

Audit Standards Checklist – COVID-19

Recommended IASAB Step		Internal Audit Response
1	Advise the audit committee and other key stakeholders in the governance process of the changes to the audit plan and operations of the internal audit team. A lengthy report is not required but the committee should be made aware. Brief but regular updates should be provided as the situation develops.	<p>The Internal Audit Progress Report sets out:</p> <ul style="list-style-type: none"> • How 100 audit consultancy days will be used for COVID-19 related advice, guidance and support, within three broad and defined areas of work • Further changes to the Audit Plan for Audit Committee awareness and consideration.
2	Maintain regular and constructive communications with external audit. This will help external audit understand how delivery of assurance is being progressed and provide information on changes in the organisation's system of governance and control.	The Audit Manager has regular meetings with the Wales Audit Office (WAO). Discussions have been held around the priority areas of work in quarter one, and key findings.
3	Where internal audit staff are reassigned to undertake advisory or consultancy work rather than assurance engagements then they should be made aware of the standards relating to consulting activities, if they are not already familiar with them.	<p>There are provisions in place for auditors to be suitably aware of the Standards, and their responsibilities.</p> <p>On at least an annual basis, each auditor completes a self-assessment against the IIA Internal Audit Professional Competency Framework. The framework covers technical and behavioural requirements.</p> <p>To further reinforce requirements; in May 2020, all auditors received in-house training on the International Professional Practices Framework (IPPF), and all requirements of the Public Sector Internal Audit Standards (PSIAS).</p>
4	Where internal audit staff are diverted into operational roles it should be made clear that for the duration that the staff are not operating as internal auditors. When staff return to their internal audit role, a review can be undertaken to see if any steps are necessary to address impairment to independence and objectivity (standard 1130).	<p>There has been limited reassignment of auditors into operational roles. A CIPFA trainee provided some support in the preparation of the Pension Fund Statement of Accounts.</p> <ul style="list-style-type: none"> • Each auditor provides a declaration of interest return on a regular basis; • The independence and objectivity of each auditor is assessed prior to assigning each audit engagement, and; • There is an ongoing consideration and management of risks to independence during the course of audit engagements to uphold all necessary requirements of the PSIAS.

5	<p>Keep clear records of the changes to roles and plans. These will help key stakeholders understand the revised arrangements and will help resolve any conflicts of interest later.</p>	<p>Any changes to the Audit Plan are communicated as part of Audit Committee progress reports. The high-level scope of each audit engagement is documented within the audit plan.</p> <p>A terms of reference is issued at the outset of each audit engagement, to set out the audit objectives. The audit objectives are aligned to the overall audit scope, but are prepared following a preliminary assessment of risks and issues in planning the audit.</p> <p>Any extension, adjustment or impairment of scope would be reported to the client with details provided to the Audit Committee as appropriate.</p>
6	<p>Remember the Mission of Internal Audit and act in accordance with it. When the immediate crisis is over the head of internal audit should be able to demonstrate how the operation of internal audit has helped fulfilment of the Mission.</p>	<p>In place. The audit progress report in July 2020, sets out how the Internal Audit Team has worked towards achieving its mission through aligning audit priorities and activities to the environment within which management have been operating.</p> <p>The approach has involved an initial prioritisation of COVID-19 related consultation audit engagements, for critical advice, guidance and support, as managers have needed to adapt and respond to the crisis.</p> <p>The assurance audit engagements from the Audit Plan were then rolled out towards the end of quarter one, as services began to 'restart', to provide assurance on the operation of systems and controls in operation.</p>
7	<p>At all times Internal Auditors should comply with Government advice, and that of their organisation, regarding health and safety during the coronavirus pandemic.</p>	<p>Internal Auditors have worked on a desktop basis, home working has become the default position, and face-to-face meetings have ceased. Practices are designed to follow government and corporate requirements and guidance.</p>