



THE EVOLVING ROLE OF INTERNAL AUDIT IN THE COVID-19 ENVIRONMENT – A STUDY ON EMERGING RISKS AND THEIR MANAGEMENT

March 2022

GIACC

Government Internal
Auditors Council of Canada



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Canada



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The Government Internal Auditors Council of Canada (GIACC) is a pan-Canadian public sector internal audit thought-leader, sharing knowledge in successful, best and leading practices.

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- Leverage shared knowledge on new technologies affecting internal audit
- Promote effective audit committees
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Executive Summary

Purpose

This study conducted by the Government Internal Audit Canadian Council (GIACC), in conjunction with its partners on this project, the Institute of Internal auditors (IIA) of Canada and the Canadian Audit and Accountability Foundation (CAAF), aims to provide a detailed description of the unique risks faced and anticipated to be faced by Canadian governments – federal, provincial and territorial – in a COVID-19 and post-COVID environment and how these governments are adjusting their planning to address it. We have conducted research into the current state of Canadian government internal audit functions in a pandemic response environment and the support provided to their clients. Through this research, we have identified leading practices and practical opportunities to improve this support.

What we examined

As a first step, we conducted an extensive review of the relevant literature. We relied on the substantial repositories of information on COVID-19 created by various professional audit bodies. We also used other professional and academic publications when appropriate. Consultations and a focus group with GIACC stakeholders were also conducted to complement and enrich our understanding of the risks considered by Canadian governments audit leaders when auditing COVID-19 initiatives and programs. We also used these consultations to document emerging good practices. Finally, we conducted a survey of GIACC leadership and leveraged the results of surveys done by IIA North America on the impact of COVID-19 on internal audit functions.

Why it's important

Internal auditors are used to building their audit programs on the changing realities of their organization. Risks are used to identify audit topics that are more likely to require assurance and advice on corrective measures which could be used by management, oversight bodies, and stakeholders. However, GIACC, in conjunction with IIA Canada and CAAF, judged that the COVID-19 pandemic had created unprecedented circumstances that warranted taking stock of recent events and assessing their impacts on Canadian governments and their internal audit functions.

What we found

- GIACC internal audit functions identified human resource management, cybersecurity, and fraud among the top risks triggered by COVID-19.
- Other potential risks related to COVID-19 identified in the literature review that GIACC could consider were related to performance reporting, unintended impacts of pandemic measures and weak legislative support for COVID-19 programs.
- GIACC internal audit functions are reporting numerous changes in their audit plans because of COVID-19. These changes include the addition of new audit engagements (reported by 76% of survey respondents) and an increased focus on advisory services (reported by 61% of survey respondents).
- Fifty-two percent of innovative practices reported by GIACC internal audit functions were related to various forms of agile and remote auditing. This includes greater flexibility with deadlines provided to auditees, more flexible planning and execution, conducting remote interviews and real-time auditing.
- In our literature review, we also identified emerging innovative audit practices whose adoption by the internal audit functions has been accelerated by the pandemic, such as prospective audits, root cause analysis, and data analytics.



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- Internal audit functions stepped up to the plate to produce information and analysis to support their organizations as they were facing the stress of the pandemic crisis. For instance, 67% reported identifying emerging risks and conducting risk assessments, 78% provided consulting services, and 14% were part of a crisis response team.
- GIACC internal audit functions are recognizing that the competencies that auditors will need in the COVID-19 and post-COVID-19 environment are changing. The three major competencies flagged by internal audit functions were cybersecurity, innovation and change, and data analytics. Also prominent were information technology, risk management, and health and safety.

Introduction

Since the onset of the COVID-19 pandemic, societies, governments and organizations have seen changes affect every dimension of their activities and structures, including the risks they must manage. Every day we become more aware of the impacts of COVID-19 on the work environment, social relations, economic activities, and political institutions. Some of these changes are transitory and self-correcting, but most appear to be durable and will require substantial adaptation.

GIACC, in conjunction with its partners on this project, IIA Canada and CAAF, identified the need to take stock of the unprecedented circumstances created by COVID-19 and assess the impacts of recent events on Canadian governments and their internal audit functions.

Scope of the Study

To evaluate the impact of COVID-19 on Canadian governments and provide useful clues and roadmaps on how internal audit functions can optimize their contributions in this new and evolving environment, we have examined the risk landscape. We have also identified emerging practices that are more likely to be conducive to this optimization.

In Part 1, we provide a detailed description of the unique risks faced and anticipated to be faced by Canadian governments – federal, provincial and territorial – in a COVID-19 and post-COVID-19 environment and of how these governments are adjusting their planning to address it.

In Part 2, we present an overview of our research into the current state of Canadian governmental internal audit functions in a pandemic response environment and the support provided to their client. We identify leading practices and practical opportunities to improve this support.

Overall, this study provides suggestions on moving forward from the response phase to the post-pandemic phase. In particular it focuses on the role that internal audit functions can play in continuing their support of government organizations in the post-COVID environment, including unique challenges created by the pandemic.



Methodology

Literature Review

We conducted an extensive review of the relevant literature. Both **IIA** Canada and **CCAF** have already built repositories of relevant information on the impact of COVID-19. We have also identified similar sources of information established by **CPA Canada**, **AICPA**, **IFAC** and **INTOSAI**. All of these repositories are extensive and up to date. We relied broadly on them, as well as on other professional and academic publications when relevant.

Consultations with GIACC stakeholders

A formal consultation with GIACC stakeholders was held at the GIACC National Forum on September 17, 2021. A focus group with GIACC leaders to discuss the first draft of this Study was also held in February 2022.

These consultations served two distinct purposes:

- complementing and enriching the understanding of the risks faced by Canadian governments audit leaders with respect to auditing COVID-19 initiatives and programs, and
- collecting information on emerging good practices.

Survey of GIACC Leadership

A survey of GIACC leadership was prepared by building on the results of the initial consultation with GIACC stakeholders and by leveraging surveys done by IIA North America on the impact of COVID-19 on internal audit functions. The survey covered topics such as risk assessment, audit plans, staffing, budget, health and safety, audit processes, innovative approaches, and trending competencies. See **Appendix 1** for more details on the survey methodology. The survey questions are provided in **Appendix 2**.



Part I – Risks Faced by Canadian Governments in a COVID-19 and Post-COVID Environment

Typology of risks

The COVID-19 pandemic, due to its length and its pervasive impacts, is generating a complex array of risks for government programs and services. To understand this complexity, it is necessary to organize these risks in a structured typology. Various typologies have been developed and several of them focus on four categories of risks (Dhir and Dhir, 2018):

- Strategic risks;
- Operational risks;
- Compliance risks; and
- Financial risks.

These categories can be used to structure and expand the conceptual understanding of the risk universe (Arthurs, 2014). However, since we are focusing on the risks created by the COVID-19 pandemic, it is not necessary to analyze all possible sub-categories of the risk universe. Nonetheless, because of the extensive nature of the pandemic response, a large portion of the risk universe still needs to be explored.

Overview of risks

In **Table 1**, we present the risks identified by the GIACC respondents to our survey. As the results indicate, two thirds of the risks identified are operational risks. The dominant operational risks revolved around human resources management (21% of all risks) and cybersecurity (12%).

GIACC respondents also identified several governance risks, communication risks, and financial management risks. Fraud (7% of all risks identified) clearly emerged as an important area of concern. This area involves elements of compliance (because COVID-19 relief programs could be compromised by abuse) and financial and fiscal responsibility (due to the large size of many relief programs).

Finally, as would be expected, in the context of a pandemic, some risks pertain to health issues.

The risks identified in **Table 1** are consistent with the ones identified in the IIA publication *OnRisk 2022 – A Guide to Understanding, Aligning and Optimizing Risks* (see **Box 1**).



Table 1 – Overview of Risks Identified by the GIACC Community¹

Strategic risks (16%)²	Operational risks (67%)	Compliance risks (9%)	Financial risks (8%)
<p>Governance Risk</p> <ul style="list-style-type: none"> ▪ Changes in governance ▪ Lack of collaboration between sectors ▪ Poorly defined roles and responsibilities ▪ Changing priorities ▪ Change management ▪ Stakeholders and partnerships <p>Communication Risk</p> <ul style="list-style-type: none"> ▪ Public/Stakeholders perception ▪ Reputational risk ▪ Public/Media relations ▪ Indigenous relations 	<p>People Risk</p> <ul style="list-style-type: none"> ▪ Reconciliation ▪ Return to workplace ▪ Diversity/inclusion ▪ Recruitment/retention ▪ Employee wellness ▪ Abuse of leave/overtime ▪ Culture ▪ Health and safety in the workplace <p>Project/Operation Management Risk</p> <ul style="list-style-type: none"> ▪ Service delivery ▪ Remote/hybrid operations ▪ Program design ▪ Project management ▪ Business processes ▪ Business continuity <p>External Risk</p> <ul style="list-style-type: none"> ▪ Transportation security incidents ▪ Supply chain disruptions ▪ Environment <p>Information Technology Risk</p> <ul style="list-style-type: none"> ▪ Cybersecurity ▪ Digital transformation ▪ Information management ▪ IT application development <p>Health</p> <ul style="list-style-type: none"> ▪ Outbreaks in long-term care facilities ▪ Hospital capacity and utilization ▪ Vaccination management ▪ Mental health ▪ Lack of adherence to public health protocols ▪ Digital healthcare 	<p>Legal Risk</p> <ul style="list-style-type: none"> ▪ Privacy ▪ Risk of abuse of COVID-19 relief programs ▪ Fraud <p>Regulatory Risk</p> <ul style="list-style-type: none"> ▪ Regulatory speed 	<p>Financial Management Risk</p> <ul style="list-style-type: none"> ▪ Ability of financial systems and processes to support COVID-related relief programs ▪ Grant programs ▪ Fraud

¹ This table is based on Question #2 of our survey of the GIACC community (Indicate the top 5 risks that have been identified as part of your 2020-21 and 2021-22 audit plans.). The table summarizes the risks identified by the respondents and provides specific examples. Some risks were high-level while others were more specific.

² The percentages provide an indication of the relative importance of each risk category in the responses of GIACC respondents to the survey. For example, 16% of the risks identified by the respondents were strategic risks. In total, 87 risks were identified by 22 respondents.



Box 1 – Risks Identified by IIA in the *OnRisk 2022* Report (ranked in order of relevance)

1. Cybersecurity	7. Change in Regulatory Environment
2. Talent Management	8. Supplier and Vendor Management
3. Organizational Governance	9. Disruptive Innovation
4. Data Privacy	10. Social Sustainability
5. Culture	11. Supply Chain Disruption
6. Economic and Political Volatility	12. Environmental Sustainability

Source: IIA, 2021a

Table 2 provides an overview of the risks identified in the literature review. This overview is not exhaustive; it overlaps with the risks identified by GIACC survey respondents listed in **Table 1**. In **Table 2**, only risks that provided increased granularity or were not mentioned by GIACC respondents to Question #2 of the survey are presented. Of notable interest are risks such as the lack of identification of key performance indicators or the low quality of underlying data and analysis provided in performance reports on government interventions related to the pandemic.

The literature also highlights the importance of assessing the unintended impacts of pandemic response measures. For example, these could be the substantial economic costs (Statistics Canada, 2021a), including a deepening of inequality and poverty (WHO, 2020), or the increased mortality rates resulting from delayed surgeries for cancer patients and others (Statistics Canada, 2021b; Wang *et al.*, 2021).

