

**IMPACT OF COVID-19 ON FINANCIAL
REPORTING AND AUDIT OF FINANCIAL
STATEMENTS**

IMPACT OF COVID 19 ON FINANCIAL REPORTING

BACKGROUND

- COVID-19 has impacted many countries
- Entities are limiting or suspending their business operations
- Implementation of travel restrictions and quarantine measures
- Management and auditors face significant challenges on preparation and audit of financial statements

Areas to be considered

Inventory Measurement

Impairment of Assets

Financial Instruments

Leases

Revenue

Provisions, Contingent Liabilities
and Contingent Assets

Going Concern Assessment

Post Balance sheet events

Income Taxes

Property, Plant and Equipment

Presentation of Financial Statements

Borrowing Costs

Modifications or termination of
Contracts or Arrangements

Interim Financial Reporting

Impact of Corona Virus

- Write down inventories to net realizable value due to –
 - a) reduced movement in inventory
 - b) decline in selling prices
 - c) inventory obsolescence due to lower than expected sales.
- Management may consider written down of inventories to NRV item by item.
- **Fixed Overhead Allocation** must be carefully considered to avoid valuing the inventory at higher cost.



INVENTORY
MEASUREMENT

Impact on utilization of production capacity - review the **normal vs. actual** production for allocation of fixed production overheads

Entities to assess significance of write-downs and need to make **disclosure** in accordance with Ind AS 2 / AS 2

It might be necessary to write down inventories to net realizable value due to reduced movement in inventory

