



An Agile Approach to Internal Auditing

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AGENDA

- **A glimpse of ASTRA and GANRA**
- **Overview of Agile Auditing**
- **Practice Sharing in ASTRA**
- **Q & A Session**

A GLIMPSE OF ASTRA & ASTRA SALES OPERATIONS



2022 Financial Performance Highlights:

- Positive earnings boosted by economic recovery and high commodity prices
- Strong performance across most businesses
- Revenue IDR 301 T, Net Income IDR 28 T – increase 29% and 43% yoy respectively



GROUP AUDIT & RISK ADVISORY (GANRA)

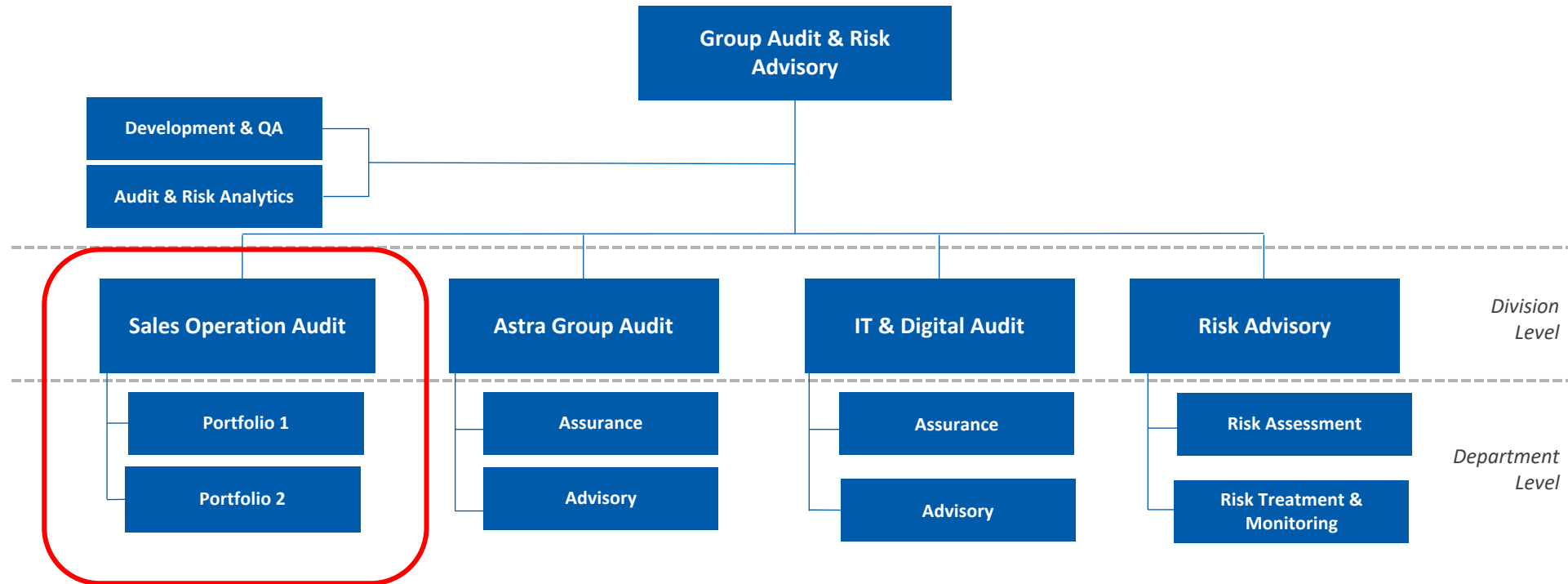
Vision

Pride of the Nation Vision – Astra Group is recognized as world class in **corporate governance, internal audit, and risk management standards.**

Mission

To become a **key partner / advisor to management** in the proactive management of risks, protection and **creation of business value** within **Astra Group** through independent, objective **assurance and advisory** services.

GANRA ORGANIZATION STRUCTURE



Portfolio 1 : HSO, ISO, UDSO
Portfolio 2 : TSO, LSO, DSO, BSO, PSO



WHAT IS AGILE



agile means



Dictionary

Definitions from [Oxford Languages](#) · [Learn more](#)



ag·ile

adjective

1. able to move quickly and easily.

