



Auditing during an emergency

New Zealand's experience

The New Zealand Office of the Auditor-General (SAI New Zealand) has completed a review on the New Zealand Ministry of Health's management of personal protective equipment (PPE) in response to Covid-19. We have provided our reflections as 10 main matters for auditors to consider when carrying out similar work during an emergency.

Covid-19 was the first real test of pandemic preparedness for many countries. The size and scale of the pandemic, and the speed in which it has spread, has required public sector entities to play a strong and decisive leadership role. In times of crisis, people need to have trust and confidence in the systems and arrangements set up to support them. SAI New Zealand decided to look at how the Ministry of Health was managing both the national reserve and supply of PPE during the Covid-19 pandemic.

We have provided some lessons from carrying out work during an emergency. Based on our experience, we recommend that Supreme Audit Institutions (SAIs) consider the following.

1. Set a clear scope of work and stay within that scope

When carrying out work that needs to be done quickly during an emergency, your SAI will need

to carefully establish the scope of the work. This includes considering what is in scope and what is out of scope due to the timing, skill set, and what is actually possible in an emergency situation.

It is also important at this scoping stage to define the purpose of the work. Will the work result in an audit, review, or investigation? This choice could have implications for the auditing standards that must be applied to the work. Being clear about what you are aiming for from the outset is important.

What we did

SAI New Zealand's PPE review looked at the system for managing the stock of PPE and how well that system could be mobilised to adequately supply and effectively distribute PPE. We also assessed the systems for procuring PPE, distributing it to district health boards (DHBs) and others, and managing the stock levels.



2. Consider a realistic time frame

It is likely that your SAI will want to complete the work relatively quickly given the relevancy of issues and the high level of public interest. Your SAI will need to consider what would be a realistic time frame for the work to be completed in. In some cases, the time frame might inform your scope. In other cases, the scope might inform the time frame, depending on the kind of work that is required, the decision to complete an audit, review, or an investigation, and the type of emergency.

Another matter to consider is whether the scope will allow the work to be completed and published in a time frame that will allow the information reported and recommendations made to still be useful and relevant.

What we did

The short time frame for completing our PPE review meant that we were not able to form a complete picture of what happened when health and disability providers, private sector health workers, or other essential services workers tried to access PPE.

3. Involve the right people

During the early stages of scoping, you will need to identify the staff members who will be part of the review team. You should include staff with relevant skill sets and subject matter expertise. The skill sets required to carry out work in an emergency situation might not be a traditional audit team, but could include staff who have expertise in carrying out inquiries/investigations or other assurance work. If the time frames are short, it could be beneficial to include more resources to divide tasks. Also, the use of specialist writers can enable high-quality and fast turnarounds of report drafts.

What we did

The PPE review team was made up of staff from different groups in SAI New Zealand. Some staff were from the inquiries team, others were auditors, communications specialists, and staff who had specific knowledge of the health sector. Because we are not clinical specialists, we did not review the appropriateness of the Ministry's clinical guidance on PPE use.

4. Have planning sessions early

Once you have determined the purpose of your work, the time frame to complete it, and your team, it is important to plan thoroughly. To ensure that you keep to the time frame, we recommend including the whole team in the planning sessions. These planning sessions will include deciding which organisations to contact, who you need to speak with at each agency, and which documents, policies, and plans you require for analysis. You should also consider whether to seek public feedback or contribution.

You will also need to plan what the project governance structure will look like, such as who is leading the work, who is providing oversight, and who is giving the final sign-off on the report. By planning thoroughly in the early stages with the whole team, you will get buy-in from all staff and a clear understanding of the different roles in the team (for example, who will be taking the lead on writing the report and who will be speaking to stakeholders).

Another matter to consider is whether your SAI will take a phased approach to this work. For example, there might be a part of the work that can be completed quickly or needs to be completed more urgently. This part could be split into a first phase of work to meet the time frame and ensure that the quality of the rest of the work is not compromised. A phased approach would mean that your SAI can say something on a matter immediately without it needing to be a full report. It is important to be aware that, with a phased approach, it could be a challenge is to keep the public's attention.

What we did

To carry out our PPE review, we spoke with a wide range of people involved in supplying, managing, and distributing PPE. We requested, reviewed, and analysed a large number of documents from the Ministry and DHBs. We checked our understanding of the responsibilities, systems, and processes with those involved and asked for further information where necessary.

To understand the context the Ministry and DHBs were working in, we looked at the plans and policies that govern pandemic emergency preparedness in the health and disability sector. Our focus was on the

national stock of PPE. We looked at the extent to which the plans were followed before Covid-19 and sought to identify any critical gaps in the plans.

