

IMPACT OF EXTERNAL FACTORS ON AUDITS AND TRANSITION TO PERSPECTIVE WAYS IN CRISIS SITUATIONS

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Today the world community is facing with a serious situation. Pandemic Covid-19 has already negatively affected the economies of many countries. It is the one of the biggest epidemic threats in the century that the world has faced. We should not underestimate what is happening. No one knows yet when will over and what will the consequences be. It is quite obvious that during the first wave pandemic the huge losses were felt in many countries. Despite all efforts, the second wave of pandemic started at the beginning of autumn in many countries. We see that till now the pandemic has affected and is still affecting in whole or in part the activities of all industries, the goals and plans of many countries. We can say that Covid-19 influenced this year and complicated the activities of all Supreme Audit Institutions.

During the pandemic, the auditors have to act according to new methods, keeping sanitary measures, which partly complicate their task. Like other developing countries, Supreme Audit Institutions (SAI) – the Accounts chamber of Tajikistan, which faced such complexities too. Our SAI works within the framework of domestic and INTOSAI Standards on the basis of the annual plan. SAI of Tajikistanis also faced a difficult situation.

After the announcement of first cases of Covid-19 at the second quarter in Tajikistan, the number of audits decreased and it complicated the fulfillment of duties of auditors, keeping the rules and procedures of sanitary conditions.

The virus is one of those poorly predictable threats that is written about in all risk management textbooks. The threat is unpredictable in the sense that it is not known in advance when an event that carries a threat will occur. But it is well known that this sometimes happens and you need to be prepared for this in order to minimize possible losses. This is where good risk-management lies. If you observe that management is not ready for the situation that has arisen, it is necessary together with the leadership hold discussions and suggest perspective action ideas. And when we overcome the current crises situation, it will be time to review and assess risk management systems, rationality of action plans, and keep effectiveness of procedures to support regularity development of SAI activity. The SAI of Tajikistan began to act remotely in order to prevent infection of their employees with Covid-19.



How should SAIs operate today? What kind of tasks should be put at the forefront and how to solve them, how to function in current conditions? What and how to do it?

We don't have a universal answer. But there is a clear answer to the question that what should not be done now? You need not to act as if nothing has changed. SAI as an independent audit body conducts audits with the aim of obtaining reasonable assurance that the financial statements of an economic entity are free from material misstatements, and express opinion on this in the form of auditor's report. External government audit can be carried out in accordance with legislation. And now the SAI of Tajikistan should try to enhance the economy in the country, act through effective ways to increase the amount of state budget revenues and raise the economic growth, which has decreased due to the pandemic. Therefore, it is necessary to put the questions "how can we help?", "where can we be most useful?" And it is here and now that all the strength, experiences and audit skills are necessary in order to maximize our inner capacity to play the role of a consultant in this difficult situation.

1. You should try to help leadership assess the situation, observe and assess the risks. Some obvious facts are: illness of employees, impossibility to carry out planned audits in time. There are less obvious risks, such as outages in storage and data centers. These risks should be discussed with leadership and offered solutions. It is highly desirable that auditors should be well informed in this

regard, and also quickly adapt to the upcoming tasks. But in current crises, it will be sufficient to use the breadth of outlook and common sense – qualities inherent in any external auditor.

2. Amendments to existing regulations. It is necessary to introduce a change to the acting standards, instructions governing auditing activities of a SAI, which do not provide situations to force majeure situations. They need to be gradually supplemented and improved for further work, which the employee would not have to face with difficulties.

3. We should think about long term solutions. Now the leadership of the institutions focuses on current events of crises situation. It is quite understandable. We should help keep acting not to lose perspective. The virus will recede and we should plan to make up for what has been lost and reach new success. So now it is also a good time to think about the opportunities that are opening up.

It should be remembered that the main asset of any SAI surely is people. Ability to protect people and to work with them in crisis situation depends on the well-being of a SAI. It's necessary to take appropriate steps for it. One of the these steps is the transition to remote audit works. It is facilitated to provide with laptops, necessary electronics, network equipment and servers for most auditors, take availability of remote access to the services of the SAI through network drives and special programs, and to set up a clear work plan for employees for the future.