AGILE AUDITING

TRANSFORMING THE INTERNAL AUDIT ACTIVITIES TO FIT IN ANY DISRUPTION

What is Agile?

Agile is a Mindset, shaped by a value in Agile Manifesto and Principles, that create the ability to adapt to changes, and succeeding in an uncertain and turbulent environments.
(Summarized from Agile 101 by Agile Alliance)

The Agile Manifesto

Individuals and interactions	over	Processes and Tools
Working Product	over	Comprehensive Documentation
Customer Collaboration	over	Contract Negotiation
Responding to change	over	Following a plan

That is, while there is value in the items on the right, we value the items on the left more.

www.agilemanifesto.org

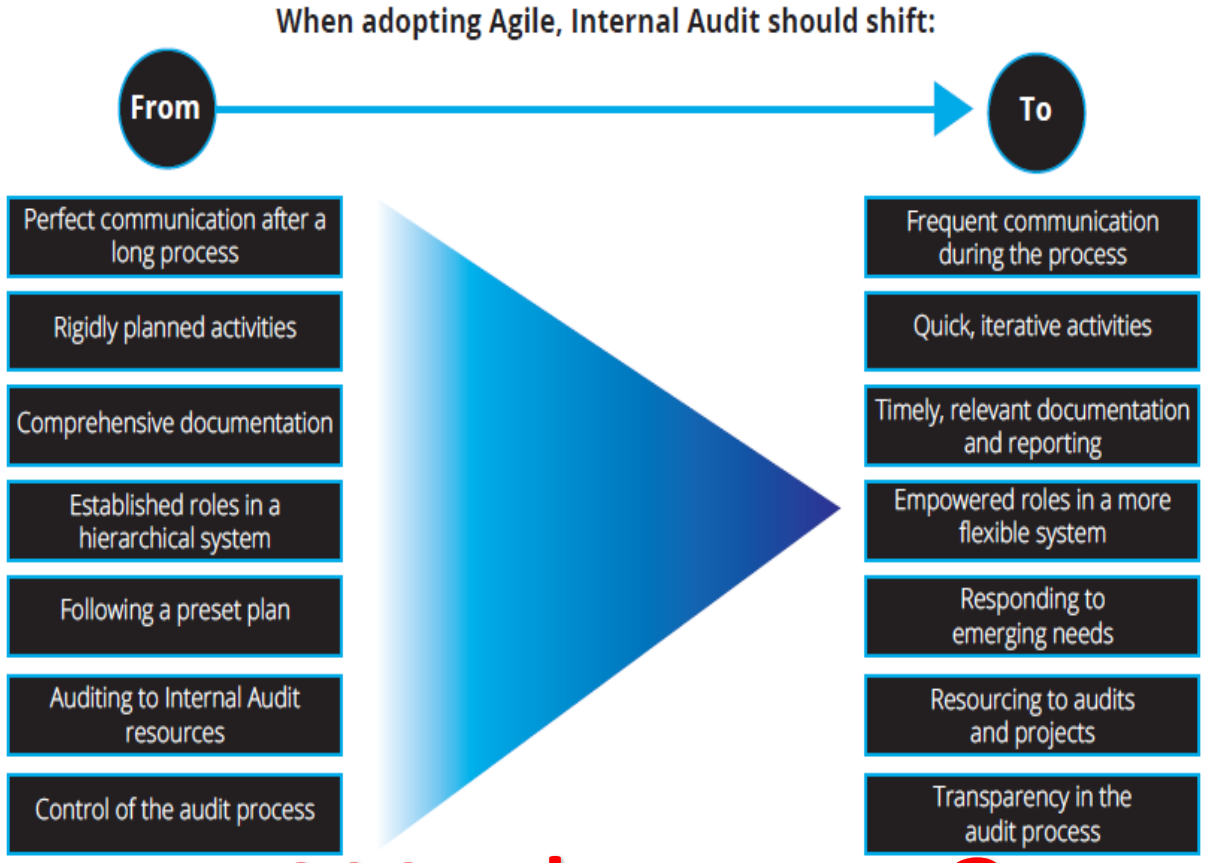
12 AGILE PRINCIPLES

01 Our highest priority is to satisfy the customer through early and continuous delivery of valuable software.	02 Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage.	03 Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale.
04 Business people and developers must work together daily throughout the project.	05 Build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done.	06 Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely.
07 Working software is the primary measure of progress.	08 The most efficient and effective method of conveying information to and within a development team is face-to-face conversation.	09 Continuous attention to technical excellence and good design enhances agility.
10 Simplicity – the art of maximizing the amount of work not done – is essential.	11 The best architectures, requirements, and designs emerge from self-organizing teams.	12 At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly.

Note : Originally, Agile was adopted for Software Development

WHAT CHANGES WHEN YOU ADOPT AGILE?

Audit Plan?



Workpaper?