Also of importance in the literature are the legal risks represented by hastily adopted (or non-existent) legislation and inadequate (or absence of) processes for the approval of funds (ANAO, 2021a). In the focus group conducted for this study, GIACC leaders indicated that they were aware of this risk. They acknowledged the dire emergency caused by the pandemic, which triggered the need for deviations from normal procedures and approvals. Some focus group participants indicated that they had conducted advisory engagements to ensure that COVID-19 expenditures were undertaken with due diligence and that the expedited approvals were properly documented.

GIACC focus group participants concurred that many of the risks mentioned in **Table 2** were relevant and could warrant audit attention. Many concurred that the topic of pandemic preparedness procedures could be included in future audit plans (CAAF, 2020b) while others agreed the same about unintended impacts of lockdowns and about the availability and quality of pandemic data.



Table 2 – Overview of Selected Risks Identified in the Literature Review

Strategic risks	Operational risks	Compliance risks	Financial risks
<p>Governance Risk</p> <ul style="list-style-type: none"> ▪ Weak governance structures ▪ Impact on decision making processes <p>Processes and Planning Risk</p> <ul style="list-style-type: none"> ▪ Inadequate pandemic preparedness <p>Performance Reporting Risk</p> <ul style="list-style-type: none"> ▪ Low quality/availability of pandemic data ▪ Monitoring of economic and financial impacts ▪ Preventable risks not proactively managed ▪ Performance measures and intended outcomes not established ▪ Unintended impacts of lockdowns on population not identified or measured ▪ Loss of corporate knowledge ▪ Inadequate capture of lessons learned 	<p>People Risk</p> <ul style="list-style-type: none"> ▪ Lack of adaptability of organizational culture ▪ Inadequate workforce planning <p>Project/Operation Management Risk</p> <ul style="list-style-type: none"> ▪ Poor implementation due to rapid decision-making ▪ Ineffective procurement and contract management ▪ Low quality of services provided to citizens or limited access to them ▪ Reduced quality in business-as-usual activities <p>Asset Management Risk</p> <ul style="list-style-type: none"> ▪ Ineffective management of public infrastructure <p>Information Technology Risk</p> <ul style="list-style-type: none"> ▪ IT infrastructure compromised / inadequate 	<p>Ethics and Values Risk</p> <ul style="list-style-type: none"> ▪ Ethics and values compromised <p>Legal Risk</p> <ul style="list-style-type: none"> ▪ Expenditures not supported by appropriate or timely legislation or legislative approval ▪ Lack of understanding of mandate ▪ Lack of consistency of departmental / agencies mandates ▪ Lack of prevention and detection of fraud and misuse of public funds <p>Regulatory Risk</p> <ul style="list-style-type: none"> ▪ Changes in regulatory framework badly managed or causing harm 	<p>Financial Management Risk</p> <ul style="list-style-type: none"> ▪ Poor resource allocation in the context of a pandemic ▪ Insufficient oversight of emergency funding ▪ Ineffective inventory management ▪ Ineffective debt management

Analysis of risks by categories

Governance Risks

As stated in CAAF's *Practice Guide to Auditing Oversight*, failure to implement and adapt rigorous governance and associated oversight arrangements in times of crisis makes managing and mitigating emerging risks even more difficult (CAAF, 2013; OECD, 2014). In the context of the COVID-19 pandemic, this difficulty was amplified by the important budgetary risks that emerged.

Information required during a pandemic is related primarily to the quality and availability of pandemic data but also extends to information on the performance of programs implemented to manage the pandemic. An often-neglected topic is the unintended impacts of proactive crisis measures. These can relate, for example, to the economy (Mandel and Veetil, 2020), to domestic violence and violence against women (Ravindran and Shah, 2020), the provision of health services, the environment, and to human rights (Turcotte-Tremblay, 2021). Unintended impacts should be tracked and this information should be used to hold governments accountable.

Performance information is essential for the conduct of effective governance. Auditors can provide assurance on this type of information as part of their regular audits. They can also design specific audits on this topic. For example, the Australian National Audit Office (ANAO) provides an annual review of departmental performance reports. As the ANAO indicates: *"The intent of performance statements audits is to drive improvements in the transparency and quality of entities' performance reporting and, in turn, increase entities' accountability to the Parliament and public"* (ANAO, 2021b).

Operational Risks

One of the key operational risks identified in the survey of GIACC members is related to human resources management. The literature review corroborated this diagnostic and found that COVID-19 has been disrupting the management of human resources across numerous sectors. More than 500 articles on the impact of the COVID-19 outbreak on human resources issues and related practices were published from 1 January 2020 to 31 January 2021 (Zhong, 2021). Issues affected by COVID-19 revolve around employee well-being, flexible workforce, labour shortages, job loss, leadership, and communication (Gartner, 2021).

The other major operational risk identified is cybersecurity. This is a major concern in Canada. A survey reported by the Canadian Security Magazine provided these key findings from Canadian respondents (CSM Staff, 2020) :

- 99% said attack volume has increased during the past 12 months.
- 100% said their business has suffered a security breach in the last 12 months. The average organization said they experienced 1.1 breaches during this time.
- 86% said attacks have become more sophisticated.
- 98% said they plan to increase cyber defense spending in the coming year.

The pandemic has acted as a powerful amplifier of this trend. In particular, the intensification of remote work has increased the exposure to various cybersecurity risks (for example: network security compromised by increased interactions with employees' Wi-Fi; use of unsecured personal devices; vulnerabilities to phishing attacks; and extensive use of file sharing sites) (DeRoche, 2020).

Finally on the technological front, a COVID-19-driven digital acceleration has been observed. This acceleration is changing the ways organizations operate and interface with the users of their products and services. To respond to this trend, governments need to rapidly adapt to evolving digital operating requirements (Gartner, 2021).



Compliance Risks

Early in the pandemic, CPA Canada provided guidance on the use of standards by financial auditors and raised some concerns about material misstatements that could happen in the COVID-19 environment (CPA, 2020). CPA Canada provided several examples:

- Remote working arrangements and absences of key personnel may make it easier to circumvent normal approval and authorization policies and procedures.
- Management's processes for identifying and responding to the risks of fraud may not be operating effectively, creating opportunities for fraud.
- Business disruption in the industry or the overall economy may increase financial pressures.
- Attitudes and behaviours, such as disregard for inappropriate actions or tolerance of petty theft, may change during the COVID-19 pandemic.

COVID-19 has indeed created many opportunities and incentives for frauds such as the reporting of fictitious revenues, fraudulent management estimates, improper timing of revenues, and fraudulent relief program applications (Thorps and Harding, 2020). For example, an audit of the Office of the Auditor General of Ontario (2021) reported that \$210M in COVID-19 support payments were received by ineligible businesses.

A decrease in regulatory compliance has also been identified as an emerging risk during the pandemic. As governments pivoted to react to the rising crisis, they introduced a set of regulatory changes. A combination of tightening of health and safety requirements and relaxing of other requirements to provide citizens, schools, hospitals, nursing homes and businesses both safety and regulatory breathing space have changed the regulatory landscape in complex and sometimes unexpected ways (IIA, 2020d).

Financial Risks

Since the pandemic began, governmental organizations have been tasked to manage and oversee many new, and often large, funding programs. These organizations have delivered a cascade of new fiscal packages and programs under substantial time and operational pressure. The OECD has identified four main areas where financial management systems were stretched:

1. Funding of COVID-19 spending;
2. Allocating resources to emergency policies;
3. Delivering emergency spending; and
4. Enabling transparency and accountability.

The OECD noted that the agility and speed deployed to deliver these spending programs often came at the expense of proper legislative oversight and controls, that there was a noted reluctance to resume regular financial management practices and processes, and that audits of financial management during COVID-19 should be done (OECD, 2020).



Changes in focus of audit efforts

Since the pandemic began in March 2020, internal audit offices have been re-adjusting the focus of their audit efforts. Among the changes reported by GIACC survey respondents are increased focus on advisory services and the addition of new audit engagements.

It is also interesting to note that 30% of respondents reported that their office had re-directed audit staff to conduct non-audit work. These auditors therefore contributed to organizational goals during exceptional circumstances, thus demonstrating their flexibility.

A comparison of GIACC and IIA survey responses (**Diagram 1**) shows consistency among most types of changes implemented, with the exception of the addition of new audit engagements, which 76% of GIACC respondents reported in contrast to only 26% of IIA respondents. However, it should be noted that two categories related to changes in advisory services and audit plans were included only in the GIACC survey and therefore comparisons with IIA on these points cannot be made. In the cases of advisory services, a substantial increase was noted among GIACC member organizations.

A comparison between Federal and Provincial/Territorial GIACC members also indicate important variations (**Diagram 2**). The most noteworthy ones are:

- Substantial differences on increase in advisory services (90% at the federal level vs. 40% at the provincial/territorial level), and
- Notable differences on changes made to timeframe of audit plan and re-direction of audit staff to do non-audit work.

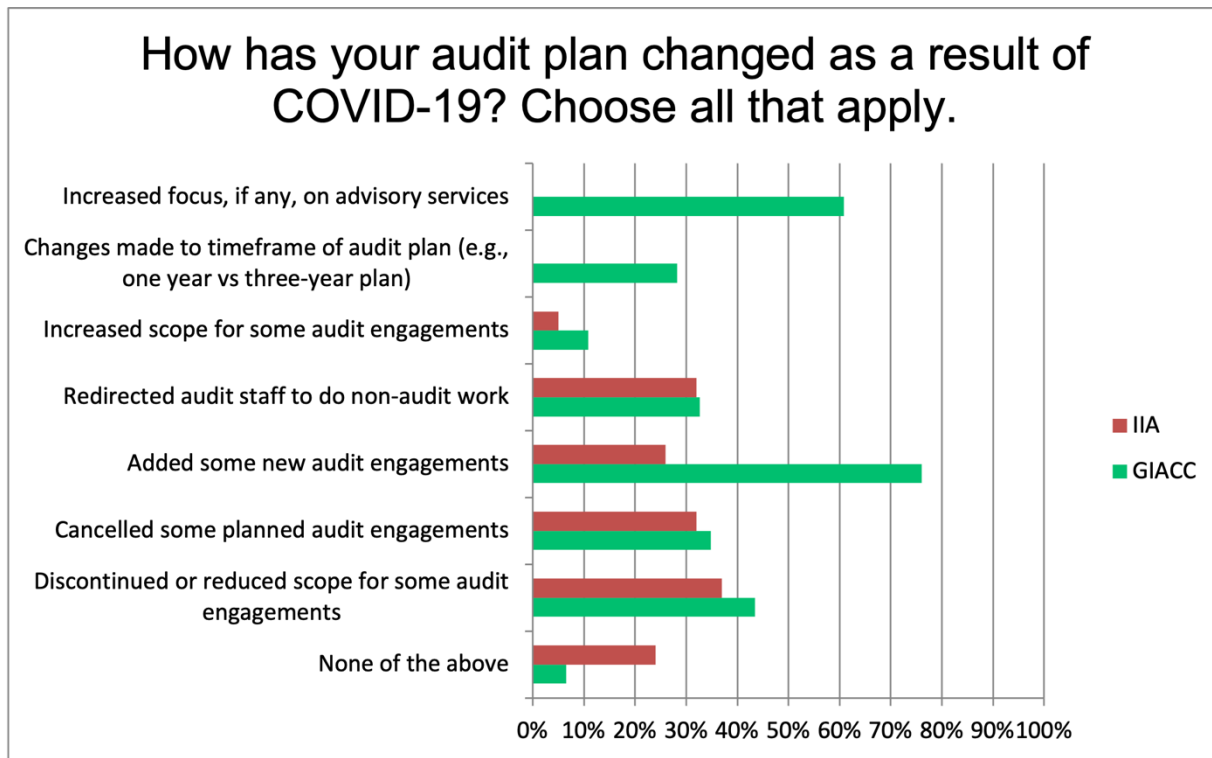
In the survey we also explored how changes in audit plans were impacting the areas of focus of GIACC members. **Diagram 3** shows that changes in audit activities correlate with the risks identified in **Table 1**, with a clear emphasis on health and safety, fraud, and business continuity planning.