"Ruth was remarkably agile and light on her feet"

Similar:

nimble

lithe

spry

supple

limber

sprightly

acrobatic

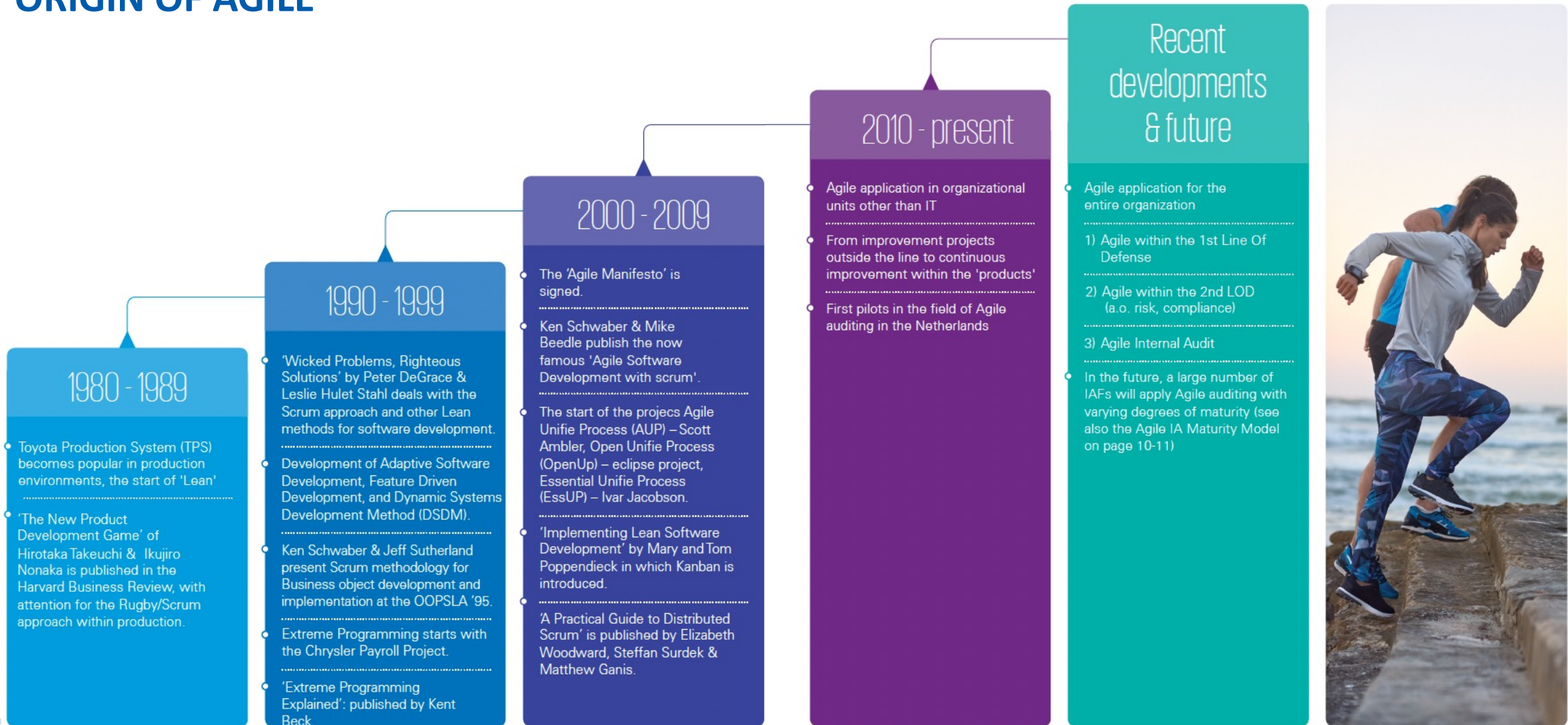


2. relating to or denoting a method of project management, used especially for software development, that is characterized by the division of tasks into short phases of work and frequent reassessment and adaptation of plans.

