

# Agile Auditing

**Impact & Influence**

Institute for Internal Audit

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Society

- 80 auditors, broadly aligned to business portfolios
- Majority located with business in Swindon, sub offices in other locations
- Small teams, average lead time 12-16 weeks per audit
- Traditional hierarchy, standard linear methodology
- Motivated individuals willing to embrace change and innovation – not to be underestimated!
- Taken eight months, but 80% of Internal Audits now using agile practices and framework





## Reasons for Change

- Grow Internal Audit's relevance as a function
- Re-invigorate the IA profession; the value we bring, how we work and how people view us
- Forward looking, responsive and adaptive in a fast-paced and ever-changing world
- Continuously provide Audits of the highest value
- From perception of secretive and behind a closed door, to a welcome and trusted advisor

# Feedback from our Auditees

The agile audit enabled the right conversation to be held at the right time.  
I am a great fan of the agile audit.

**Head of Commercial and Treasury Credit Risk**

Effective and efficient. Aided collaboration, so that information and responses could be shared more quickly.

Facilitated openness between audit team and auditee, and the transparency meant there were no surprises.

**Director of Finance, on behalf of the Pension Risk Team**

A very positive experience. Engaging, lifted the lid on what Internal Audit do and ensured I was able to provide useful and timely input.

**Director of Engagement and Leadership**

The agile approach to an audit was something new to me, which I found to be effective in working through issues during fieldwork and drafting the final report.

**Director of Financial Prudential Risk Oversight**

## Feedback from Auditors

Improved business engagement through use of agile...business more willing to devote time to the audit than expected.

Continuous engagement and feedback to the business on emerging issues and earlier discussion of potential action plans.

Agile worked well in terms of agreeing issues and communicating documentation needs with stakeholders.

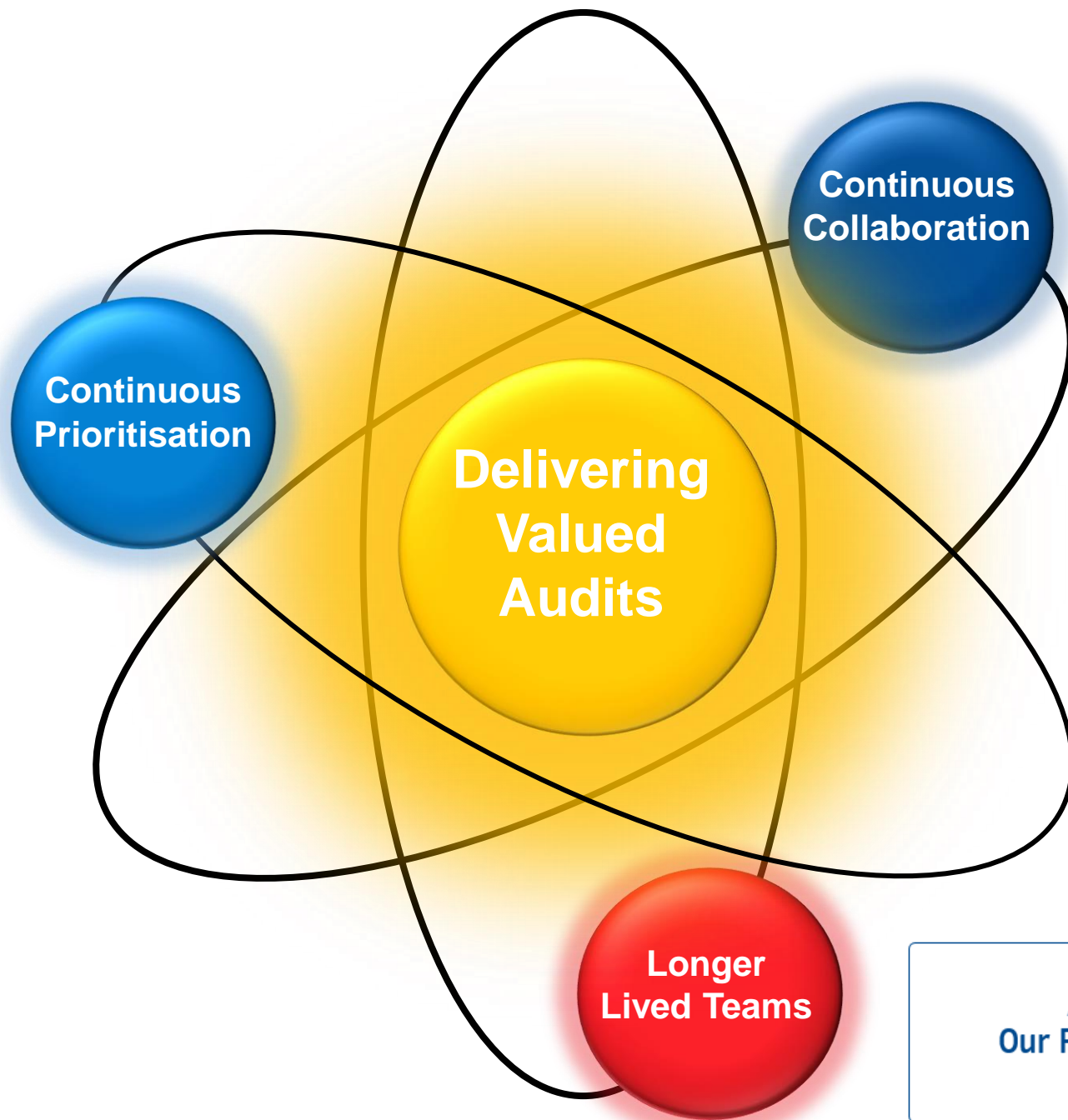
Agile method helped achieve quicker decisions...and stopped us completing unnecessary work.