Diagram 4 provides a comparison between federal and provincial/territorial GIACC members. Substantial differences are noted in several audit areas, notably human resources, health and safety, and business continuity planning.

These diagrams reveal an increase in the level of effort in most of the areas listed. However, when asked in the survey about their budget in the last year, 73 percent of GIACC respondents indicated that their budget was stable. When asked about that in the focus group, GIACC participants indicated that their shifts in audit efforts was accompanied by efficiency improvements in their audit operations. In the focus groups, participants noted that this increase in efficiency was accomplished through leveraging technology and reduction in the scope of the audits.



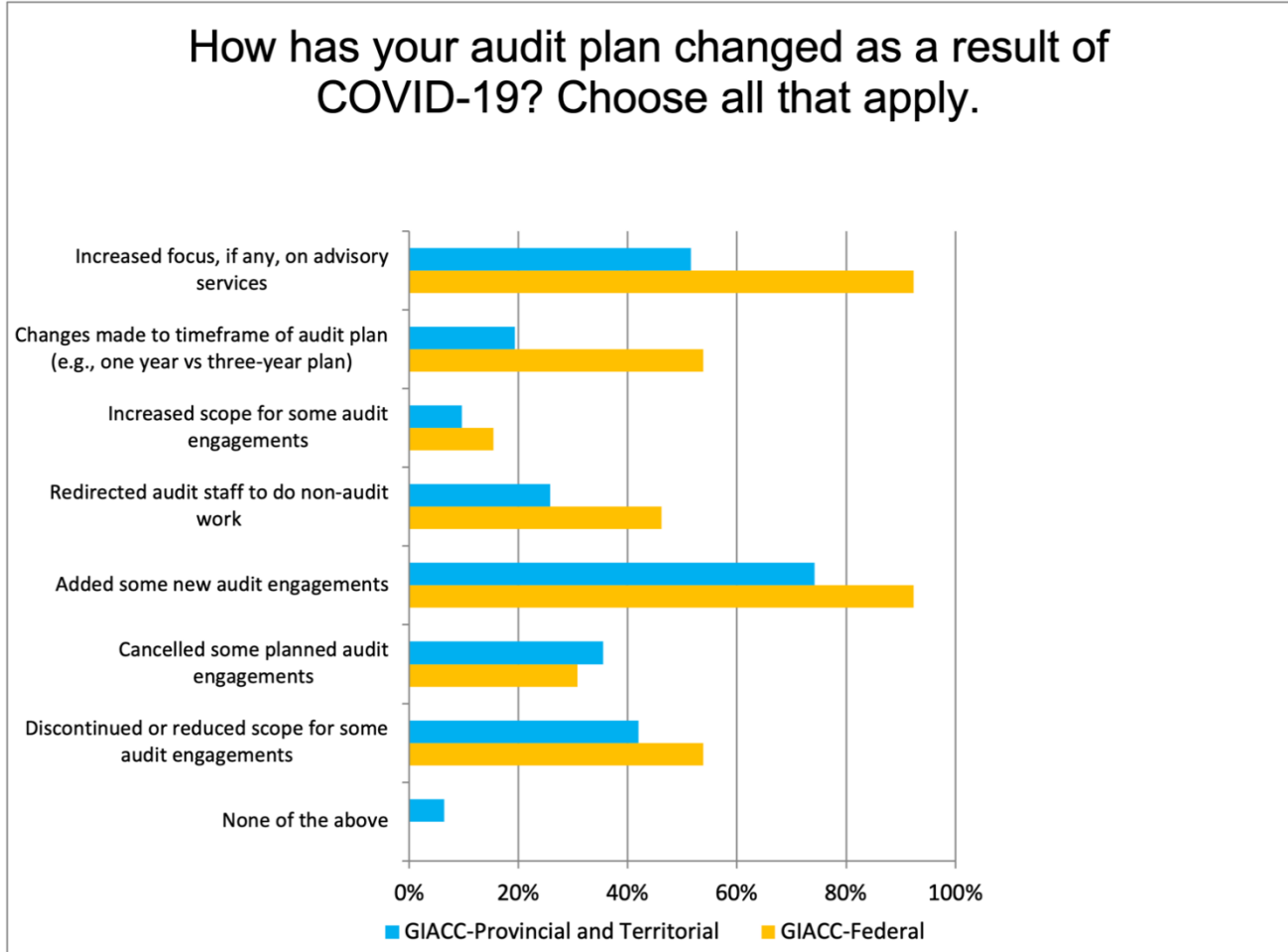
Diagram 1 – Changes in Audit Plans Due to COVID-19: IIA and GIACC Survey Results³



³ The first two options (“Increased focus, if any, on advisory services” and “Changes made to timeframe of audit plan (e.g., one-year vs. three-year plan)”) were provided only by GIACC and thus could not be compared with equivalent IIA answers.



Diagram 2 – Changes in Audit Plans Due to COVID-19: Comparison Between Federal and Provincial/Territorial Members)





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Diagram 3 – Changes in Areas of Focus of GIACC Members

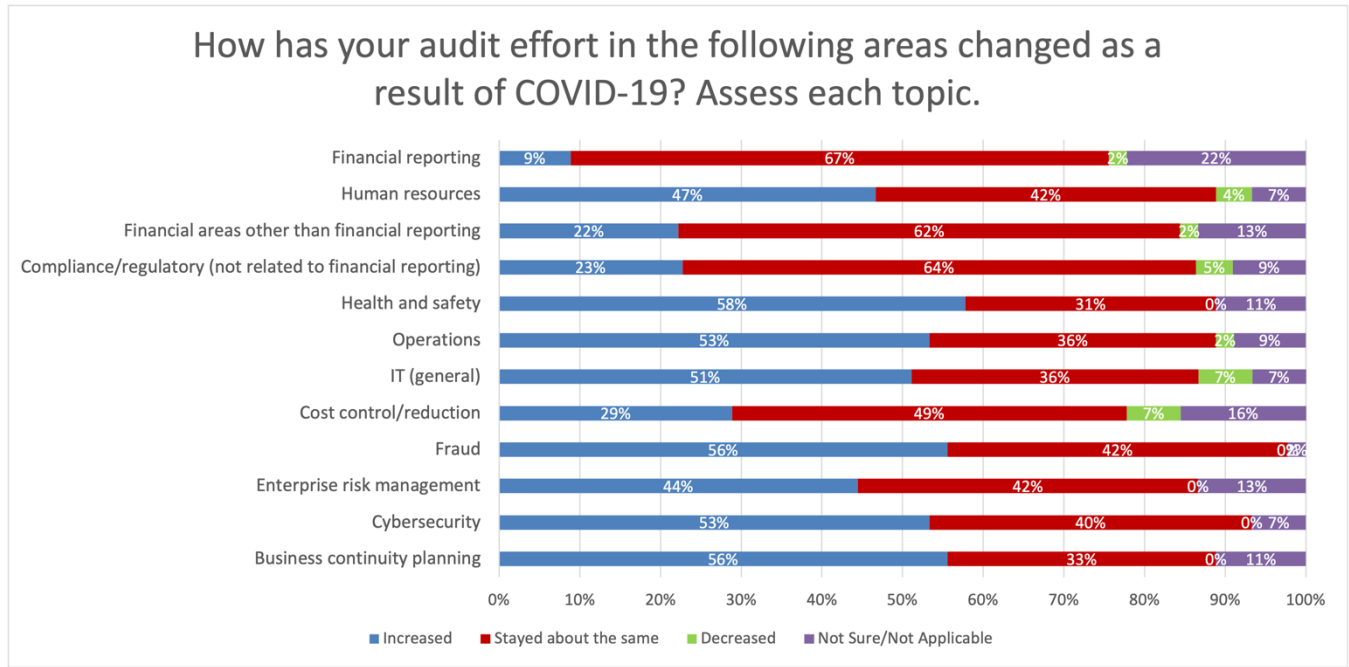
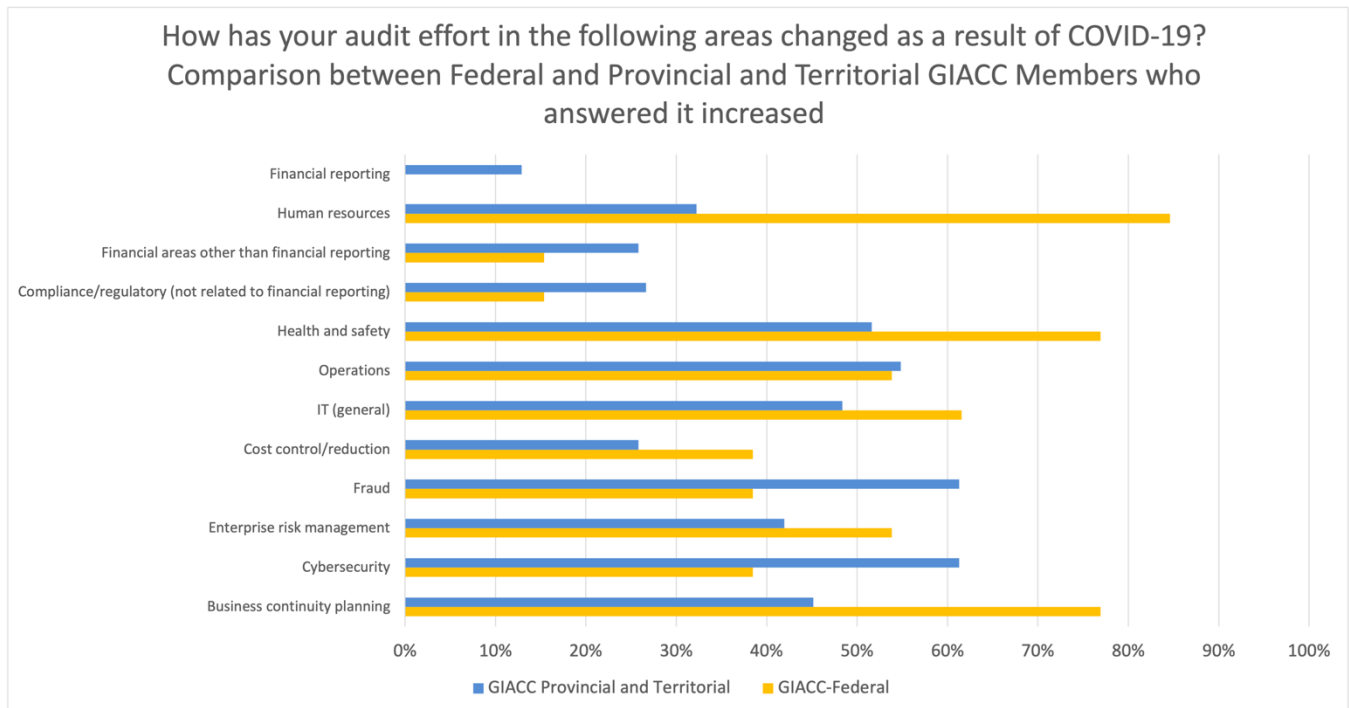


Diagram 4 – Changes in Areas of Focus of GIACC Members





Planning audits in the Post-COVID-19 environment

COVID-19 has not changed the fundamentals of audit planning. However, the pandemic highlighted the need for flexibility, while also emphasizing the importance of conducting accurate risk assessments. A better grasp on risk can improve audit functions capacity to cover key audit issues while helping management manage its risks.

