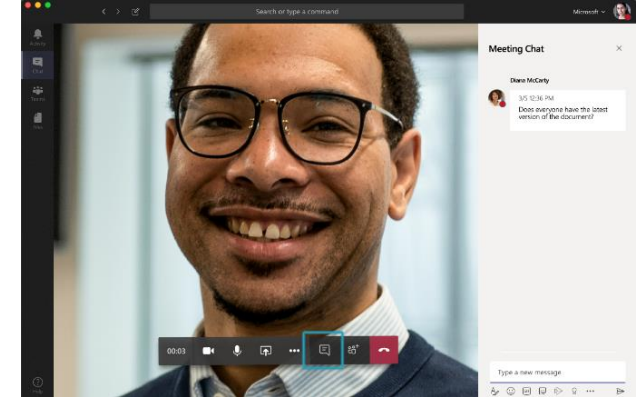
## Be present and respectful

Limit multitasking during meetings. Turning on your video can show that you are paying attention and allow you to focus on the person or people on your call. Blur your background to reduce distractions.



## Pause for others to speak

It can be hard to find space to speak in a meeting, and even harder when everyone is virtual. Make sure there's time and opportunity for all voices to be heard.



## Monitor meeting chat

People may not feel comfortable breaking into the conversation or may be having technical difficulties. Check the Teams meeting chat often for comments.

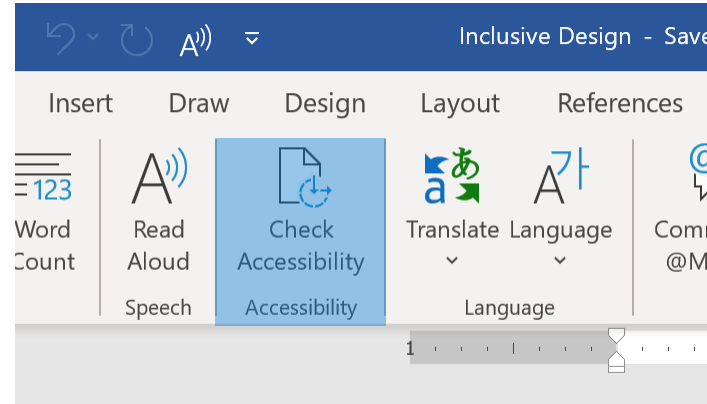
# Think about accessibility

Follow these simple tips to be inclusive of colleagues and customers with disabilities.



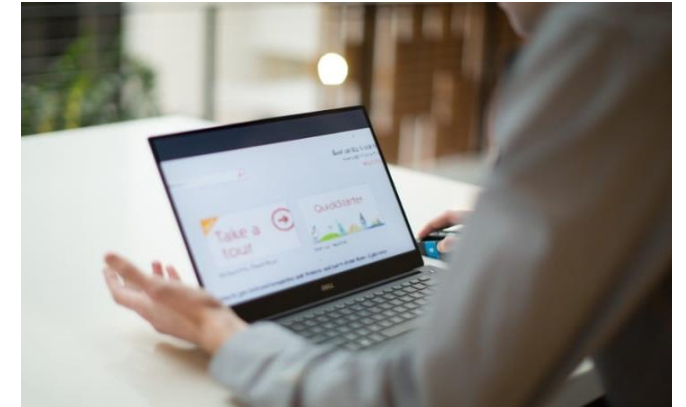
## Turn on live captions

Turn on live captions in Microsoft Teams to get real-time captions during your call. If posting a video use Microsoft Stream to automatically add real-time captions and searchable transcript.



## Make sure your content is accessible

Send materials ahead of your meeting and use Accessibility Checker to check your Microsoft 365 documents are inclusive to people with disabilities. Remember ~70% of disability is invisible; you never know who needs accessible content.