Please don't take Agile away!

Agile is now business as usual in our team...why wouldn't you?

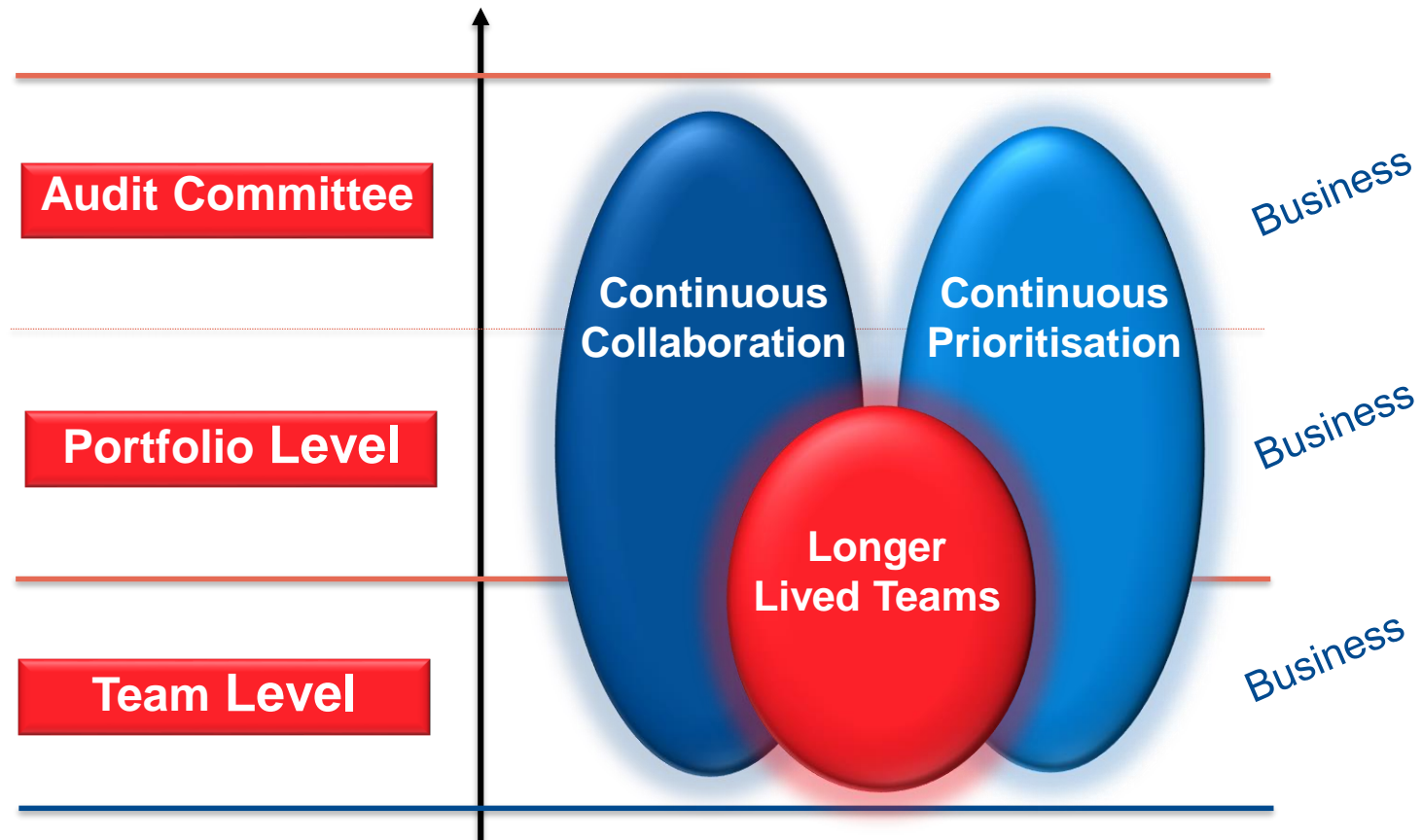
**Post Audit Feedback from Audit Teams**