The on-going, mid-term and long-term ramifications of the pandemic will have to be addressed. For example, the Australian National Audit Office has developed a multi-year audit plan to address the COVID-19 crisis over the next few years (ANAO, 2021a). This plan includes three phases:

- Phase 1: Specific COVID-19 audits that will examine how the audited entities: manage and respond to risks related to rapid development and implementation of COVID-19 measures and the impact on business-as-usual activities and controls; and communicate and implement revised risk tolerances across the business.
- Phase 2: Audits that will focus on the three main stages of program delivery: policy design; implementation; and performance assessment, evaluation and dissemination of lessons learnt. Along with an ongoing focus on risk management, areas of public administration that may be examined include governance arrangements, cyber resilience and cybersecurity, communication to citizens, grants to industries and individuals, etc.
- Phase 3: Audits focussing on the outcomes of the government COVID-19 response. This may involve a post-pandemic assessment of the achievement of the intended outcomes of COVID-19 measures, the recovery plans and programs, the identification and dissemination of lessons learnt, and the readiness of government systems and processes to respond to future crises.



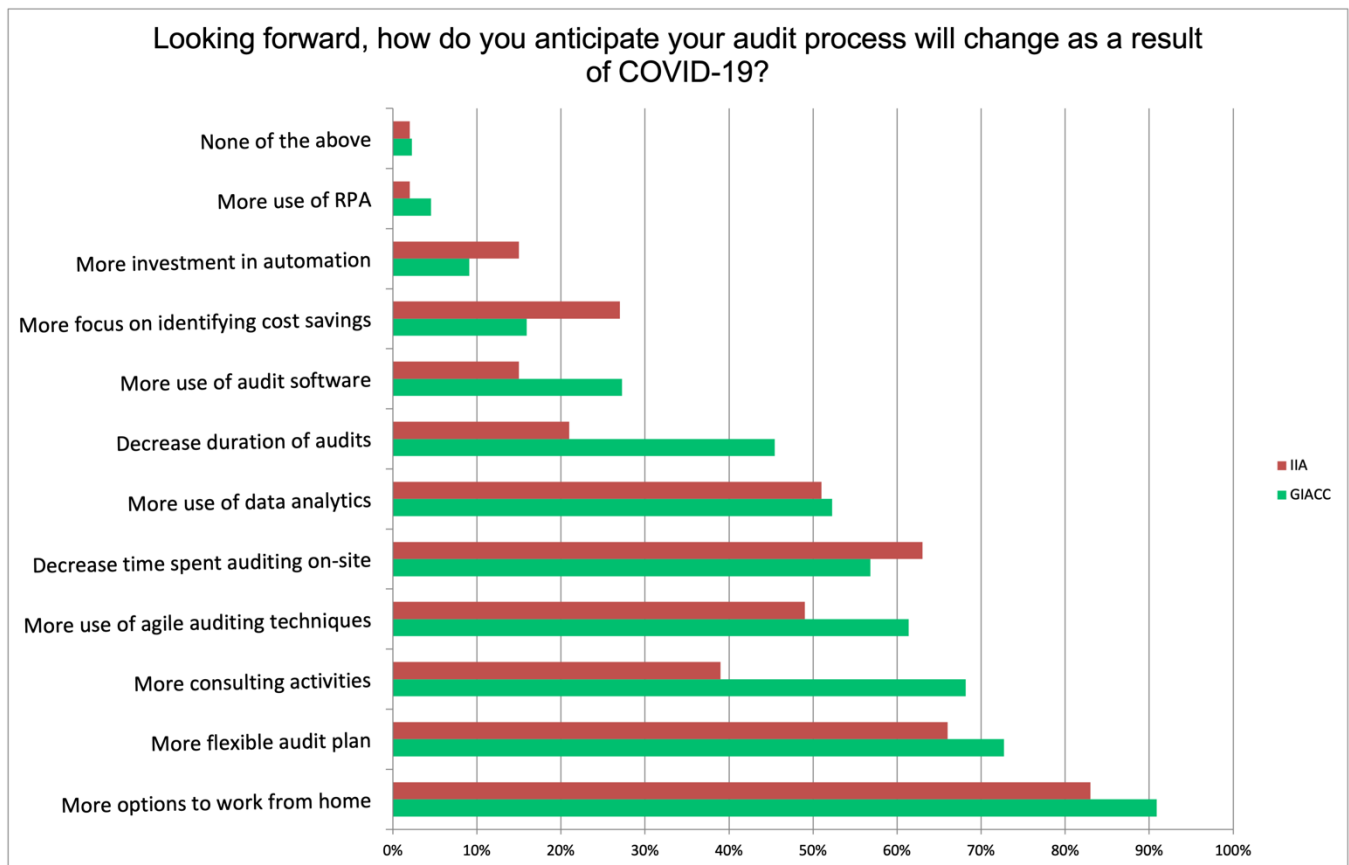
Part 2 – Opportunities and Better Practices to Effectively Support Internal Audit Clients in a COVID-19 and Post-COVID Environment

Overview of the adaptation of internal audit functions to COVID-19 and its impacts

As we have seen in Part 1, COVID-19 is changing the risk landscape. Internal audit functions will have to adapt to face this new landscape. In the survey of GIACC members, we explored how COVID-19 is likely to impact the audit process. **Diagram 5** and **Diagram 6** provide an overview of expected changes. In general, internal auditors anticipate work from home to continue (with a corresponding decrease in time spent on-site), increased flexibility in their audit plans, more consulting activities, and more use of agile audit techniques.

Diagram 5 presents a comparison of IIA and GIACC survey results. These results are similar overall for the two organizations, but there are some notable differences with regard to the extent of consulting activities and the decreased duration of audit engagements.

Diagram 5 – Anticipated Changes to the Audit Process as a Result of COVID-19: Comparison between IIA and GIACC Survey Results

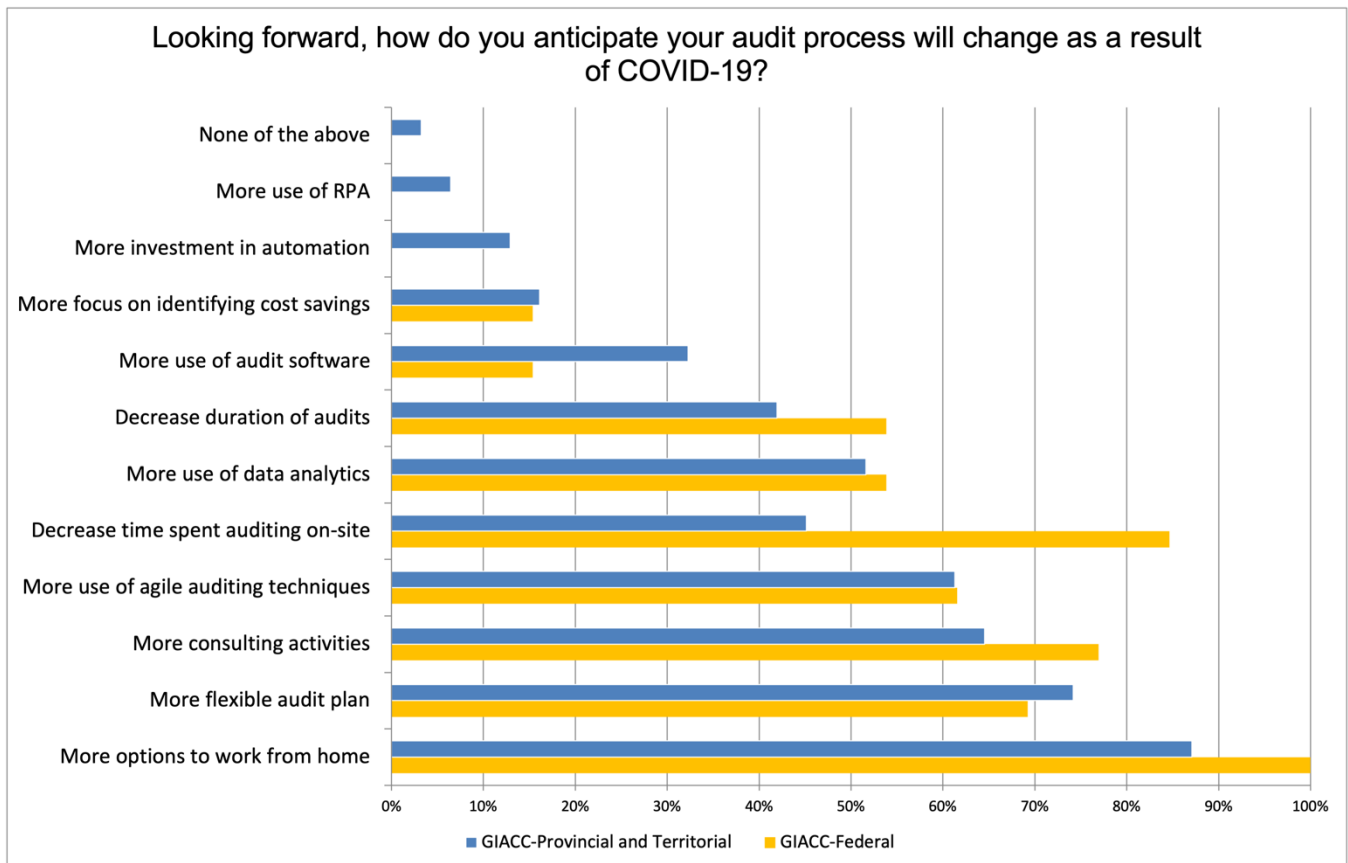


Note: RPA means Robotic Process Automation



Diagram 6 provides a comparison between the survey results of Federal and Provincial/Territorial GIACC members. Again, the results are generally similar among the two groups, with only a few notable differences with regard to the increased use of audit software and the decreased time spent auditing on-site.

Diagram 6 – Anticipated Changes in the Audit Process: Comparison Between Federal and Provincial/Territorial GIACC Members



Note: RPA means Robotic Process Automation

Examination of Innovative Practices

In the survey we asked GIACC leaders to provide examples of innovative practices. The summary results are presented in **Table 3**. They indicate that the GIACC community is proceeding cautiously with innovative approaches with many of the ones identified consisting of an extension of existing practices. For instance, a federal department audit function reported that they had developed a COVID tracker involving all programs and operations within the department, to have an idea of the COVID impacts in each area. This allowed the auditors to identify areas more at risk of not meeting the department’s objectives.

Table 3 – GIACC Innovative Practices and Methods⁴

Innovative Practices	Number	Proportion (%)
Increased use of electronic meeting technologies	7	26%
Agile auditing / increased flexibility ⁵	7	26%
Increased use of electronic working papers	5	18%
Various enhancements of practices ⁶	8	30%

Remote auditing, which were mentioned by 26% of respondents, and agile auditing, also mentioned by 26% of respondents, are examined more in-depth in another section of this study.

In the following sections, we explore through our literature review some of the emerging innovative practices triggered or accelerated by COVID-19 in the internal audit profession.