IMPAIRMENT OF ASSETS

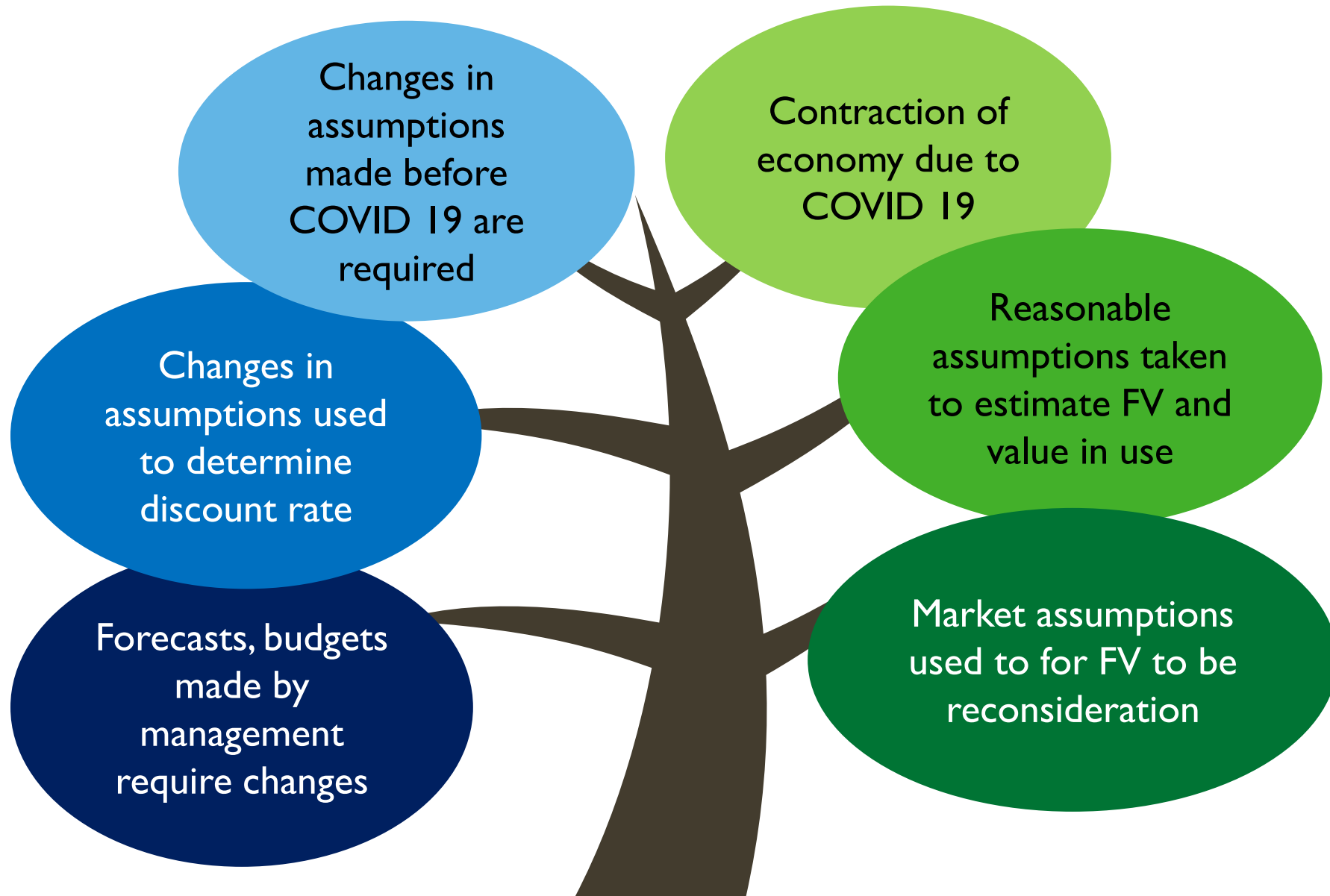
01

Due to COVID 19, there might be **temporary ceasing of operations or an immediate decline in demand or prices** resulting in lowering of revenues and profitability and reduced economic activity.

02

Covid 19 impact is an indicator necessitating **impairment testing** of goodwill and indefinite useful life intangible assets as of reporting date even if the entity follows annual testing cycle as per Ind AS 36

Critical factors to be considered by Management



GOODWILL IMPAIRMENT

- Adverse effect in operations of a cash generating unit to which goodwill is allocated will trigger goodwill impairment.
- Requires additional focus and attention while testing of impairment of goodwill as at March 31, 2020.
- Management to consider providing detailed disclosures on the assumptions and sensitivities considered for effects of the COVID-19.



FINANCIAL INSTRUMENTS



IMPAIRMENT LOSS

ENTITIES TO WHOM IND AS IS APPLICABLE

- In respect of Ind AS 107, Financial Instruments Disclosures, entity may need to disclose the impact of COVID-19 on various credit related aspects such as methods, assumptions and information used.

ENTITIES TO WHOM AS IS APPLICABLE

- In respect of financial assets as per AS 13 entity may have to carefully consider the requirements of making provisions for decline in the value of investments, which is other than temporary.

Expected Credit Loss – Ind AS 109

- Ind AS 109 requires Lifetime Expected Credit Loss (ECL) to be recognized when there is **‘Significant Increase in Credit Risk’ (SICR)** on a financial instrument
- Management should **assess changes in risk of a default** occurring over the expected life of a financial instrument (viz., trade receivables, loans given, investments, etc.)
- Estimates should be developed based on the **best available information** about past events, current conditions and forecasts of economic conditions.
- It is **unlikely to incorporate specific effects** of Covid-19 as on date of approval of financial statements
- **Disclosure should be made that**
 - Recoverability of receivables, etc., is based on internal and external information upto the date of approval of financial statements,
 - Impact of the pandemic in the future may be different from that estimated as in the financial statements

FAIR VALUE MEASUREMENT

Impact of COVID-19 on various assumptions including discount rates, credit-spread / counter-party credit risk etc. should be considered.

Ind
AS



Entities have to carefully consider the impact of COVID-19 on determination of fair value for valuation of investments classified as Current Investments.

AS



HEDGE ACCOUNTING

In case of **cash flow hedge accounting** for forecasted transactions, Management should assess if transaction still qualifies as **a highly probable forecast**.

Entities will need to assess any **hedge ineffectiveness** and record the impact of that in profit and loss.

Guidance – Reconsider impact on key inputs / assumptions such as Foreign currency rate, interest rate, etc. used in valuation techniques.

LEASES

- Many lessees have requested lessors to **relook at the lease terms** – either requesting
 - for linking lease payment to revenue generation in case of commercial establishment or
 - suspend lease payment for temporary period
- Look out for **Force Majeure clause** in the agreements – critical evaluation should be done
- Such revised terms or concessions shall be considered while accounting for leases.
- **Variable lease payments** will be significantly impacted, especially those linked to revenues.

LEASES

- **Discount rate** used to determine the present value of new lease liabilities may need to incorporate any risk associated with COVID-19.
- Revised terms of concessions may lead to application of accounting related to **modification of contracts**.
- Management to evaluate – is the contract now **onerous**?

REVENUE

Likely increase in sales returns, decrease in volume discounts, higher price discounts etc.

Entities may have postponed recognition of revenue due to significant uncertainty of collection.

Entities to consider disclosure about the impact of COVID-19 on entities revenue.

