Remote Auditing

Opportunities and challenges in conducting remote audits

Management Summary (English)

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Preface

This document is an English language version of the management summary from the publication "Remote-Auditing – Chancen und Herausforderungen in der Durchführung von Remote-Audits" by DIIR. You may find the complete study (in the German language) **here**.

Management Summary

The DIIR survey on remote auditing was conducted to examine the current practice, opportunities, and challenges of remote audits in the current situation. These are the main results of the study:

- Operational, financial, and IT audits are considered practical by the participants and have already been carried out by many auditors. In contrast, fraud audits and consulting activities are currently not being conducted or planned remotely by about half of the surveyed participants.

- In general, the support of the management board, audited unit, and supervisory board/audit committee in conducting remote audits is considered good. According to the participants, the remote audit process is similar or only slightly different from the conventional audit process.

- Prerequisites for implementing remote auditing are secure communication programs with a stable Internet connection and the opportunity to share data in addition to video transmission. Access to data, the willingness of the units involved, and a digital form of processes, procedures, and documents to be audited are also of importance.

- Two-thirds of the participants see the effectiveness and efficiency of the audit as neutrally or positively influenced. Accordingly, one-third rate the effect of remote audits in these categories as negative. Remote auditing appears to have a neutral influence on stakeholder satisfaction and reliance on the work of the internal audit department.

- The greatest advantages of remote auditing are efficiency gains as well as time and cost savings. Besides, remote auditing can increase flexibility and act as a driving force for digitalization. In the current situation, remote auditing strengthens the internal audit department's ability to act.

- The biggest disadvantages and challenges lie in a potential reduction of assurance. The participants believe that the analysis of body language or facial expressions, completeness/correctness of documents, and the working environment are partially limited. Access to people and data, a lack of informal communication, and the creation of trust are further challenges. Different time zones may impact the success of remote audits in large companies. Overall, however, it can be said that remote audits are perceived to be positive in most internal audit functions.

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