# What is Agile in Audit?

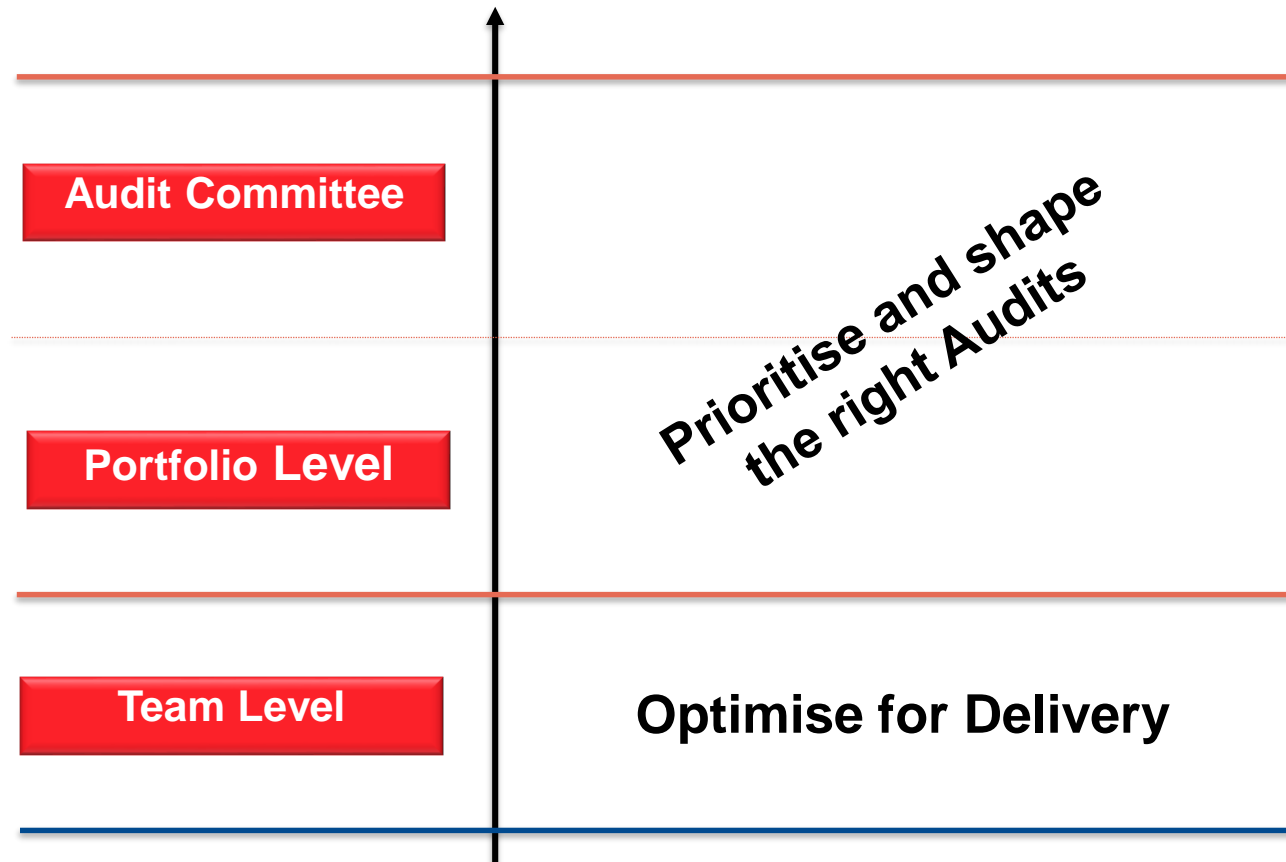


**Agile in Audit**  
Our Purpose and Values