Under Ind AS 115, these factors need to be considered in estimating the amount of revenue to be recognized, i.e., measurement of variable consideration.

Provisions, Contingent Liabilities and Contingent Assets

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

I. Onerous contracts -

- Testing of the contract for **Impairment** before liability is recognized.
- Losses from imposition of penalty due to delay in supply of goods, which may need to be considered under the guidance of Ind AS 115.
- If the management is unable to assess whether some of the executory contracts have become onerous due to inadequacy of information, the same should be disclosed.

Provisions, Contingent Liabilities and Contingent Assets

2. Contingent Assets – Insurance claims

- Entities may have insurance policies that cover loss of profit due to business disruptions due to events like COVID-19.
- Entities claim can be recognized only if it is virtually certain.

3. Recognition of Provision

- Provisions for **future operating costs or future business recovery costs should not be made.**
- An entity should however disclose the nature of the obligations and expected timing of outflow.

GOING CONCERN ASSESSMENT (IND AS)

Management to evaluate various business activities before assessing the going concern of the Company –

- Business Development in near future
- Supply Chain Management
- Production capacities impact, etc.

01

Management should assess measures taken on its ability to continue as a going concern.

02

Necessary **disclosures** as per Ind AS I shall also be made, such as **material uncertainties that might cast significant doubt** upon an entity's ability to continue as a going concern.

GOING CONCERN ASSESSMENT (AS)

01

Events occurring after the balance sheet date may indicate that the enterprise ceases to be a going concern.

02

The impact of COVID-19 after the balance sheet date should also be considered in assessing whether going concern assumption is appropriate or not.

03

If Company is dependent on key supplier and / or key customer, then the customer / supplier's going concern should also be evaluated

POST BALANCE SHEET EVENTS

Disclose Significant & Measurement uncertainties

Entities must disclose significant & measurement uncertainties that might have been created due to outbreak of COVID-19

Disclose how they have dealt with the Impact

How the entity has dealt with COVID-19 to reduce its impact on Financial Performance.

Careful assessment needed to identify all post BS adjusting events including

- NRV assessment of inventory,
- recoverability of balances from customers,
- dependence on key supplier / customer, etc.

INCOME TAXES

- COVID-19 will effect **future profits**
- Need to reassess the **recoverability of deferred tax asset created on losses**
- Covid 19 will also impact decision on plans to distribute profits.
- **Disclosures** of significant judgements and estimates made in assessing the recoverability of deferred tax assets.
- Entities with deferred tax asset should reassess forecasted profits considering the additional uncertainty arising from the COVID-19



PROPERTY, PLANT AND EQUIPMENT

**EXPECTED
USEFUL LIFE**

**EXPECTED
RESIDUAL VALUE**

**ACCOUNTING
ESTIMATES**

**FACTORS TO BE
CONSIDERED**

PROPERTY, PLANT AND EQUIPMENT

- Ind AS 16 and AS 10 require that useful life and residual life of PPE needs revision in annual basis.
- Due to COVID-19, PPE can remain **under-utilized** or not utilized for a period of time.
- COVID-19 impact may have affected the **expected useful life** and **residual life** of PPE.
- Appropriate to assess the impact and disclose accordingly

PRESENTATION OF FINANCIAL STATEMENTS

BREACH OF LOAN COVENANTS

- There may be instances of breach of loan covenants which may trigger the liability becoming due for payment and liability becoming current.
- Such liability not be classified as current, if the lender agrees not to demand payment as a consequence of the breach.

ESTIMATES OF UNCERTAINTY

- Presentation of Financial Statements, requires an entity to disclose information about the assumptions it makes about the future, and other major sources of estimation of uncertainty.
- COVID-19 may have created many uncertainties about the likely future scenarios which may affect the estimations.

PRESENTATION OF FINANCIAL STATEMENTS

COMPARITIVE INFORMATION

- COVID-19 may impact financial performance and financial position of entities.
- Preparers may consider **making adequate disclosures and explanatory notes** regarding the impact of COVID-19 on its financial position, performance and cash flows.

BORROWING COSTS

Ind AS 23, Borrowing Costs, and AS 16 Borrowing Costs

1. Above standards require that the capitalization of **interest is suspended** when development of an asset is suspended.
2. The management may consider this aspect while evaluating the impact of COVID-19.



MODIFICATION OR TERMINATION OF CONTRACT

It may also be noted that the entities may modify or terminate certain contracts which may be within the scope of other Ind ASs or ASs or Guidance notes.