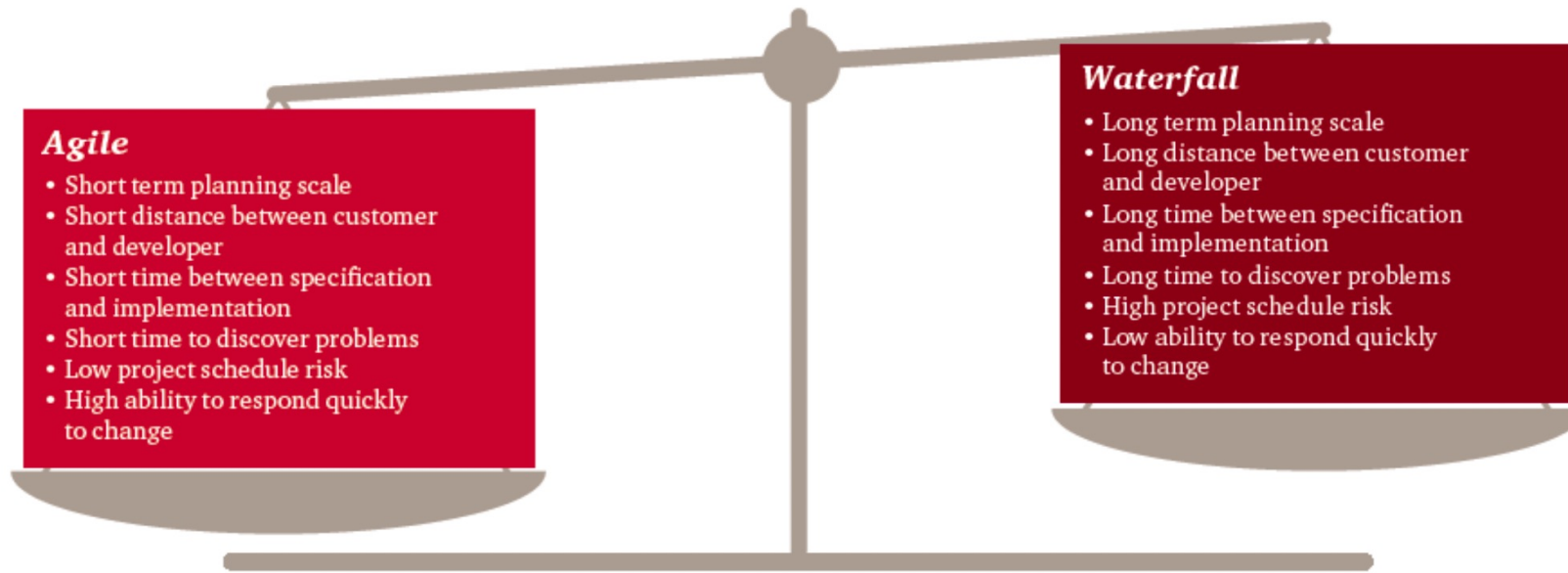
"agile methods replace high-level design with frequent redesign"



ORIGIN OF AGILE



AGILE VS WATERFALL



AGILE IMPLEMENTATION IN IA

Why?

- Continuously changing organizational environment. Change is the only consistent factor, and the number of changes is increasing rapidly.
- Stakeholder requirements to provide greater assurance with the same or fewer resources.
- Requires IA to adapt an innovative way of working and mindset in order to remain successful.

Can Agile be Applied to IA?

- Core principles of Agile can be applied to other project management approaches.
- No inherent conflicts with IIA Standards.
- Needs to be implemented in a manner consistent with the goals and objectives of the IA function.

Potential Benefit

- Efficiency – through reduced cycle times
- Deeper Insights – into strategic issues and risks
- Responsive – to changing and emerging risks
- Risk Focused – apply risk-based principles to audits
- Streamlined Documentation - work papers and reporting
- Enhanced Reporting – more timely and impactful results
- Resources – right resources at the right time
- Engagement – teams are more engaged in execution
- Forward Looking – anticipation of changes in risk



AGILE INTERNAL AUDITING PRINCIPLES

Agile principles can be effectively applied to the delivery of internal audit services:

- › Principle 1 – Our highest priority is to satisfy the customer through early and continuous delivery.
- › Principle 2 – Welcome changing requirements, even late in development. Agile processes harness change for the customer’s competitive advantage.
- › Principle 5 – Build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done.
- › Principle 8 – Agile processes promote sustainable performance.
- › Principle 12 – At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behaviour accordingly.