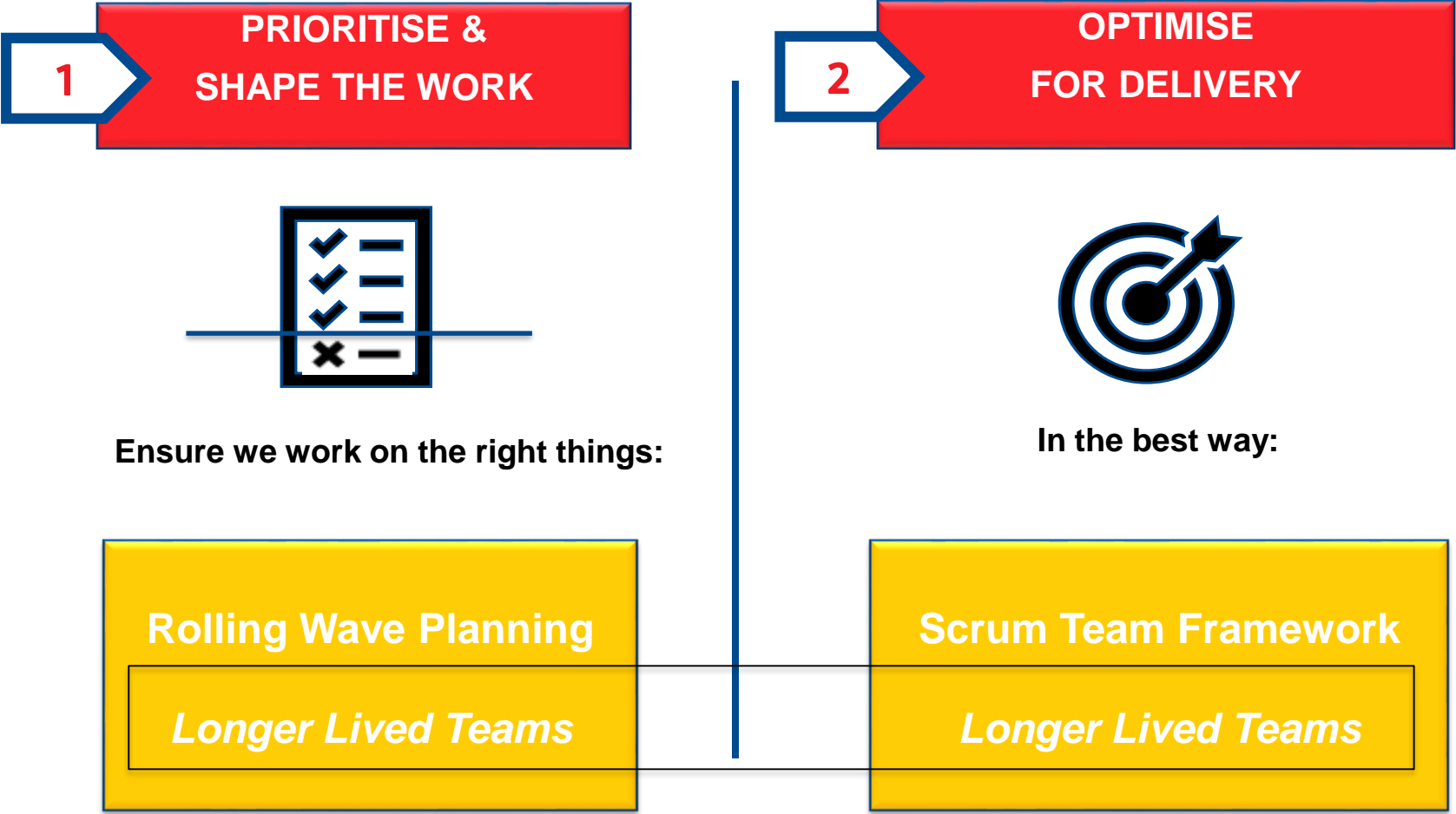
## Agile values span whole of IA & Business