Source : Becoming Agile Part 1 and Part 2, Deloitte, 2017

Audit Report?

How do We Apply Agile to Audit Activities?

Adapted from Meratus Experience

Survey the expectations of your stakeholders about IA activities, IA roles, IA Products, IA team Behaviors, etc.

STEP 01

STEP 02

Refer to survey results, Define your IA Agile Manifesto, put it on your **Audit Charter**. **Internalize** the manifesto in to your daily activities.

Choose the best Agile method and tools suited to your organization (Scrum, XP, Lean, Kanban, etc)

STEP 03

STEP 04

Apply your method, sit back and evaluate, refine your practice, do it again and again. You will find your own way of agility.

KEY AGILE ADOPTION

FROM MERATUS EXPERIENCE

Frequent Communication

Frequent discussion with BOC/Audit Committee/Clients about plan and result. WA Group with Board. MS Teams/Planner for Sprints.

Flexible Audit Plan

Adaptable to situations, even in the pandemic

Method and Tools

Active Auditing Method and use available tools : Teams, Planner, Sharepoint, MindMeister, Analytic, etc

Visualization

Key activities, Result, and Waste is transparently displayed to stakeholders

Collaboration

Collaborate with trust, respect, openness, helpful. Client staff could be appointed as “ad interim” Auditor, supervised by IA

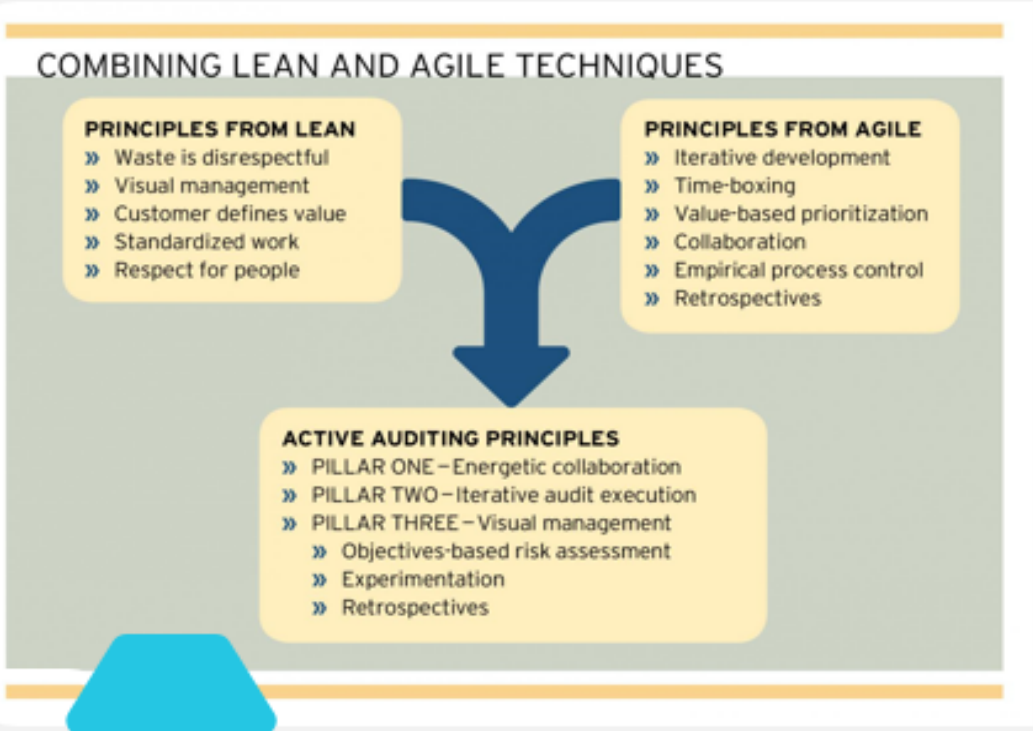
AGILE METHOD WE ADOPTED

Active Auditing

Traditional audits are often awash in wasted time, unnecessary conflict, and incorrect assumptions. Active auditing is a form of Agile auditing that was developed in a major utility company to eliminate, or at least substantially decrease, these kinds of wasteful activities.