We did not seek views from the health and disability sector outside of the Ministry and DHBs or from the public. However, several individuals and organisations approached us and shared their experiences and observations. This approach to wider stakeholder engagement saved significant time compared to a wider consultation process.

5. Decide on the location of the work

Your SAI will need to determine whether it is necessary for staff to be at the agency's premises for parts of the work. This might be necessary for tasks such as a stock take or real-time audit. However, working on-site might not be possible in certain types of emergencies. If travel is restricted during the emergency, it might not be possible to work together as a team or on-site. Accurately considering how the emergency will affect working conditions is essential to planning and monitoring the project's progress.

What we did

We did not physically inspect stock levels for two main reasons. First, our team was unable to visit storage locations because non-essential workers had to work from home. We did not consider it appropriate to request exemption for our staff to be classed as essential workers. Secondly, we understood that stock levels were changing daily, if not hourly, as supplies arrived and were distributed. There was little value in physically inspecting stock levels at any one point in time.

6. Have good systems in place to work remotely

In emergency situations, such as Covid-19, it is likely that staff will need to work remotely. This means that access to a computer and the internet is essential. We recommend, whether you are working remotely or not, that the team set up regular meetings and check-ins to update everyone on how the work is progressing and what people's roles are in completing components of work. Having this regular contact also enables the team leader to communicate clearly with the staff in the relevant agencies.

What we did

The PPE review team set up daily morning meetings to discuss progress, any new developments, and areas of work where the team needed support. These regular check-ins helped staff to have clarity of their roles within the project team and understand where the work was up to.

7. Give the work priority internally

Your SAI will need to determine whether this work should take priority over other existing work. Deciding whether to enable resource to focus solely on this project is critical. It is important that this decision is communicated to all staff, so that there is an understanding across your organisation that this work will take priority, and that other pieces of work might fall behind schedule.

What we did

SAI New Zealand made the PPE review a priority and allocated significant resource to the review. This was communicated throughout the organisation and teams were aware that resource would be focused on completing this review as a top priority.

8. Inform the public about your work

In an emergency, the topic of an urgent audit is likely to be of public interest. It would be beneficial to release a public statement that your SAI is looking into the matter. In times of crisis, people need to have trust and confidence in the systems and processes set up to support them. Releasing a public statement that you are doing the work makes it clear that the topic is being examined and assurances or recommendations will be given. It might also be helpful to state when you anticipate completing the work and update the public if necessary on progress. Releasing a public statement also means that the agencies you are talking to know that the work is important and that timely responses are required.

What we did

On 21 April 2020, the Auditor-General announced on our website that SAI New Zealand would carry out an independent review of the Ministry of Health's management of PPE required for the Covid-19

response. The announcement stated that we would report on how the Ministry was responding to challenges and recommend improvements where appropriate in four weeks. On 12 May 2020, we provided an update on our website stating that the original time frame has changed and that the report would be completed as soon as possible in June 2020.

9. Be respectful to the people you are waiting for responses from

Your SAI will need to be aware that staff at agencies you are engaging with might be prioritising the emergency response above your work. You will need to be realistic about the time frames you give to agency staff for providing you information and commenting on the draft report. In an emergency, others will also be under pressure and you will need to allow for that too. Building this understanding into your project plan is crucial to ensure that you allocate enough time for staff at agencies to respond.

What we did

The PPE review team planned a time frame of one week for agency staff to provide comments on our report. The team has acknowledged that this time frame was too tight based on the situation that the health sector was dealing with and did not allow a realistic time for response. The PPE review team has since agreed that if a review of a similar nature is done in the future, the time frame for responses would be extended.

10. Be prepared for future work

You should consider whether future work will need to be done due to the nature of the emergency situation. If the answer is yes, then determine whether a dedicated resource needs to focus on this in your organisation or whether other processes are needed to keep across work that is being done by external organisations.

What we did

Our PPE review identified features of the national stock system that, in our view, warrant revisiting to ensure that the system is ready to respond to any future wave of Covid-19 and the next pandemic or other emergency. All staff with scanning responsibilities across SAI New Zealand and financial audit teams are also keeping informed about emerging Covid-19 issues.

Any questions?

Our report *Ministry of Health: Management of personal protective equipment in response to Covid-19* can be found on our website at oag.parliament.nz

If you have any questions or want to find out more about this work, please contact the International Team at the New Zealand Office of the Auditor-General at international@oag.parliament.nz.