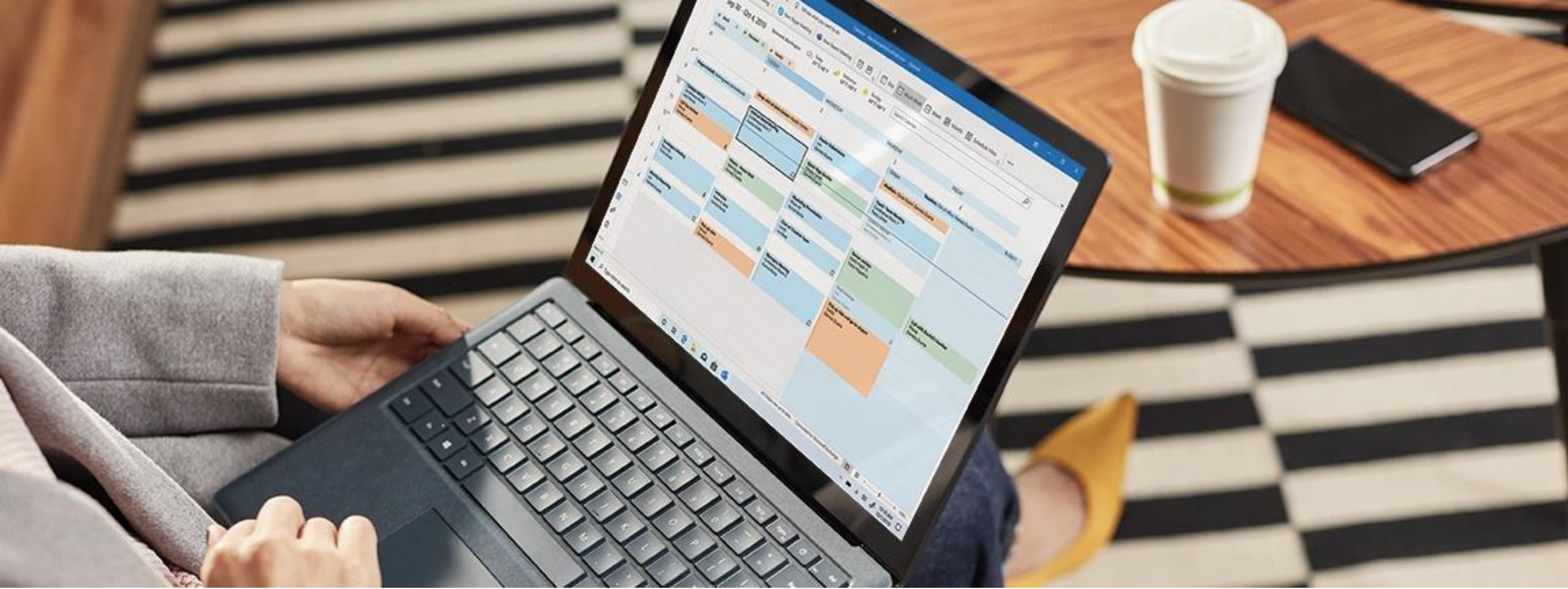


## Make Windows 10 easier to see

Is your cursor hard to see, need to increase font size or need to distinguish colors easily? You can change all these and more in Windows 10 Ease of Access Center.



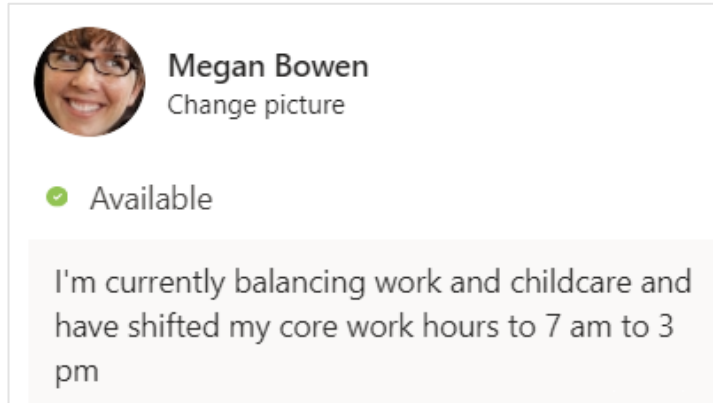
For more hints and tips on accessibility check out the [Accessibility site](#).  
If you are a person with disability needing assistance with accessibility features, contact the [Disability Answer Desk](#).