Lean and Agile Combined

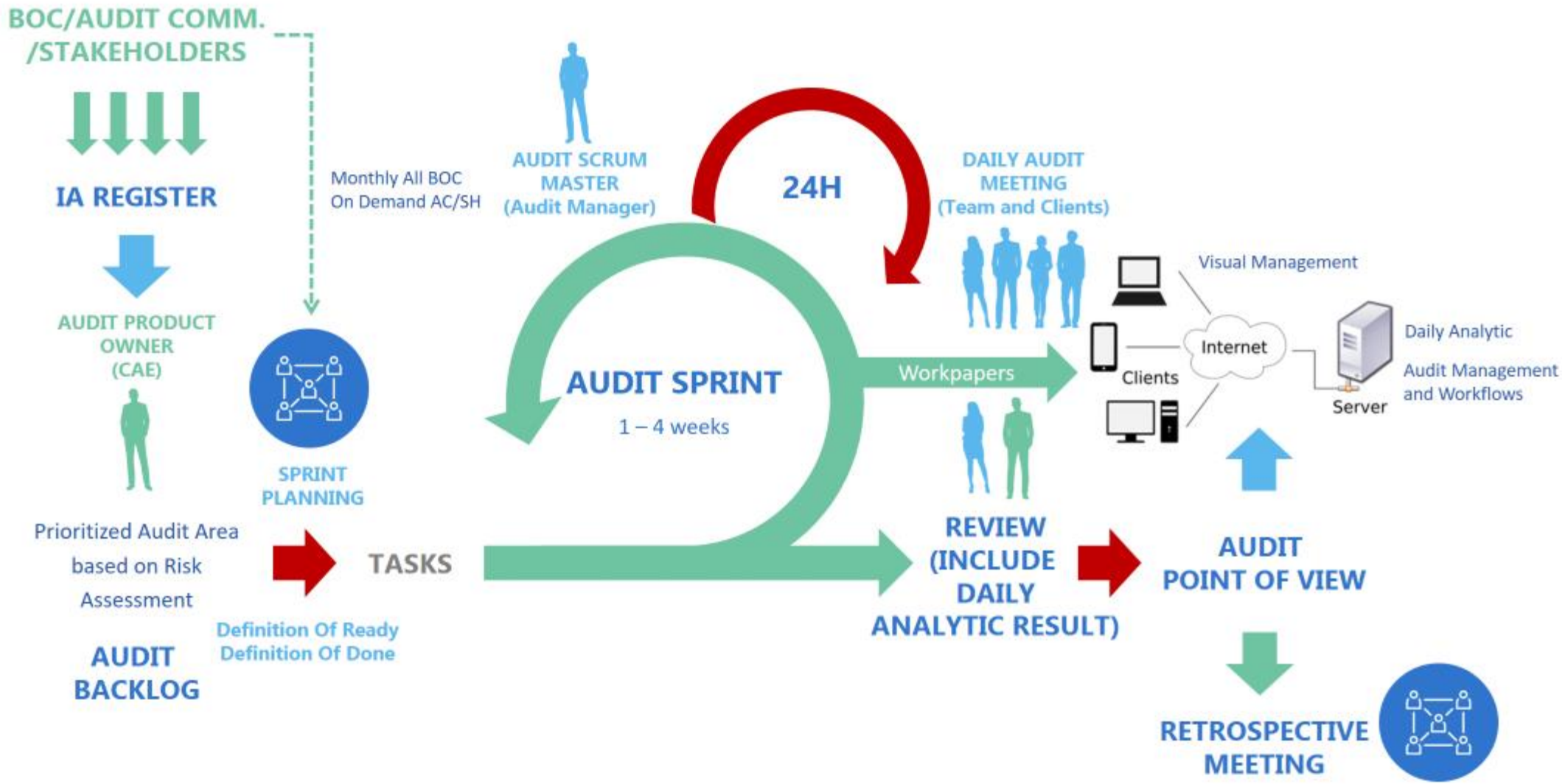
- Lean : Toyota Production System-Change Making Methodology
- Agile : IT Project Management approach, an alternative to waterfall approach



Ref : Coleman, Prescott, Active Auditing – A Practical Guide to Lean and Agile Auditing, 2019

ITERATIVE AUDIT CYCLE OVERVIEW

Adapted from SCRUM



DOES AGILE AUDITING WORK DURING PANDEMIC?

AUDIT PLAN

Our Plan is on the Audit Backlog, the execution is flexible based on DOR. During pandemic, we just need to select the ready audit area without having to formally change the audit plan

INVESTIGATION

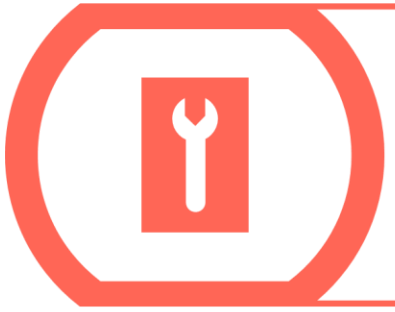
Even during pandemic, we still can perform the investigation with a collaboration with operational staff.

COMMUNICATION

Two times a month we have a BOC Meeting and almost everyday contact with Audit Committee.

REMOTE AUDITING

Collaborate with audit clients using a collaborative tools, we still can perform the audit as agreed and ready in Sprint Planning, including the covid19 handling related



Support 1st and 2nd Line Work

We are an active member of ERT. Audit Staff seconded to 1st line because the former employee is on risk of Covid19.

Why Agile is still working even in a disruption like covid19 pandemic?

BECAUSE IT IS A MINDSET

THANK YOU

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