Entities to Whom Ind AS is applicable	Entities to Whom AS is applicable
Ind AS 19, Employee Benefits	AS 15 Employee benefits (revised 2005)
Ind AS 102, Share-based Payments	Guidance Note on Accounting for Employee Share Based Payments
Ind AS 109, Financial Instruments and Ind AS 32, Financial Instruments - Presentation	Guidance Note on Accounting for Derivatives Contracts (Issued 2015)
Ind AS 115, Revenue from Contracts with Customers	AS 7 Construction Contracts (revised 2002) AS 9 Revenue Recognition) Guidance Note on Accounting for Real Estate Transactions (revised 2012)

INTERIM FINACIAL REPORTING

- Impact on calculation of **expected effective tax rate**.
- **Additional disclosure** should be given to reflect the financial impact of the COVID-19 and the measures taken.
- Disclosure should be **entity-specific**
- Suitable disclosures should be made in **Management Discussion and Analysis** section.
- **Auditors to consider SA 720 Compliance** – evaluate the ‘other information’

IMPACT OF COVID 19 ON AUDIT OF
FINANCIAL STATEMENTS

BACKGROUND

- This will have **accounting, disclosure, internal control and auditing implications** for many entities.
- This **cannot undermine delivery of high quality audits.**
- Audits should continue to be planned and performed in compliance with the auditing standards.

Areas to be considered

Identifying and Assessing the Risk of Material Misstatements and Materiality in Planning and Performing an Audit (SA 315, identifying and assessing the risk of material misstatement through understanding the entity & its environment) and Audit Plan

Assessing Financial Impact and their Reasonable Estimation (SA 540, Auditing of Accounting estimates, including FV Accounting Estimates, and related disclosures)

Valuation of Inventory on a date other than date of financial statements (SA 501, Audit Evidence – specific considerations for selected items)

Audit of Consolidated Financial Statements where Components/ Component auditors are located in severely affected places (SA 600, Using the work of other auditor)

Subsequent Events or Events after Reporting date (SA 560, Subsequent Events)

Going Concern (SA 570, Going concern)

Evaluation of Work of Management's Expert (SA 500, Audit Evidence)

Auditor's Opinion (SA 700, Forming an Opinion & Reporting on FS, SA 705, Modifications to the Opinion in the Independent Auditor's Report)

Reporting on Key Audit Matters (SA 701, Communicating Key Audit Matters in the Independent Auditor's Report)

Risk of Fraud (SA 240, The Auditor's responsibilities Relating to Fraud in an Audit of FS)

Audit Approach and Considerations to be evaluated by Auditor

Written Representations (SA 580, Written representations)

Conclusion

IDENTIFYING AND ASSESSING THE RISK
OF MATERIAL MISSTATEMENTS AND
MATERIALITY IN PLANNING AND
PERFORMING AN AUDIT (SA 315)

Due to COVID-19 conditions, entities and auditors would have to evaluate additional risks arising from the following areas:

01

Operational disruption resulting in any changes to the business model arising from **significant drop in demand**.

02

Contractual non-compliance resulting in contractual breaches, additional security requirements.

03

Liquidity and working capital issues given the reduced/ impaired ability to service debt or replenish working capital requirements due to possible lower cash flows.

04

Asset valuations – downward asset valuations may trigger legal and compliance issues or lead to liquidity challenge.

SA 315 Identifying & Assessing the Risk of Material Misstatement through understanding the entity and its environment

Auditor should **discuss with Audit Committee** on impact of the COVID-19 on audit plan and procedures

Auditor to reconsider the **engagement risk** and the impact of Covid 19 on each account balance and disclosures

Audit materiality may also need to be revised as the audit progresses.



Assessing
risk and
exercising
professional
skepticism

- Auditors may need to identify and **reassess the risks of material misstatement** as the information on which the initial risk assessment was based may have changed.

- Remain agile** in considering the risk.

- Following may need to be evaluated:
 - The assessment by TCWG and management as to whether risks from COVID-19 could be material.

 - Any risk assessed during planning stage that now becomes a **significant risk** and **any additional work to address the significant risk**

AUDIT PLAN

Audit Plan may need to be revisited due to COVID-19, consider following challenges

Whether they have focused on the right audit risks?

As the **IFC** will be reported as on **March 31, 2020**, auditor should assess effectiveness of management controls during lock-down.

