

## **Gathering Evidence through Remote Means**

The auditor must obtain sufficient appropriate audit evidence to support their auditor's report, be it in support of substantive testing or controls testing. However, restrictions on travel, movement and visiting client sites may mean this cannot be carried out as planned. Auditors will need to think about whether there are other ways for them to obtain sufficient appropriate audit evidence, and this may well require the use of procedures which are currently not typically used under the methodology of a firm, including through the greater use of technology. Auditors will also need to understand, in modifying their audit approach, how audited entities are changing their operations and the control environment they operate as, for example, business continuity plans are invoked, and what this does to available evidence.

Where audit evidence would normally be gathered through physical means (observation or inspection), the current restrictions mean that these approaches are no longer feasible. However, the auditor can instead consider additional audit procedures that could be performed to enable the auditor to obtain sufficient and appropriate evidence. Determining whether additional or alternative procedures are necessary, and if so, which procedures are to be performed, needs to be carefully considered by the auditor on a case by case basis and will be dependent on the applicable facts and circumstances. It is a judgment call the auditor needs to make, considering explicitly whether evidence obtained electronically is reliable in the circumstances, and is not subject to manipulation.

If auditors are seeking to gather evidence through greater use of technology, including through the use of secure third party systems to provide confirmations, or by the provision of evidence to the auditor through secure live streaming or screen sharing then the auditor considers what factors will allow them to evaluate the appropriateness of that evidence. This assessment includes the risk that evidence might be manipulated, and how this risk can be mitigated.

For example, an auditor may gain sufficient appropriate evidence for a stocktake, by attending it remotely, engaging with staff at the audited entity to challenge those carrying out the work, and requesting items to be counted. This may need to be recorded on the audit file in a different way but allows the auditor to confirm that they have gathered the necessary evidence. Rather than being physically present to observe and inspect processes and control activities to determine whether controls have worked effectively, the auditor might gain sufficient appropriate evidence by carrying out this work through sharing screens, live streaming through secure means, or obtaining screen shots of the different stages of the process that verify the effective operation of controls.

Technology is widely used in business, and by auditors. It is not possible, and would not be desirable, to compile an exhaustive list of procedures, and any procedure is not guaranteed to provide sufficient, appropriate evidence. However, innovation, a careful assessment of each source of evidence, and clearly recording the judgments taken and the rationale for them will enable auditors to find new ways of delivering their work.

The Covid-19 crisis also means that there may be situations where there is a greater risk of fraud. In these situations, as the control environment may be operating differently to expectations, for instance impacting on segregation of duties. The auditor considers the need for additional procedures to address the risk.