Managing relationships

Audit Committees

Audit committees are a key component of effective governance (Rittenberg, 2016), and COVID-19 is underscoring the importance of their roles (IIA and IFAC, 2020a). At their core, audit committees play a key role in creating and maintaining a culture and environment that supports the integrity and provision of information to senior management and other stakeholders for decision-making purposes. Transparency is of heightened importance during times of uncertainty. Audit committees need to be engaged and informed and receive actionable and timely information from the Chief Audit Executives (CAEs) and management so they can effectively carry out their oversight role.

⁴ Summary of Question #9 of the GIACC 2021 Survey: "Are there innovative practices or methods emerging from the COVID-19 environment that you have implemented that you would like to share?". 19 respondents (41%) provided 27 examples of innovative practices.

⁵ Agile auditing in this context should be interpreted as a broad category. For the purpose of the survey, it included greater flexibility with deadlines provided to auditees, more flexible planning and execution, and real-time auditing. A more precise examination of these concepts is presented in the subsequent analysis.

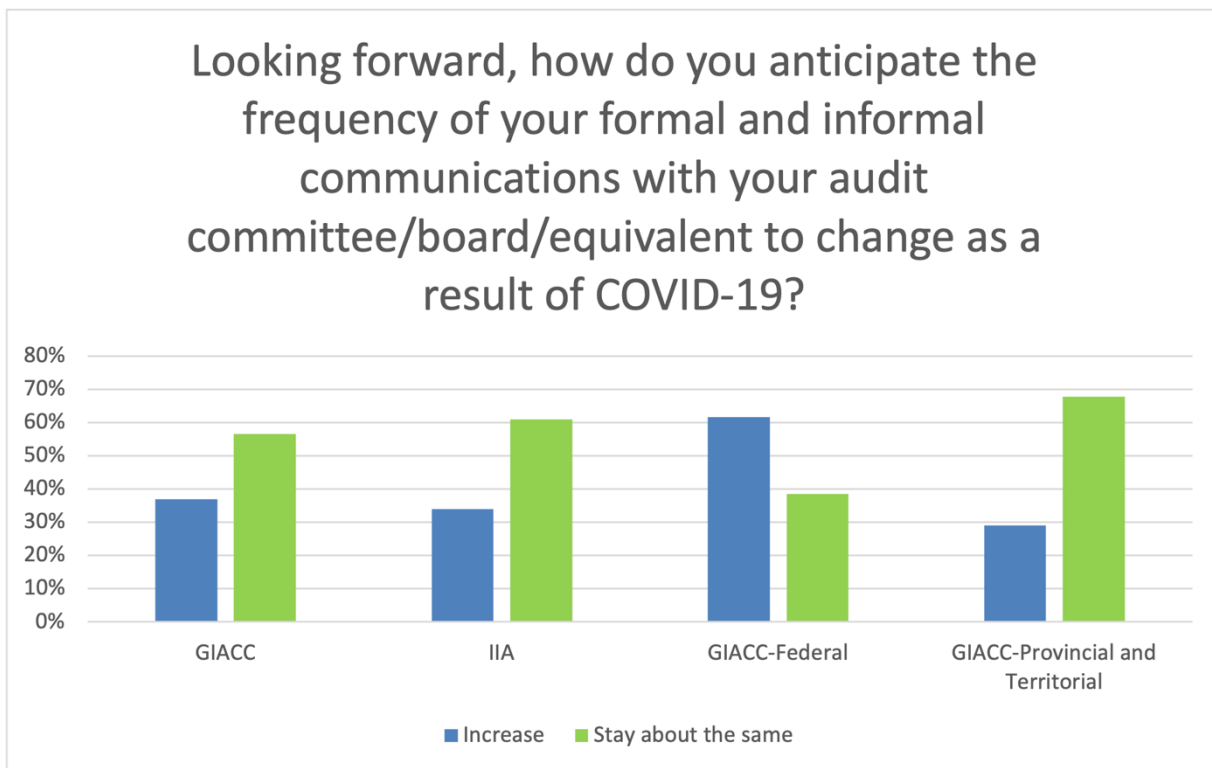
⁶ These enhancements included:

- Extended planning phase
- Maturing of fraud risk management program
- More consulting mandates
- Using audit findings for multiple audits
- Smaller/micro audits
- Enhanced role in risk management
- More lessons learned
- More flexible work arrangements



Diagram 7 provides an overview of how survey respondents assessed the frequency of the formal and informal communications with the audit committee, which constitute the most straightforward and basic empirical measure of the interactions between the auditors and the committee. The survey results indicate that a similar proportion (around 40%) of IIA and GIACC respondents expect communications to be more frequent, while the other respondents (around 60%) do not expect change in this area. However, a comparison between Federal and Provincial/Territorial GIACC respondents shows a different pattern, with a majority (62%) of federal respondents indicating that they expect an increase in communications with their audit committee while only 32% of provincial/territorial respondents had the same opinion.

Diagram 7 – Anticipated Changes in Frequency of Communications with Audit Committee: Comparison Between IIA and GIACC and Between GIACC Federal and Provincial/Territorial Members



In 2020, the Internal Institute of Auditors and the International Federation of Accountants have released joint statements enunciating how audit committees will be affected by COVID-19. In one of these (IIA and IFAC, 2020b) the Institute highlighted three major COVID-related challenges for audit committees:

- Balancing core responsibilities with emerging priorities
- Keeping informed through virtual communication
- Using a multi-disciplinary approach



Auditees

The COVID-19 crisis has tested auditors' ability to adapt quickly and to use the technological tools at their disposal in this new environment to manage relations with auditees. These relations now require an even higher degree of intuitiveness and interpersonal skills than usual. In the following sections we explore approaches that are changing the way auditors interact with auditees.

Remote Auditing

The emergence of COVID-19 and its related worldwide travel restrictions, combined with the need to continue to provide services, have incentivized the search for practical alternatives to the traditional face-to-face audits. In addition to the understandable desire to restrict non-essential visits and contacts, the very fact that organizations have moved to virtual operations during the pandemic have created even more pressure to consider using remote audit approaches (IIA, 2021b) and (Leonard 2020). Remote auditing therefore constitutes a good alternative, especially because most auditees have restricted travel to business-critical functions and many jurisdictions continue to close their borders and to implement lockdowns (Litzenberg and Ramirez, 2020).

What is remote auditing? Although not defined explicitly in auditing standards, the concept of a substitute method in cases where physical presence is not warranted or possible has been around for many years. Remote audits leverage one or more technology enhancements to make the audit process as close as possible to the one that would be followed during a site visit; such technologies include video conferencing, electronic document repositories, data analytics, and visualization of facility operations through videography (real-time and recorded). There is a continuum of technology enhancements that can be utilized, though all are not yet equally or readily available, and emerging technologies are still being developed or beta tested (Leonard 2020).

Remote audits have multiple advantages, such as reduced travel costs – savings which can allow for an expanded use of specialists (by facilitating their participation to selected interviews) and mitigating audit burden (by spreading the interviews and collection of documentation over a longer period instead of the more intense effort required when the audit is conducted locally) (Litzenberg and Ramirez, 2020). Their downsides include the loss of first-hand observations, the increased difficulties of building rapport with auditees, variable reliability of technology and the creation of opportunities for misrepresentations or even fraud (Litzenberg and Ramirez, 2020; Jarvis 2020). Finally, although remote audits can be cost-effective, there is a risk that the team may underestimate the level of resources required, especially when it has limited experience of remote audits and has an imperfect understanding of the technological barriers that they can entail (Leonard, 2020).

Agile Auditing

Agile auditing could be defined as a more flexible and iterative audit approach than the “traditional” approach. This means that rather than rigid internal audit plans, there's a continually updated list of potential audits and projects, prioritized based on risks and organizational needs, that can be undertaken once resources are available. Also, communication is more frequent and informal and reporting is more commonly done through regular updates and dashboards rather than through formal full audit reports (Wright 2020). Among the often-listed advantages of agile auditing are a focus on stakeholder needs, accelerated audit cycles, a reduction of wasted effort, and a reduced documentation burden (Deloitte, 2017).

Unsurprisingly, we have witnessed a rise in the use of agile audit approaches since the beginning of the pandemic. A substantial proportion of auditors (40%) indicated in a recent survey that they were using some form of agile auditing (Metricstream, 2021). The same proportion of GIACC participants in our focus group indicated that they had also been using agile audit methods.



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Because of the informality of the agile approach, and the attitude of cooperation and accommodation that is often associated with it, there are concerns about safeguarding the independence of the audit function. However, experiences show that it is possible to uphold the independence of the audit function, if there are constant clarifications and reminders that an agile audit is not a consulting engagement and that audit results (even if not provided in formal audit reports) are objective, rigorous and well documented (DBS, 2017). To be clear: agile does not mean complacent. Participants in the focus group of GIACC leadership agreed that agile auditing did not represent a risk to the independence of the internal audit function.

There are also concerns about ensuring an appropriate level of documentation. An agile approach implies a rationalized, value-based approach to collecting the relevant documentation. However, internal auditors must ensure that they are still meeting professional standards and collecting sufficient evidence. In terms of documentation, *“completeness and thoroughness are highly valued to ensure the work is defensible”* (Internal Audit Foundation, 2020).

Real-Time Auditing

In the context of COVID-19, many audit plans had to be re-evaluated and adjusted as new risks were emerging. Therefore, elements of “agility” were imposed *de facto* on internal audit functions. But we also observed the emergence of a growing interest in real-time audits, which have their own sets of advantages and downsides.

A goal of real-time auditing is to collaborate early in the audit process with stakeholders to look at controls and provide assurance or corrections before the problems occur. In real-time auditing, the internal audit function adopts a model from the private sector, looking at high-risk operations to provide assurance (IIA, 2020e).

In the focus group, participants indicated that they had conducted real-time audits. For example, a provincial internal audit function mentioned that they were auditing emergency procurement in real-time, assessing internal control structures and monitoring payments. Issues were identified, immediately shared with management, and corrective actions were discussed for rapid implementations in weekly meetings attended by central agencies, deputy ministers, and chief financial officers.

This approach is especially valuable for large-scale projects and in times of crisis when multiple concurrent government interventions are required. In those instances, real-time audit results can help correct course, optimize effectiveness, and prevent issues from causing setbacks downstream. Real-time auditing requires close collaboration with auditees. Pushback can take the form of reluctance on the part of the auditees to allow auditors to actively review their operations as they unfold. Therefore, the audit program must be carefully calibrated while ensuring transparency and fluid communications with the auditees (IIA, 2020e).

According to some GIACC participants to the focus group, real-time auditing could present some risk to independence, but there was agreement that this risk could be managed. In written comments provided by a federal internal audit function, real-time auditing was put in the context of the three lines of defense:

“Real-time audit is a good approach to bring this attribute of the IIA’s three-line model to life within our organizations, in collaboration with business owners and other risk management teams. Real time audits being mainly based on data analytics, there may be a risk to see internal audit move to the second line of defense activity if the real-time audits turn to regular monitoring of business activities. With clear responsibilities, defined boundaries, and enhanced collaboration between the three lines, this risk can be reduced.”

Prospective Audits

As the long-term implications of the changes brought upon by the pandemic are contemplated, the appearance of “prospective” – meaning future-focused – audits is an interesting development in the audit profession (Bryant-Bertail, 2020). Factors likely to increase demand for prospective reports in Canada include the following:

- *Continued budget pressures at territorial, provincial, and federal levels.* This involved seeking insights from auditors about how to more efficiently provide the same or improved services.
- *Rapidly evolving and emerging technologies.* Current technological developments are transforming multiple sectors of society. The speed and complexity of such advances pose challenges to policymakers and could also transform the roles of audited agencies.