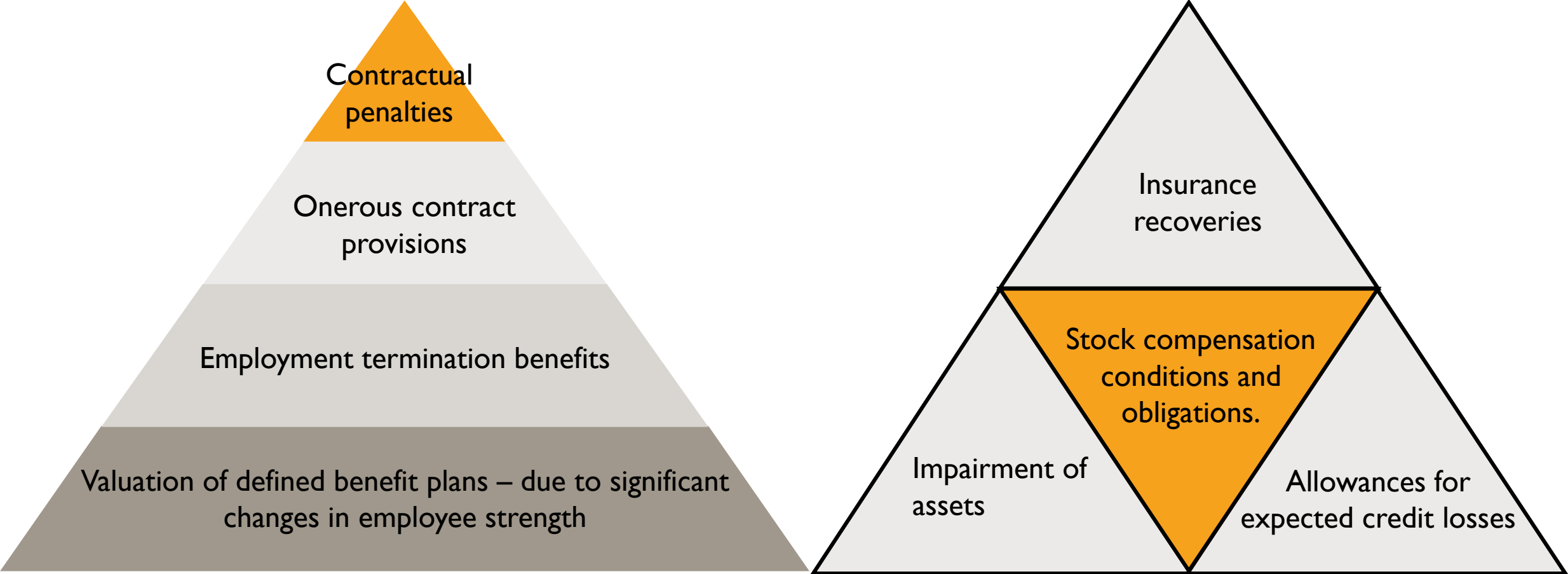
Availability of client staff to provide explanation.

Evaluation of the **IT controls** during the lock-down.

Ability to confirm reliability / authenticity of **scanned documents** provided to enable remote auditing ; lack of access to original documents ; over-reliance on secondary sources of data.

ASSESSING FINANCIAL IMPACT AND
THEIR REASONABLE ESTIMATION (SA 540)

The financial statements have various items which would have been affected by the outbreak of COVID-19, specific accounting issues could arise in the following areas, on which an auditor is required to focus-



CONCLUSIONS

- Significant assumptions including projected cash flows, used in these accounting estimates may be affected by the impact of COVID-19.
- Auditor should thoroughly assess:
 - (a) the accounting estimates in the financial statements recognized, are reasonable; and
 - (b) related disclosures in the financial statements are adequate.

VALUATION OF INVENTORY ON A DATE
OTHER THAN DATE OF FINANCIAL
STATEMENTS I.E. 31ST MARCH 2020 (SA 501)



- It is not practicable for most of the business entities to conduct physical verification of inventory as 31st March, 2020.
- The auditor must plan procedures depending on the underlying circumstances wherein the **inventory count date could be deferred to a date after the year-end.**
- **Necessary roll back procedures to be carried out**

Physical Inventory Counting Conducted Other than At the Date of the Financial Statements

01

For practical reasons, the physical inventory counting may be conducted at a date other than the date of the financial statements.

This may be done irrespective of management's method of determining inventory quantity.

02

Effectiveness of the design, implementation and maintenance of controls over changes in inventory determines whether the conduct of physical inventory counting at a date other than the date of the financial statements is appropriate for audit purposes.

