

Deloitte.

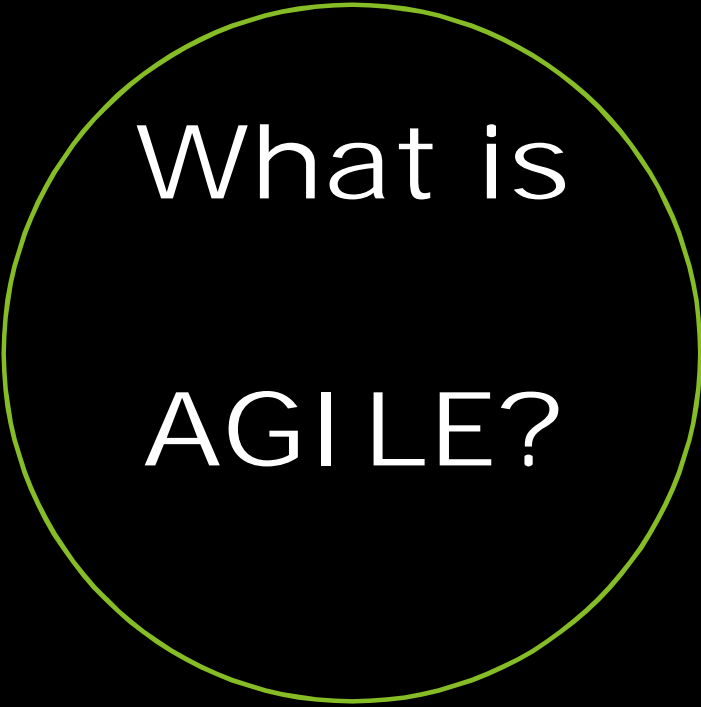


Formula to Internal Audit **Agility: C + I**

Enrique Victor "Jet" D. Pampolina

Deloitte Philippines

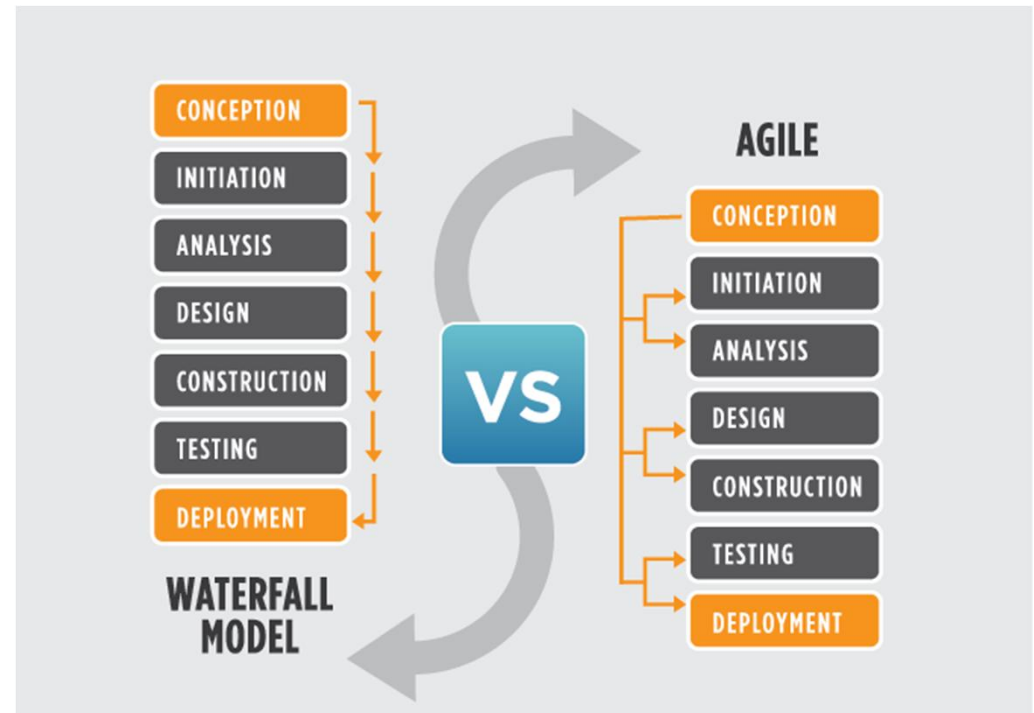
Moderator, May 17, 2019



What is
AGILE?