Prospective audits are not without issues. Among them, we note:

- *Prospective reports have some challenges.* They often involve the audited organization confronting a new or dynamic issue, such as industry or technological changes, or new laws. Also, the criteria used to evaluate the audited organization may not be immediately apparent because there are many ways the agency could respond to the changes. There may be no obvious “right” answer.
- *Most internal audits look at the past.* Thus, teams working on prospective reports can face challenges in making the case that the audited agency needs to take more action now if the future is uncertain.

However, prospective audit reports offer key benefits. For example, they can:

- Help audited public sector organizations to be better prepared for an uncertain future in which they may need to adapt to a shifting role with limited resources.
- Help public sector organization conducting audits to keep their staff informed about emerging issues, and to identify new areas to audit.
- Help policymakers to be better informed about the emerging issues confronting the agencies whose budgets they oversee. For example, prospective reports can help public sector organizations to make sound budget decisions, especially when such decisions are made years before the funds are spent.

One federal internal audit function indicated to the study’s authors that with prospective audits the organization really benefits from the auditors’ knowledge and expertise on program development, delivery and monitoring.

Root Cause Analysis

Root cause analysis is an approach to understanding why something happened or how a situation developed, whether it is an industrial accident, a defective product, or a program deficiency. It can also be used to drive efficiency, eliminate waste, or improve business processes. Root cause analysis can be a great tool for public sector auditors because it provides them with opportunities to add more value to audit reports and increase their impact by:

- providing insight and explanation for audit findings, and
- crafting recommendations that address the cause, rather than the symptoms, of deficiencies, thereby leading to lasting solutions.



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As stated in written comments provided by a federal internal audit function: *“The value added of audits resides in impactful recommendations that mitigate risks, improve efficiency of business processes, strengthen governance and control environment, and are meaningful to management. Applying root cause analysis throughout the audit engagement can help achieve this goal.”*

Root cause analysis can be integrated into the audit process. This involves using techniques such as the Five Whys, as well as visual aids like fishbone diagrams, Pareto charts, and cause mapping (CAAF, 2020a).

Data Analytics

Data analytics encompasses a large family of innovative and technologically advanced methods of analyzing the large data sets that are now available in public administrations. There is a rich body of knowledge on how these approaches can be selected, planned, and implemented. These methods can be used to produce useful reportable audit findings and valuable insights (IIA, 2021c). Moreover, there is a recognition that COVID-19 has accelerated their adoption (Kalia, 2020).

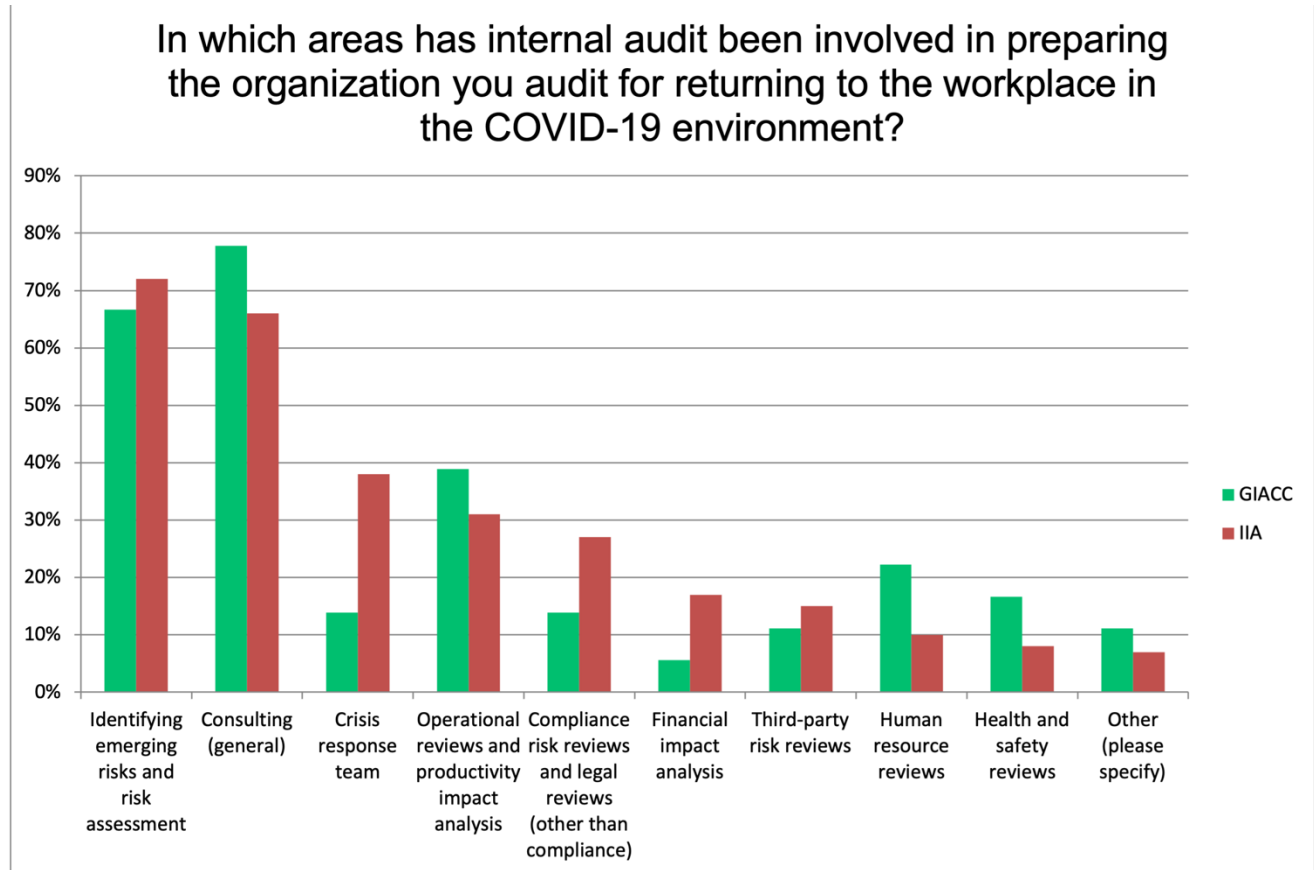
However, much progress remains to be made in this area. It has been acknowledged that internal audit is lagging behind in adopting data analytics methods (Dogas, 2020). It has been argued that non-technical enablers, such as leadership and commitments to staff development, are determinant factors in the adoption of data analytics approaches (Simpsons and Genest, 2021).

As one participant to the focus group pointed out, size matters. Smaller audit function may not be able to afford the high cost of building and maintaining a data analytics platform. In these instances, collaboration with centres of expertise in the organisation could be a cost-effective way of leveraging data resources and know-how.

Being there where it counts: internal audit roles in response to the COVID-19 crisis

As demonstrated by the survey results, advisory services have increased in importance during the COVID-19 pandemic (see **Diagram 1**). In **Diagram 8**, data extracted from the survey results provide a more granular overview of the areas where auditors have been helping their organizations to return to the workplace in the COVID-19 environment. In general, these results show that internal audit functions have stepped up to the plate and produced valuable information and analysis to support their organizations as they were facing the stress of the pandemic crisis.

Diagram 8 – Areas where auditors have been in helping their organization to return to the workplace in the COVID-19 environment: Comparison of IIA and GIACC



As in other comparisons made previously in this study, the IIA and GIACC results are substantially similar. Some differences are observed however, notably the lower propensity of GIACC members to be part of crisis response teams and their higher tendency to conduct consulting services, human resources reviews, and health and safety reviews.

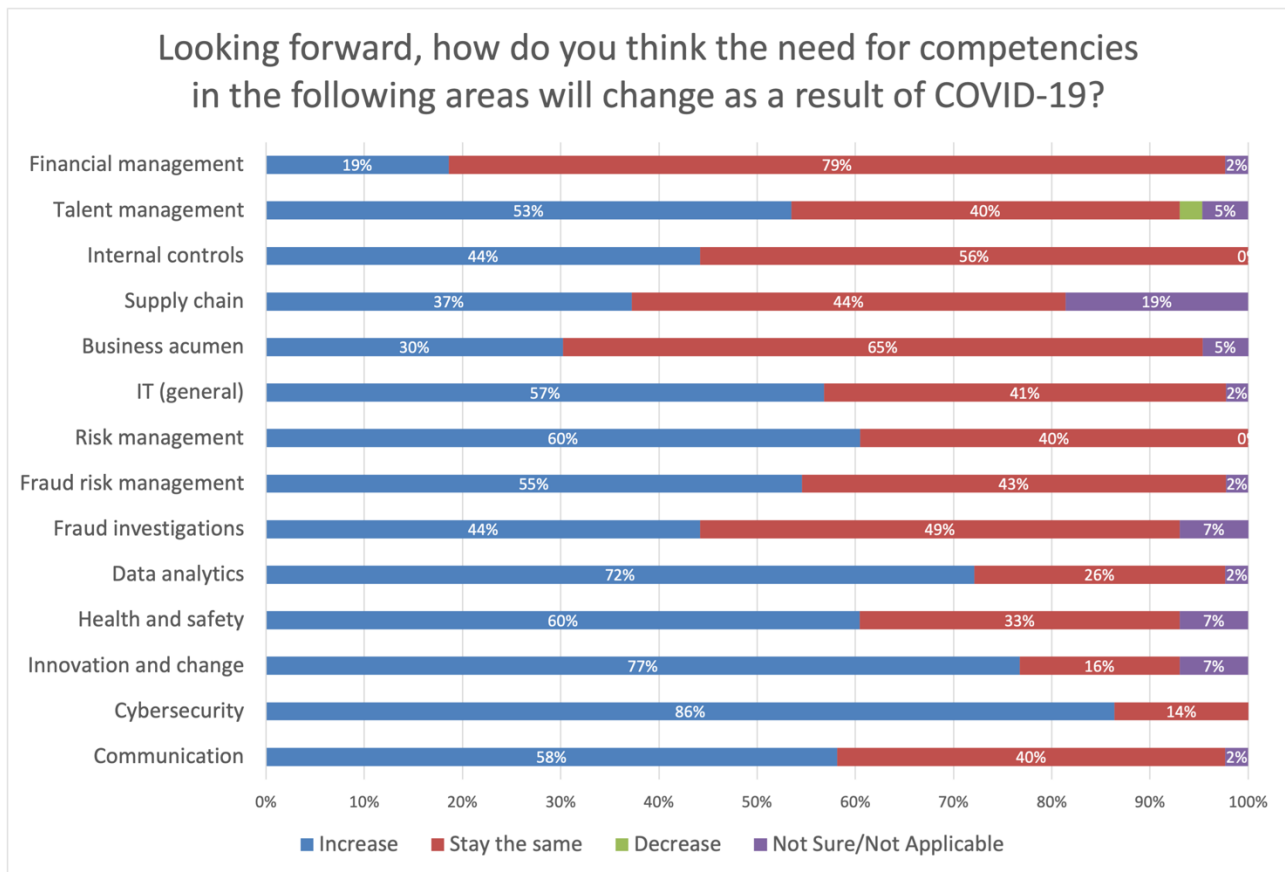
Competencies for now and for the future

Emerging better practices in internal audit are expanding the range of skills needed by audit teams. The pandemic has accelerated these trends and highlighted even more vividly the requirements for new competencies (CIIA, 2020).