Attendance at Physical Inventory Counting Is Impracticable

01

If there is large time gap between the reporting date and date of inventory count, it will become challenging for the auditor to conduct roll-back.

02

- Should consider whether the systems, processes and controls over inventories are sufficiently effective.
- If sufficient and appropriate evidence is not available, the auditor should evaluate reporting implications.

AUDIT OF CONSOLIDATED FINANCIAL
STATEMENTS WHERE COMPONENTS/
COMPONENT AUDITORS ARE LOCATED
IN SEVERELY AFFECTED PLACES (SA 600)

ROLES AND RESPONSIBILITIES OF AN AUDITOR

- Travel bans, temporary suspension of business operations, government mandated leaves, etc., may affect risk assessments, materiality and the ability to obtain sufficient appropriate audit evidence.
- If principal auditor is unable to obtain adequate information or reporting from the component auditors, **the principal auditor should express a qualified opinion or disclaimer of opinion** because there is a limitation on the scope of audit.

FACTORS TO BE CONSIDERED BECAUSE OF COVID-19

- Can data be **shared cross-border**, to allow for principal auditor for review?
- Can **video calls and/or screen sharing** software be used to discuss the work with the component auditor?
- Can the component auditor be asked to complete a **detailed questionnaire** or clearance on the work they have performed?
- Consider the **outcome of any prior visits** made
- What work of component auditor was previously reviewed?
- Consider the **past work of the component auditor** – have there been significant errors or issues, or has work been performed to a high standard?
- Can a more detailed memorandum be provided to the component auditor on
- What work should be done for purpose of group reporting?
- What work can be done centrally by the Principal auditor's team?

Each individual engagement will need to be assessed on a case by case basis.

SUBSEQUENT EVENTS OR EVENTS AFTER
REPORTING DATE (SA 560)

RESPONSIBILITIES OF AN AUDITOR

Management should make appropriate adjustments to the financial statements and include necessary disclosures, such as risks and uncertainties, and how events may impact future operating results.

01

Auditor shall take into account the auditor's risk assessment in determining the nature and extent of audit procedures.

02

Obtaining an understanding of any procedures management has established to ensure that **subsequent events** are identified.

Inquiring the management regarding any subsequent events occurred which might affect the FS.

Reading minutes, of the various meetings held by the entity after the date of the Financial statements

Reading the **entity's latest subsequent interim financial** statements, if any.



GOING CONCERN (SA 570)

1

Auditor to consider the implications on the assessment of going concern especially if there is a prolonged operational disruption

2

Auditors to consider threat to **liquidity** as a result of supply/demand disruption

3

Whether there is a material uncertainty to the going concern status for the 12 months look forward period.

AUDITOR'S RESPONSIBILITY – Going Concern

01

The auditor's responsibilities include obtaining sufficient appropriate audit evidence and conclude on the appropriateness of management's use of the going concern basis

02

Impact may be severe and may leave management with no realistic alternative but to liquidate or cease operations.

03

Consider impact on customers, suppliers and employees.

AUDITOR'S RESPONSIBILITY – Going Concern

04

Inquiries with TCWG in assessing the appropriateness of the going concern assumption.

05

Audit teams need to critically consider the current position at the point of sign off as part of the **subsequent events review** right up to the point of signing the auditor's report.

06

SA 720 – read board's report, MDA, etc. part of annual report – to see if they contain any inconsistent information

