

Agile Internal Audit: Recent insights from the field

Agile auditing: Beyond Scrum

Agile internal auditing has been trending in the market since 2018, the same year that we at Deloitte published our own [Agile Internal Audit \(IA\) Manifesto](#). Many internal audit functions have adopted Agile ways of working in some form, and others aspire to it. Their common desire is audits that deliver **more valuable business impact, faster, with happier teams and stakeholders** in a rapidly changing business landscape.

Some have tried but stalled, reverted to traditional ways of working, or conducted a brief experiment and abandoned it. If there's a common thread among places where Agile IA fails to take root, it's this: thinking of Agile as a process rather than as a mindset. "Don't do Agile; be Agile," one often hears. If you do an internet search for that phrase, you'll get thousands of hits, some of them going back 10 years or more. Thinking of Agile as a process is a well-known trap; we're far from the first to have published this observation. So, what does this mean for your IA function and how you might approach Agile?

Let's start with what to avoid. It's common to conflate Scrum and Agile. Scrum is a fairly prescriptive framework that sometimes comes under attack as being limiting. This is an entirely fair criticism. However, it remains a highly useful means to an end because it's a new (to IA) way of organizing work that helps enable the Agile mindset—things like limiting work in progress, focusing on value, and delivering iteratively. In fact, when we deliver training to teams embarking on Agile pilots, we ask them to say in unison the words "Agile process," after which we express hope that's the last time that phrase ever passes their lips. We teach Scrum—but as a starting point. Agile is a mindset, and as we said in our manifesto five years ago, "one size does not fit all." The methods must be adapted for your needs, and your approach to Agile should focus on the value mindset, learning, and adaptation.



Our Agile IA Manifesto Elevate Internal Audit

Assure. Advise. Anticipate. Accelerate.

- 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)

One of our clients nearly fell into the Agile-as-process trap. After piloting a few Agile audits, they decided to encapsulate the methods their pilot teams had used into a new process for organizing audits and roll it out to the entire organization simultaneously. Consequently, they struggled with adoption and pushback. Their Agile experiment needed more time to ripen, and individual audit teams needed more flexibility to figure out the best way to deliver value to their stakeholders. However, once they pivoted to emphasizing **mindset over process**, teams started feeling more freedom to adapt methods to focus on value. They've since committed to a journey of **learning** and **adaptation**, retaining elements of Scrum as tools in their kit.

Another of our clients asked us to do an assessment of their Agile adoption four years after we had initially coached them. We observed that they were no longer working in sprints but were nonetheless delivering completed work iteratively throughout the audit instead of all at once in a single final report. During a workshop with newer staff, all of whom had been there less than four years, we inquired about this. "How is it," we asked, "that you complete a chunk of work, deliver value to the client, and then move on to the next thing? What about your method or process leads you to this?" We were met with blank stares for a moment until someone shrugged his shoulders and spoke. "Well, how else would you do it? Try to work on everything all at once

and then wait until the end to report? That wouldn't make any sense at all!" We were elated: The organization and its leaders had adopted key elements of the Agile mindset—limiting work in progress, focusing on value, delivering iteratively—even as they had moved beyond Scrum.

Here's the takeaway: Just as one wouldn't stop learning a new language after learning to ask directions to the library, neither should your IA function stop its Agile journey after learning Scrum. Leave space for continued learning, and don't conflate the mindset of Agile with the framework of Scrum.

"At first, I was worried that we were missing something because we weren't doing the process exactly as you had taught us. But as it turned out, Scrum was a means to an end. We never would have gotten that mindset embedded in our DNA if we hadn't done Scrum first." —CAE, insurance company

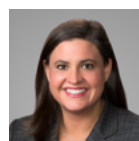
Next in the series: How to use Scrum as an important first step.

Author

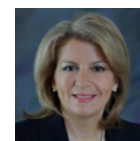


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