## In our context, two key things to being Agile



# Practical Implementation



# Practical Implementation



Ensure we work on the right things:

**Rolling Wave Planning**

*Longer Lived Teams*



In the best way:

**Scrum Team Framework**

*Longer Lived Teams*

# Rolling Wave Planning

## Annual Plan

- × Takes many months to create and baseline
- × Is out of date the day it's published
- × Cottage industry to manage and apply change control

If it's difficult and big to do;  
do it smaller and more often!

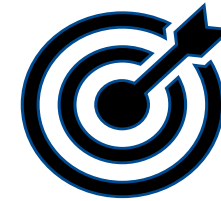
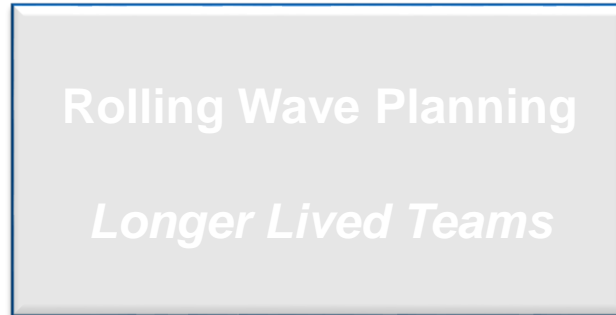
## Rolling Wave Plan

- ✓ Quick to create and based on placeholders. Make it visible and easy to update
- ✓ Continuous prioritisation, with greater certainty towards current Quarter
- ✓ Annual view good enough to ensure skills match and recruitment strategy
- ✓ Formally reviewed each quarter
- ✓ Save a huge amount of effort and embrace a little uncertainty & adaptive capacity!