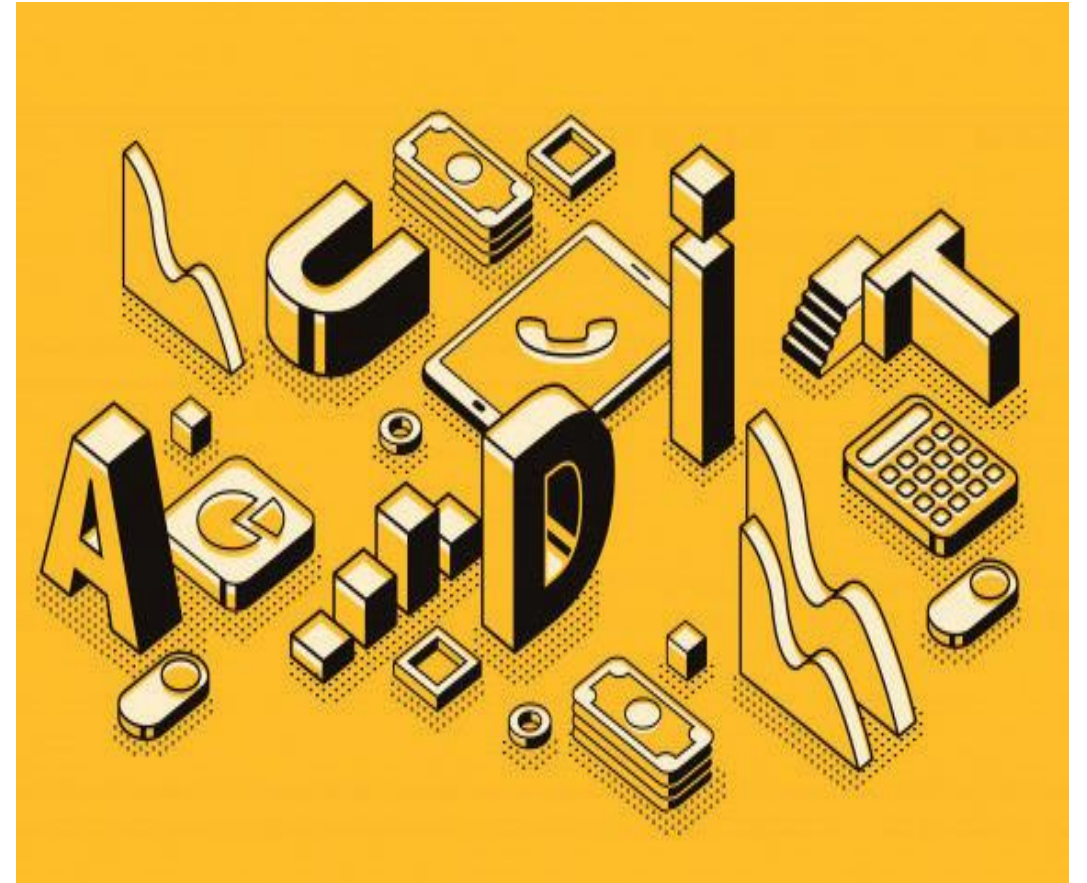
EVALUATION OF WORK OF MANAGEMENT'S
EXPERT

EVALUATION OF WORK

Management may take the assistance of a management's expert to make such estimates or assessments.

When information to be used as audit evidence has been prepared using the work of a management's expert, the auditor shall,

1. Evaluate the competence, capabilities and objectivity of that expert;
2. Obtain an understanding of the work of that expert
3. Evaluate the appropriateness of that expert's work as audit.



AUDITOR'S OPINION (SA 700, SA 705)

AUDITOR'S OPINION

- Auditor should form an opinion on the financial statements considering the principles enunciated in SA 700, SA 705, SA 706.
- Since in the current scenario there is **high probability of going concern being affected**, existence of material uncertainties relating to going concern, the principles enunciated in SA 570 also need to be considered.
- The auditor needs to carefully assess the situation applying professional judgement and **professional skepticism**.

ILLUSTRATIVE EXAMPLES - AUDITOR TO EXPRESS A MODIFIED OPINION

The auditor is unable to obtain **sufficient appropriate audit evidence** relating to material component audited by the other auditor as per SA 600

The financial impact is not accounted or reported or disclosed as per the prescribed Accounting Standards, in the financial statements.

If the auditor is unable to obtain sufficient appropriate audit and is of opinion that there are misstatements that are material to the financial statements.

The auditor has identified and communicated unrecorded misstatements to the management and those charged with governance

REPORTING ON KEY AUDIT MATTERS (SA 701)

REPORTING ON KEY AUDIT MATTERS

FACTORS TO BE CONSIDERED

Areas of higher assessed risk of material misstatement, or significant risks identified in accordance with SA 315.

Significant auditor judgments relating to areas in the FS that involved significant management judgment.

The effect on the audit of significant events or transactions that occurred during the period.

- Covid – 19 in itself is not a KAM
- The impact of Covid – 19 on an account balance or the disruption due to it can be a key audit matter
- The auditor would need to report the same along with how the matter was addressed in the audit.

IMPLICATIONS ON THE AUDIT REPORT

Revisit the **Key Audit Matters** to be disclosed in the auditor's report and see if any need to be updated to reflect new responses

Depending on the circumstances, consider whether to include a separate section
“Material Uncertainty Related to Going Concern”

Impact on the **IFC** report – controls during the lockdown period

- Cyber security should be evaluated

Reporting on the **CARO** will also have to be assessed accordingly.