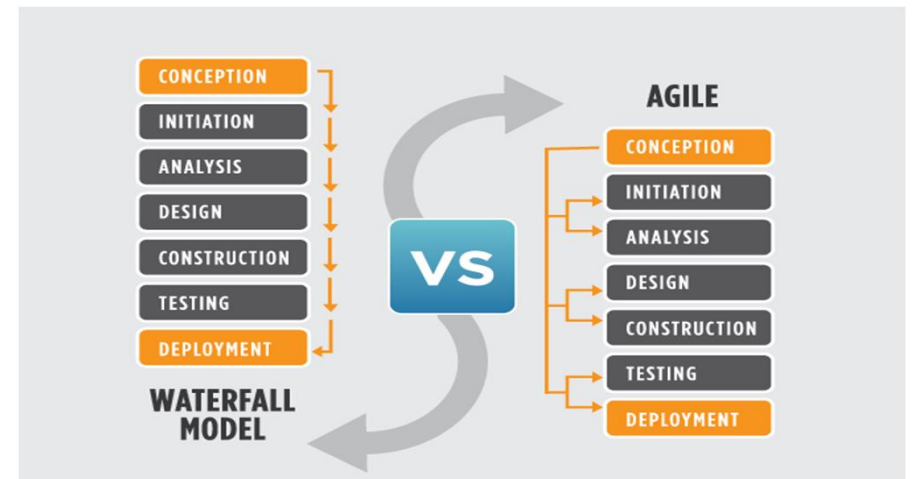
What is AGILE?

- Ø Hyped word in the IT Industry;
- Ø Originally a Software Development project management methodology;
- Ø Contrasts to the Waterfall Model



Why AGILE?

- Ø More flexible, fast, lean, responsive and consistent.
- Ø Focuses on people, interactions, **collaboration** and is more communication-oriented.
- Ø Includes regular inspection in disciplined manner.
- Ø Process should respond to change rather than follow a plan...



Internal Audit – The time for change is now?

Ø Stakeholders are demanding:

- Ø More efficient assurance
- Ø Better advice on processes and controls
- Ø Greater anticipation of risks
- Ø In reports, deeper insights and stronger points of views.

Ø Deloitte Research shows, that internal auditors need to:

- Ø *Deliver deeper insights into strategic business issues and risks*
- Ø *Respond rapidly to changing priorities, emerging issues and be forward looking in anticipating risks*
- Ø *Deliver impactful, relevant, timely, readable and **visual** reports*
- Ø *Deepen specialized skillsets particularly in **Cyber** and **Analytics**.*

What is Agile Internal Audit ?

Ø The mindset an IA will adopt to :

