

# Impact of Covid-19 Pandemic on the role of internal audit in the RSA

## PEMPAL IACOP Smart Interactive Talk

Prepared by: Nontando Myeza | 20 April 2020

Internal Audit Support Unit, National Treasury: RSA



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# Background

- The 1<sup>st</sup> case of the confirmed covid-19 infected patient was on 5 March 2020, which resulted in the first regulations issued to guide the public on how to deal with the pandemic.
- The 21 day Lockdown was announced on the 22 March 2020 at that point the country was sitting at 274 confirmed cases.
- At the commencement of the lockdown period which was on 27 March 2020 the country was already sitting at 1170 confirmed cases and 1 death.
- The **Internal Audit Activity (IAA) was not declared as an essential services which means it had only 3 days to plan** on how they will carry on with the work with minimal disruption.

## Emerging risks

- Lack of adequate business continuity model
- Limited time to respond to the pandemic
- Non adherence to procurement processes i.e. acquisition of tools at short notice
- Limited of data mining and analyses tools
- Lack of integrated financial management and reporting systems
- IAA will becoming more of management tool / adviser by being part of decision making process which might compromise independency

## What we need to do

- IAA should take a lead and advise management of the new risk exposure
- Update the IAA plan by reprioritising projects e.g. provide more consulting/advisory services
- Explore new and innovative ways to connect with clients from different geographical locations
- Optimise the use of the available resources ie, Microsoft Teams, Outlook and Skype
- Schedule catch up sessions with fellow team mates and develop method of reporting
- Due to limited access to Audit Software packages, IAA needs to optimise the use of Excel for data analysis
- IAA staff should be more flexible to provide advice and guidance

## Challenges / Limitations

- Limited resources i.e. poor connection and high cost of data
- Financial Systems are not integrated, information disconnected
- Difficulties of obtaining evidence as a result of the lack access to the necessary tools
- Lack of integrated reporting( financial and non financial information)

## Opportunities

- Advising management on the importance of knowledge management
- Investing in the Internal audit software and Information Technology expertise
- Have an innovative team within IAA
- Diversify the teams/ Not having only financial expert
- Explore and optimise the continuous auditing
- Speed up the development and implementation of combined assurance model