In the survey of GIACC leaders, several of these competencies were identified (see **Diagram 9**). They are consistent with the trends identified in this study. The three major competencies flagged were cybersecurity, innovation and change, and data analytics. Also prominent were IT, risk management and health and safety.



Diagram 9 – Changes to Audit Competencies Needed Due to COVID-19



It could be deduced from these findings that internal audit functions will increasingly focus on recruiting experts and auditors trained in many of the emerging areas. However, this will not be enough to address the growing needs for these new skills. The manner by which this training will be done has been greatly impacted by COVID-19. The survey revealed that during the pandemic, 95% of GIACC members reported a decrease in classroom training, while 90% pointed out that on-line training and webinar attendance had increased⁷. Due to the cost-effectiveness and flexibility of virtual training, it is expected that this trend will persist in the future.

⁷ Based on Question #15 of the survey: How has COVID-19 impacted professional staff access to professional development resources?



Conclusion

The pandemic has been a game changer on every level. Without falling into too many clichés, it is fair to say that we are still assessing how it will impact all of us and for how long. Internal audit does not exist in a bubble. On the contrary, it is an intricate part of the machinery of government and is therefore deeply affected by the changes that society as a whole is experiencing.

This study has outlined the risks that internal audit is designed to assess and to face. Through our consultations, survey of GIACC leaders and literature review, we have confirmed that human resource management, cybersecurity, fraud, stress on the health system, performance reporting and financial management are among the top risk confronting Canadian governments at all levels. Some of these risks are brand-new and we are still pondering their magnitude. Some have been around for a while but have been magnified by the pandemic.

Our study has also confirmed that public sector internal audit functions are facing these challenges boldly. Good practices, such as electronic working papers and remote auditing, are expanding while new and better approaches are emerging. Notably, twenty six percent of innovative practices reported by GIACC internal audit functions were related to various forms of agile auditing, which include processes that provide greater flexibility with deadlines provided to auditees and more flexible planning and execution, as well as real-time auditing.

With the harnessing of new technologies and the honing of new competencies, internal auditing is evolving and adapting to meet the needs of Canadian governments. Despite the pandemic and its many challenges, internal audits will continue to add value and to contribute to improving the life of citizens.



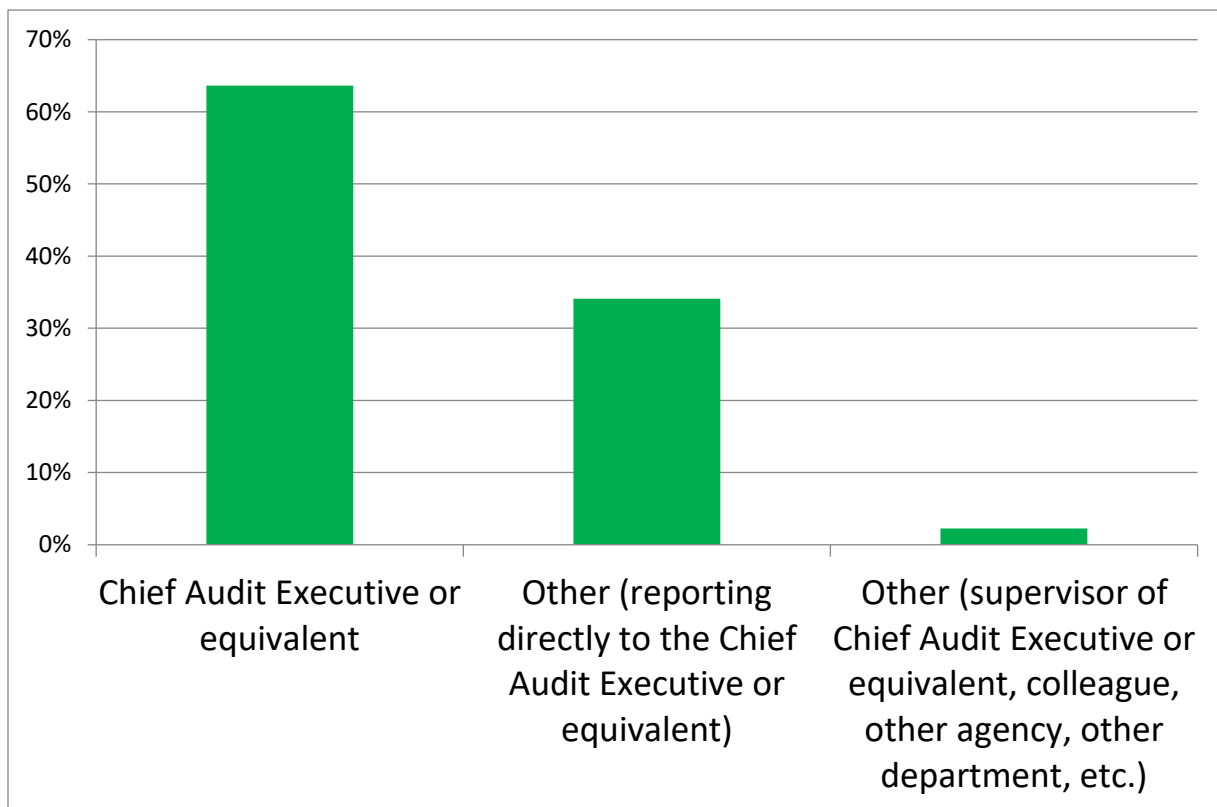
Appendix 1 – Information on the Survey

About the survey

The survey was conducted between October 26, 2021 and November 12, 2021. It was largely based on questions used in three surveys conducted by IIA-North America in 2020 (IIA, 2020a; IIA, 2020b; IIA, 2020c). Additional questions were provided by GIACC. 87 questionnaires were sent to Chief Audit Executives or equivalent and Internal Audit Directors or equivalent and 46 responses were received (response rate of 53%). When comparisons with IIA survey results were made, the results of respondents indicating that they were part of 'public administration' were used.

Demographic Information

Diagram 10 – Role of Respondents in Audit Organizations





THE EVOLVING ROLE OF INTERNAL AUDIT IN THE COVID-19 ENVIRONMENT – A STUDY ON EMERGING RISKS AND THEIR MANAGEMENT

Diagram 11 – Level of Government Where Audit Organizations Are Operating

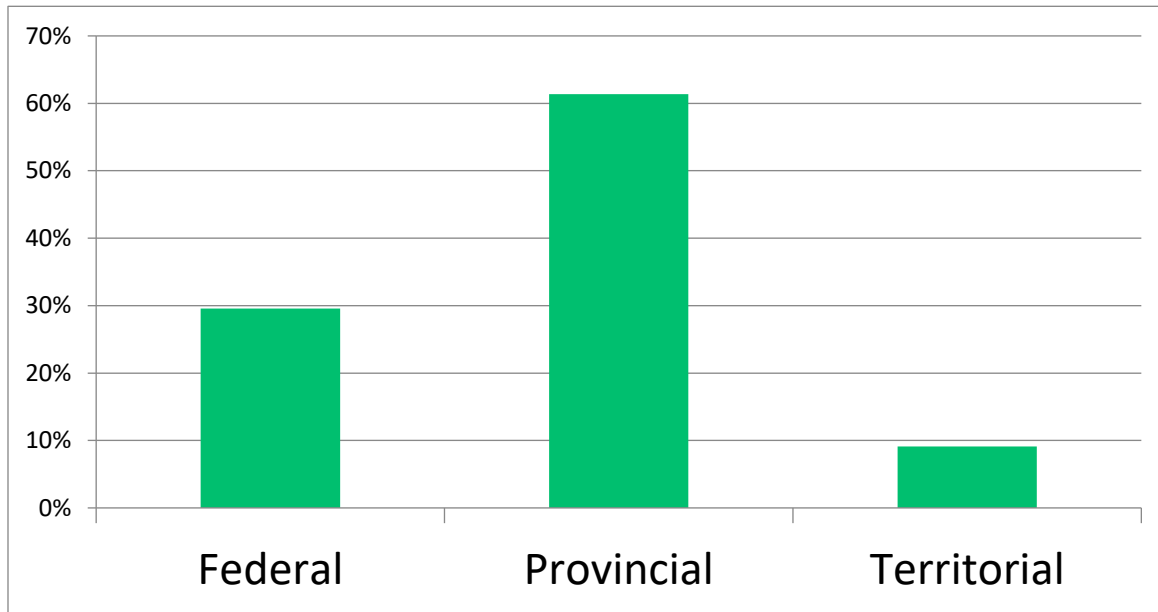
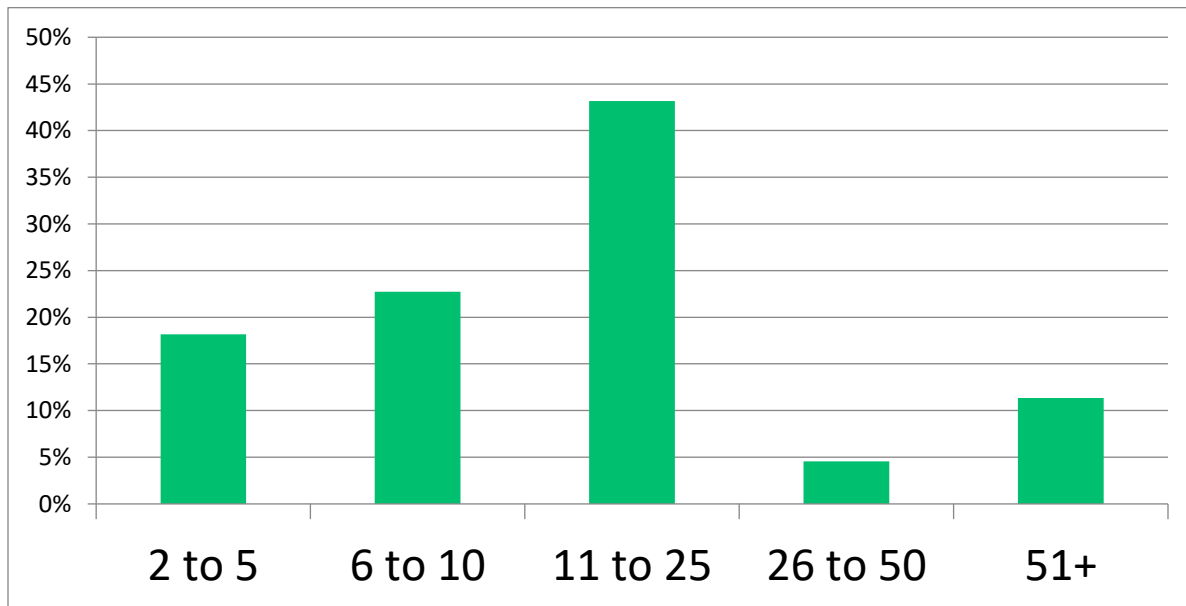