Ø Focus on stakeholders needs

Ø Accelerate audit cycles

Ø Drive timely insights

Ø Reduce wasted effort

Ø Generate less or optimum documentation

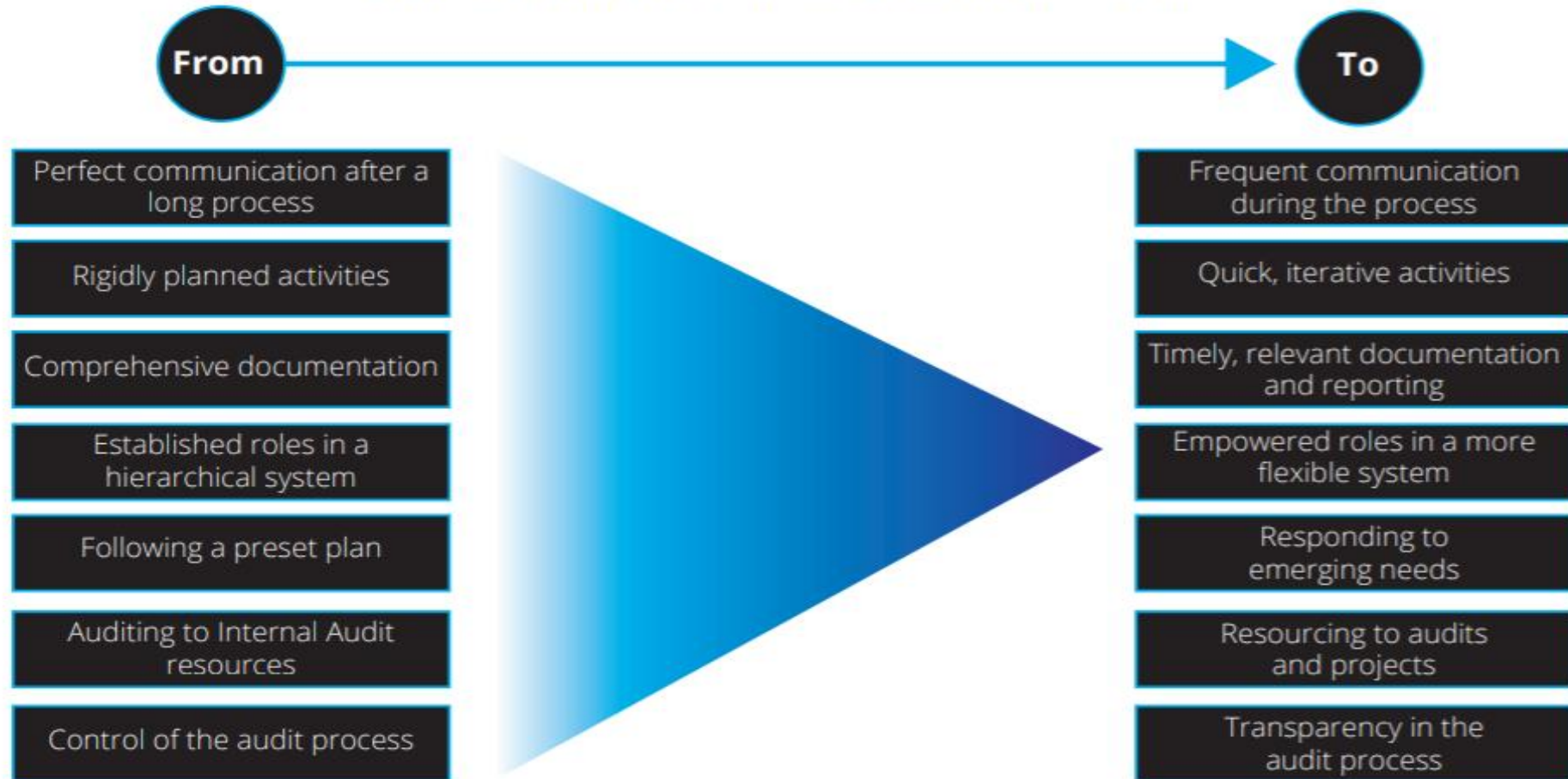
Ø Prompts Internal Auditors and stakeholders to determine upfront the value of to be delivered by an audit

Ø IA reporting doesn't focus on documenting the work but on providing insights

When should IA Consider the Agile Internal Audit approach?

- Ø Need to complete more audits in the same (or less) time
- Ø Promote closer relationship with stakeholders
- Ø Deliver more relevant, higher impact reports with less documentation
- Ø Respond quickly and effectively as strategies, priorities, technologies competitors, regulators and overall risks evolve.

When adopting Agile, Internal Audit should shift:



9 ELEMENTS Our IA Agile Manifesto

Elevate Internal Audit

Assure. Advise. Anticipate.

- 1 | Outcome-driven | Value-driven
- 2 | Just-in-time | Proactive approach to the “right projects at the right depth/focus”
- 3 | One size does not fit all – customized project focused on value and risk
- 4 | Collaborative approach – take the journey with our clients
- 5 | Mix it up a little bit, break some eggs – challenge “that’s the way we’ve always done it”
- 6 | Decisioning “as you go” with transparency and alignment
- 7 | Continuous communication with all stakeholders
- 8 | Be quick and iterative versus confined to a plan
- 9 | Impact over thoroughness – “good enough” (80/20 rule)

Questions to Panel?

1) Is this a "Nice To Have" only?

cu

2) Is this aligned with our IA Standards?

3) Are we currently equipped to shift to Agile? Mindset change and skills (analytics, visualization reports)

4) Will this bring real VALUE to stakeholders?

5) Is Collaboration + Innovation the key to Agility

Can Internal Audity get comfortable with being uncomfortable ?