RISK OF FRAUD (SA 240)

- Pressure on management to meet performance targets or market expectations.
- This raises the risk of the likelihood of fraud in the financial statements to a higher level
- Auditors must be particularly mindful of the heightened risk of fraud and comply with the guidance provided by **SA 240**



AUDIT APPROACH AND CONSIDERATIONS
TO BE EVALUATED BY AUDITOR

Obtaining an understanding of the impact and evaluating reporting timelines

- Continuous and timely communication will ensure that the audit timetable is realistic and achievable.
- Consider if the entity needs to discuss any anticipated filing delays with regulators or other relevant authorities
- Auditors should proactively **discuss** with management, and TCWG, including the audit committee.

Internal Control

01

If the entity's personnel are working remotely, this will mean that the design and **operation of internal controls** will either need to change or will no longer be as effective. Auditor should focus on such cases.

02

The planned **audit response will require revision** to obtain more substantive audit evidence since we cannot rely on the controls in the part of the audit period which is impacted by the COVID-19.

03

If the level of expected controls reliance changes, it is important to document this and any other resulting changes to the planned audit response.

Obtaining Sufficient and Appropriate audit evidence

Despite the potential delay or difficulties in accessing client premises or information **auditors will still need to obtain sufficient appropriate audit evidence** to enable them to draw reasonable conclusion.

If it is not possible to do so, the auditor will have to consider **modifying the opinion** in the auditor's report in accordance with SA 705.

Consider any **Scope Limitation** that may lead to a modified audit opinion.

OBTAINING AUDIT EVIDENCE VIA REMOTE ACCESS

Illustrative list of requirements for key areas	Approach
<p>Property, plant and equipment: Fixed Assets register showing full particulars, including quantitative details and location of fixed assets; List of additions/deletions to fixed assets during the year ; CWIP listing ; Physical Verification Report</p>	Can be received remotely through email or other secure network.
<p>Inventory ageing report, Quantitative reconciliation of finished goods, raw materials, Details of Goods in Transit as on March 31, 2020, Cost vs NRV comparison, Details of Inventory written off during the year along with approvals</p>	
<p>Accounts receivable, customer wise aged accounts receivables listing, details of provision for doubtful debts as on March 31 and Party wise movement in provision, list of debtors written off during the year, detailed listing of subsequent collections.</p>	

Illustrative list of requirements for key areas

Approach

Cash and cash equivalents : Certificate / physical verification working paper for cash in hand as on March 31, 2020 , Bank matrix and Bank reconciliation, Movement and Details of Bank Guarantee/Fixed deposits for additions and refund during the year

Can be received remotely through email or other secure network.

Samples to be received for vendor invoices, capex approvals, evidence supporting capitalization dates – installation certificates, useful lives in case of PPE, agreements

Share certificates in case of investments, dispatch / delivery documents for inventory, loan agreements

Scanned copies may initially be obtained, original documents need to be seen prior to sign-off.

Confirmation requests for Investments, Accounts receivable, Cash and cash equivalents, Borrowings, Accounts payable

Prepare the confirmation requests for circulation remotely.

Completion of Audit on Time

Evaluate – Ability to do **Audit Digitally**. Delay in the procedures would lead to more uncertainty

There would be recent record of FA and Inventory Verification, use roll forward procedures or use Roll back once lockdown is over



Digital Process –

- Use of videos for Inventory check wherever feasible.
- Access to Client ERP through VPN

Accumulation of work once lockdown is over might impact Quality of Audit.

Responsibilities of Those Charged With Governance (TCWG)

01

- TCWG should actively monitor the changing nature of threat – how Covid-19 is likely to affect business;
- Identifying impact of Covid-19 on financial reporting

02

- Consider a special to:
 - Monitor and assess the impact and
 - Provide oversight to the Company and its management

03

- Ensure that monitoring and reporting protocols are in place to provide Board with upto-date information for all possible impacted areas
- Seek expert advise if required

WRITTEN REPRESENTATIONS (SA 580)

- The written representations should be **exhaustive**, containing occurrence, method of measurement, completeness of transactions recorded and the disclosure of financial impacts in the financial statements and financial position.
- Auditors need to assess whether any **specific representations** may be required to be obtained from the Management in relation to Management's assessment of impact from the ongoing outbreak of COVID-19.

CONCLUSION

- **Increased level of scrutiny** in the present environment
- Audits conducted in the past will **need significant modification to address the present challenges and uncertainties**
- Develop a **high degree of skepticism**
- Irrespective of the challenges and uncertainties, **there cannot be compromise on risk and quality matters**

Thank You