# Practical Implementation



Ensure we work on the right things



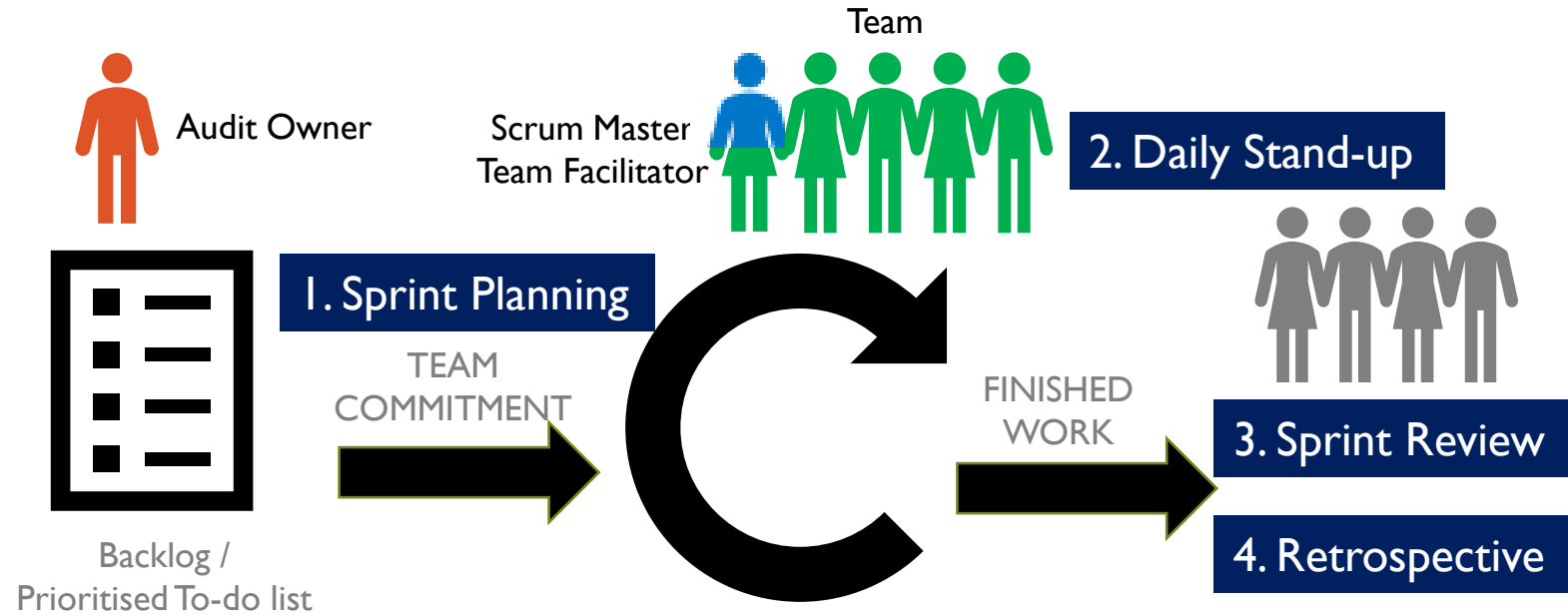
In the best way:





**SCRUM TEAM LEVEL FRAMEWORK**  
3 ROLES | 4 EVENTS  
IN “SPRINTS” OR TIMEBOXED ITERATIONS (1 OR 2  
WEEKS)

## What does Scrum look and feel like in IA?



# Benefits & Metrics

## Delivering Valued Audits

### Efficient Delivery

- ✓ Quicker, providing increased capacity
- ✓ More productive, less waste and delay
- ✓ Greater predictability
- ✓ Adaptive to change and discovery

### Valued Audits

- ✓ Always of the highest value and impact
- ✓ Achieved through collaboration
- ✓ Earlier insights and observations
- ✓ Transparency of process