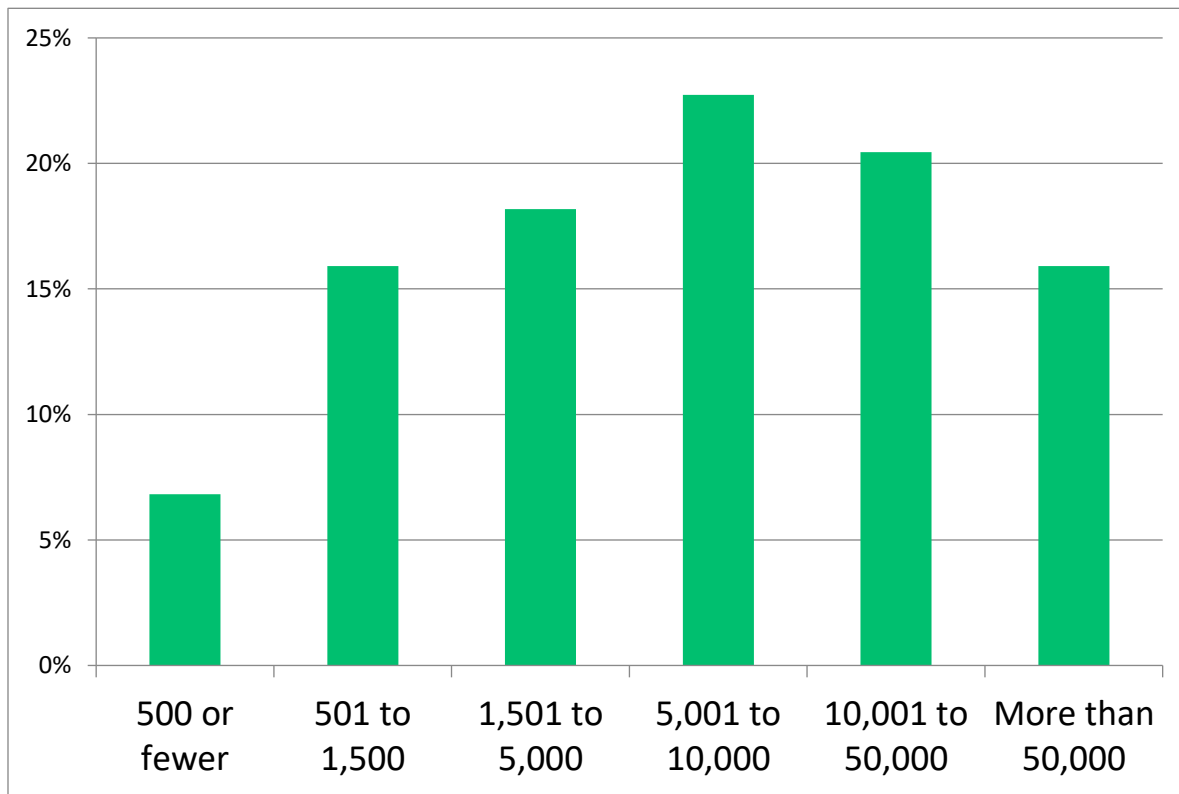
Diagram 12 – Size of Internal Audit Functions (in FTE⁸)



⁸ FTE means Full-Time Equivalent.



Diagram 13 – Size of Organizations Audited (in FTE)





Appendix 2 – Survey Questionnaire

Survey of GIACC Community on Emerging Risks and Evolving Role of Internal Audit in Response to the COVID-19 Environment

Risk Assessment and Audit Planning

1. How has your audit plan changed as a result of COVID-19? Choose all that apply.

- | | |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Discontinued or reduced scope for some audit engagements | <input type="checkbox"/> Increased scope for some audit engagements |
| <input type="checkbox"/> Cancelled some planned audit engagements | <input type="checkbox"/> Changes made to timeframe of audit plan (e.g., one year vs three-year plan) |
| <input type="checkbox"/> Added some new audit engagements | <input type="checkbox"/> Increased focus, if any, on advisory services |
| <input type="checkbox"/> Redirected audit staff to do non-audit work | <input type="checkbox"/> None of the above |

Other (please specify)

2. Indicate the top 5 risks that have been identified as part of your 2020-21 and 2021-22 audit plans. If your risk assessment is underway or you do not have this information, do not answer.

Risk 1	<div style="border: 1px solid black; width: 210px; height: 25px;"></div>
Risk 2	<div style="border: 1px solid black; width: 210px; height: 25px;"></div>
Risk 3	<div style="border: 1px solid black; width: 210px; height: 25px;"></div>
Risk 4	<div style="border: 1px solid black; width: 210px; height: 25px;"></div>
Risk 5	<div style="border: 1px solid black; width: 210px; height: 25px;"></div>

3. What is your level of concern about the long-term financial viability of the organization you audit as a result of COVID-19?

- | | |
|--------------------------------------------|--------------------------------------------|
| <input type="radio"/> Extremely concerned | <input type="radio"/> Slightly concerned |
| <input type="radio"/> Very concerned | <input type="radio"/> Not at all concerned |
| <input type="radio"/> Moderately concerned | |



THE EVOLVING ROLE OF INTERNAL AUDIT IN THE COVID-19 ENVIRONMENT – A STUDY ON EMERGING RISKS AND THEIR MANAGEMENT

4. How has your audit effort in the following areas changed as a result of COVID-19? Assess each topic.

Assess each topic

Business continuity planning	<input type="text"/>
Cybersecurity	<input type="text"/>
Enterprise risk management	<input type="text"/>
Fraud	<input type="text"/>
Cost control/reduction	<input type="text"/>
IT (general)	<input type="text"/>
Operations	<input type="text"/>
Health and safety	<input type="text"/>
Compliance/regulatory (not related to financial reporting)	<input type="text"/>
Financial areas other than financial reporting	<input type="text"/>
Human resources	<input type="text"/>
Financial reporting	<input type="text"/>
Other (please specify)	<input type="text"/>



Survey of GIACC Community on Emerging Risks and Evolving Role of Internal Audit in Response to the COVID-19 Environment

Internal Audit Budget

5. Looking back over the past 12 months, did your budget:

- Increase
- Decrease
- Stay about the same
- Not sure

6. Looking forward to the next 12 months, how do you expect your budget to change as a result of COVID-19 in the following areas?

Assess each area

Overall budget	<input type="text"/>
Internal staffing	<input type="text"/>
External sourcing	<input type="text"/>
Professional development	<input type="text"/>
Travel	<input type="text"/>
Other (please specify)	<input type="text"/>

Survey of GIACC Community on Emerging Risks and Evolving Role of Internal Audit in Response to the COVID-19 Environment

Communicating with the Audit Committee

7. Looking forward, how do you anticipate the frequency of your formal and informal communications with your audit committee/board/equivalent to change as a result of COVID-19?

- Increase significantly
- Decrease slightly
- Increase slightly
- Decrease significantly
- Stayed about the same
- Not sure/not applicable



Survey of GIACC Community on Emerging Risks and Evolving Role of Internal Audit in Response to the COVID-19 Environment

Internal Audit Process

8. Looking forward, how do you anticipate your audit process will change as a result of COVID-19? Choose all that apply.

- | | |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> More options to work from home | <input type="checkbox"/> Decrease duration of audits |
| <input type="checkbox"/> More flexible audit plan | <input type="checkbox"/> More use of audit software |
| <input type="checkbox"/> Decrease time spent auditing on-site | <input type="checkbox"/> More investment in automation |
| <input type="checkbox"/> More use of data analytics | <input type="checkbox"/> More use of robotic process automation |
| <input type="checkbox"/> More use of agile auditing techniques | <input type="checkbox"/> None of the above |
| <input type="checkbox"/> More consulting activities | <input type="checkbox"/> Not sure |
| <input type="checkbox"/> More focus on identifying organizational cost savings | |

Other (please specify)

9. Is there innovative practices or methods emerging from the COVID-19 environment that you have implemented that you would like to share?



Survey of GIACC Community on Emerging Risks and Evolving Role of Internal Audit in Response to the COVID-19 Environment

Internal Audit Staffing and Competencies

10. How has your internal audit staffing changed as a result of COVID-19? (? *Staffing includes cosourcing and outsourcing.)

- Increased
- Stayed the same
- Decreased
- Not sure

11. If internal audit staffing decreased as a result of COVID 19, select the most representative scenario:

- Staff was decreased temporarily
- Co-sourcing or outsourcing was decreased
- Staff was decreased permanently

12. How has your capacity to source professional internal audit staff changed as a result of COVID-19?

- Increased
- Stayed the same
- Decreased
- Not sure

13. How has your capacity to retain professional internal audit staff changed as a result of COVID-19?

- Increased
- Stayed the same
- Decreased
- Not sure



THE EVOLVING ROLE OF INTERNAL AUDIT IN THE COVID-19 ENVIRONMENT – A STUDY ON EMERGING RISKS AND THEIR MANAGEMENT

14. Looking forward, how do you think the need for competencies in the following areas will change as a result of COVID-19?

Assess each area

Communication	<input type="text"/>
Cybersecurity	<input type="text"/>
Innovation and change	<input type="text"/>
Health and safety	<input type="text"/>
Data analytics	<input type="text"/>
Fraud investigations	<input type="text"/>
Fraud risk management	<input type="text"/>
Risk management	<input type="text"/>
IT (general)	<input type="text"/>
Business acumen	<input type="text"/>
Supply chain	<input type="text"/>
Internal controls	<input type="text"/>
Talent management	<input type="text"/>
Financial management	<input type="text"/>
Other (please specify)	<input type="text"/>



THE EVOLVING ROLE OF INTERNAL AUDIT IN THE COVID-19 ENVIRONMENT – A STUDY ON EMERGING RISKS AND THEIR MANAGEMENT

15. How has COVID-19 impacted professional staff access to professional development resources?

Assess each learning strategy listed

Classroom training	<input type="text"/>
Online training	<input type="text"/>
Webinar	<input type="text"/>
Self-study	<input type="text"/>
Mentoring/Coaching	<input type="text"/>
Hands-on training	<input type="text"/>
Conference	<input type="text"/>
Other (please specify)	<input type="text"/>

16. Do you think that the impacts of COVID-19 on how professional staff access professional development resources will persist in the future?

- Yes
- No
- Not sure



Survey of GIACC Community on Emerging Risks and Evolving Role of Internal Audit in Response to the COVID-19 Environment

Workplace Readiness

17. In which areas has internal audit been involved in preparing the organization you audit for returning to work in the COVID-19 environment? Choose all that apply

- | | |
|--------------------------------------------------------------------------------------------|----------------------------------------------------|
| <input type="checkbox"/> Identifying emerging risks and risk assessment | <input type="checkbox"/> Financial impact analysis |
| <input type="checkbox"/> Consulting (general) | <input type="checkbox"/> Third-party risk reviews |
| <input type="checkbox"/> Crisis response team | <input type="checkbox"/> Human resource reviews |
| <input type="checkbox"/> Operational reviews and productivity impact analysis | <input type="checkbox"/> Health and safety reviews |
| <input type="checkbox"/> Compliance risk reviews and legal reviews (other than compliance) | |

Other (please specify)

Survey of GIACC Community on Emerging Risks and Evolving Role of Internal Audit in Response to the COVID-19 Environment

Demographic Questions

18. What is your role in your audit organization?

- Chief Audit Executive or equivalent
- Other (reporting directly to the Chief Audit Executive or equivalent)
- Other (supervisor of Chief Audit Executive or equivalent, colleague, other agency, other department, etc.)

19. What level of government is your audit organization serving?

- Federal
- Provincial
- Territorial



THE EVOLVING ROLE OF INTERNAL AUDIT IN THE COVID-19 ENVIRONMENT – A STUDY ON EMERGING RISKS AND THEIR MANAGEMENT

20. What is the size of your internal audit function (in FTE)?

- 1
- 2 to 5
- 6 to 10
- 11 to 25
- 26 to 50
- 51+

21. What is the size of your organization as a whole (in FTE)?

- 500 or fewer
- 501 to 1,500
- 1,501 to 5,000
- 5,001 to 10,000
- 10,001 to 50,000
- More than 50,000

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