**Manage your time and well-being**

# Share your schedule and signal availability

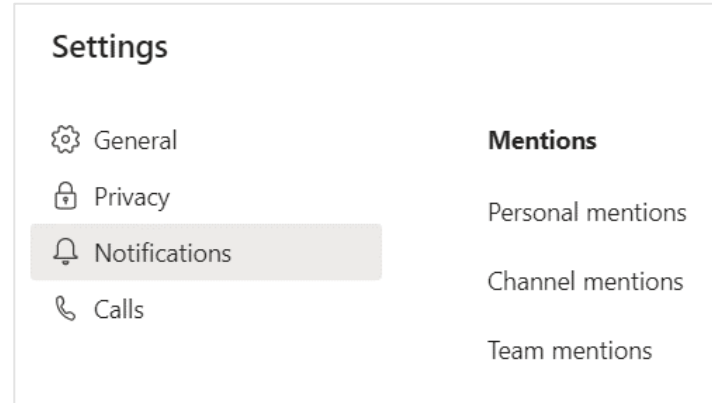
Setting healthy boundaries, managing interruptions, and being clear about when you are available is an important part of managing your time when working from home.



A screenshot of a Microsoft Teams profile card for Megan Bowen. It includes a circular profile picture, her name, a 'Change picture' link, and an 'Available' status indicator. Below this, a text box contains the message: 'I'm currently balancing work and childcare and have shifted my core work hours to 7 am to 3 pm'.

## Set expectations for availability

Your daily schedule or even the hours that you work may change while working from home. Set expectations with your team (and those you live with) around your availability during the day.



A screenshot of the Microsoft Teams settings menu. The 'Settings' title is at the top. On the left, there are four options: 'General', 'Privacy', 'Notifications' (which is highlighted with a grey background), and 'Calls'. On the right, under the 'Mentions' heading, there are three options: 'Personal mentions', 'Channel mentions', and 'Team mentions'.

## See what is important

With everybody working from home, you might see an increase in messages. Use the settings available in Teams and Outlook to customize notifications and prioritize conversations.



## Set boundaries

It can be a challenge to switch 'off' from work when you don't leave the office—or switch 'on' your workday when you don't leave the house. If needed, set clear intentions about work time and home time to avoid burnout or being 'always on'.

# Take care and be mindful

In challenging circumstances, we need to remember to take a step back and focus on our health, wellness, and mindset.



## Don't forget to take breaks

It can be difficult to remember to take breaks. Use your calendar to turn meals and breaks into appointments so you get regular reminders. Block time on your calendar for exercise and fresh air—or just time to step away from your workspace.



## Work-life harmony

We recognize that while working from home you may need to occasionally redirect your time and energy to your loved ones. Continue to access available support options, caregiver benefits, and leave, as needed, to find the balance you need.



## Check-in with you (and others)

It's important to check in with yourself and be mindful of how you are feeling. Anxiety, loneliness, and other feelings are perfectly normal, and we have resources to help you take care. Be sure to check in on others within your community.



# Role of the manager

Managers play a key role in the success of their teams, especially during times of uncertainty and change.



## Lead by example

Model the work from home habits in this document. Be a positive example of the guidance, and make sure to reinforce inclusion. Check in with your employees, ask for perspectives, and identify any areas for improvement.



## Support in new ways

Help each person create their best and most productive work from home environment. Understand any business continuity concerns of your team and support their efforts at working in new ways. Be curious and ask questions that empower employees to find their own solutions.



## Frequent check-ins

These are unusual times with unanticipated challenges and may require more frequent check-ins. Students may be out of school. Be sure to manage expectations, offer support, and take time to understand the unique needs of every employee.