### Engaged Teams

- ✓ Engaged team members
- ✓ In the flow
- ✓ Motivated
- ✓ Sustainable pace

# Health Warning

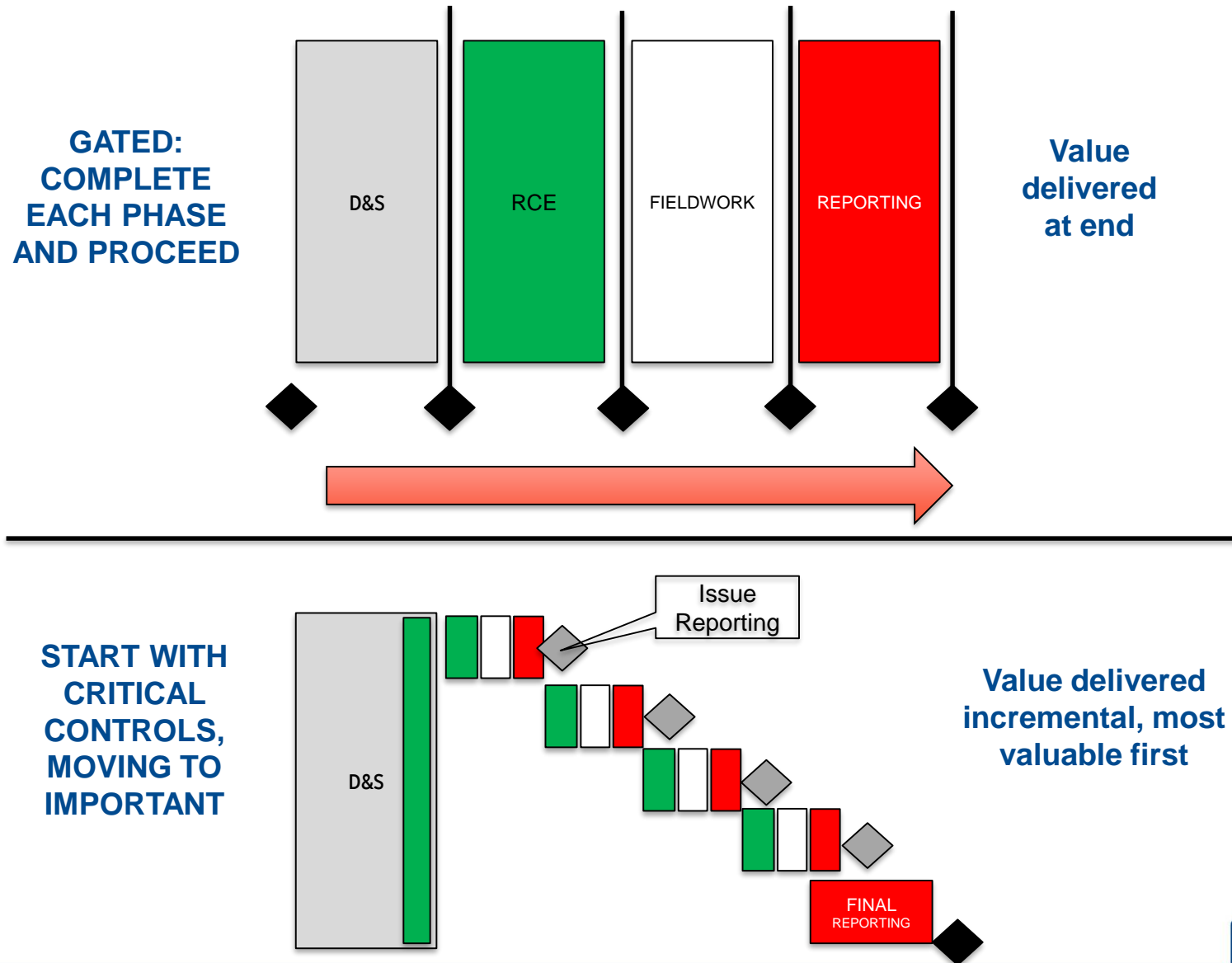
**Applying agile prioritisation and a team level framework will not fix things for you.**

**It will spotlight where your problems exist (those uncomfortable truths!). And it will make them so visible it will be hard to continue to hide from them:**

- Performance management – underperformance
- Poor definition of work – lack of clarity and guidance about what is required
- Levels of review – when is too much/not enough
- Poor prioritisation of work
- Cumbersome methodology

**Embrace these findings as they are your roadmap for continuous improvement.**

# A Glimpse of the Future: Methodology Changes



## Getting started

- **Use agile approach to implement** - *start small (one team), learn from feedback, expand and repeat*
- **Context is everything** – *adapt to your context, including language*
- **One size does not fit all** – *adapt to you context*
- **Evolution not revolution** – *small steps at a time*
- **Leadership** - *visible and frequent support and championing*
- **Early engagement with business** - *outline expectations*
- **Audit experience to lead** – *essential!*
- **Agile coaching capability** - *non-IT agile experience is important, it's not the same as in IT context*



**Your thoughts,  
feedback or questions?**

**Please stay in touch:  
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