Connect › Support › Advance

Whitepaper

Agile Internal Auditing

Updated 2023



Agile auditing

Mindset over matter

PRINCIPLE 1 – OUR HIGHEST PRIORITY IS TO SATISFY THE CUSTOMER THROUGH EARLY AND CONTINUOUS DELIVERY.

Key points

Aligned with purpose of IA according to IPPF

Sprint Technique

Daily Scrum

Practice in Astra

1. Development of remote audit methodology during pandemic
2. Optimization of data analytic for a more efficient & effective branch audit
3. Implementation of sprint technique during audit program development & implementation
4. Frequent scrum meetings during audit program development & branch audit – daily check in from coordinator, min. 2 review process with manager



PRINCIPLE 2 – WELCOME CHANGING REQUIREMENTS, EVEN LATE IN DEVELOPMENT. AGILE PROCESSES HARNESS CHANGE FOR THE CUSTOMER’S COMPETITIVE ADVANTAGE.

Key Points

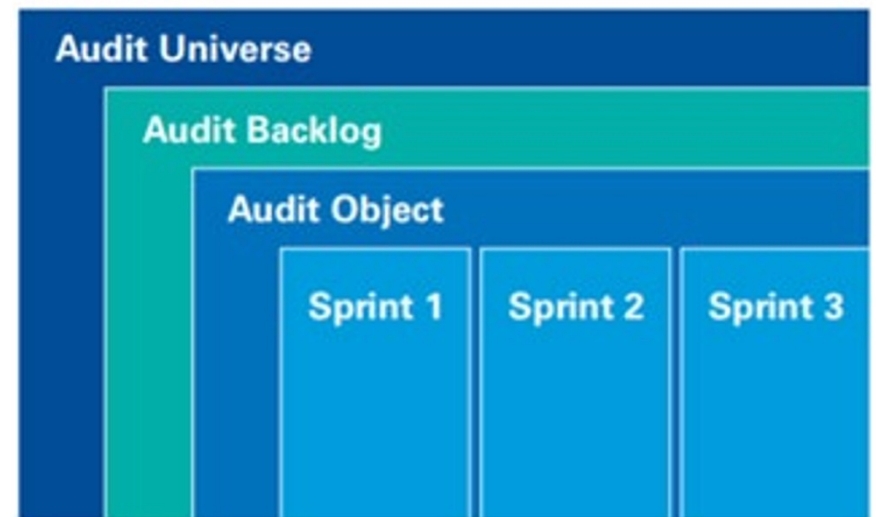
Audit universe, audit backlog, and audit object

Quarterly review of audit backlog → possible changes to current audit plan

Practice in Astra

1. Dynamic audit plan to allow changes in audit priority
2. Documentation of audit universe and audit backlog
3. Annual update of branch audit program followed with periodic update after 1, 3, and 6 months of implementation
4. Changes of visit audit methodology to ensure proper coverage during unplanned manpower shortage

Figure 1 – KPMG’s depiction of an Agile internal audit activity



(KPMG, 2020, p. 10)

PRINCIPLE 5 – BUILD PROJECTS AROUND MOTIVATED INDIVIDUALS. GIVE THEM THE ENVIRONMENT AND SUPPORT THEY NEED, AND TRUST THEM TO GET THE JOB DONE.

Key Points

Facilitate knowledge sharing and improve the proficiencies of internal audit team members

Maintaining team involvement

Provides junior auditors opportunity to further develop, challenge ideas and understand priorities

Practice in Astra

1. The important to get the right people → Audit & Risk Development Program for fresh graduates
2. Continuous people development with TCA, IPP, IDP, 1o1 sessions
3. Authority for team members → audit program, time required, scheduling, review process



PRINCIPLE 8 – AGILE PROCESSES PROMOTE SUSTAINABLE PERFORMANCE

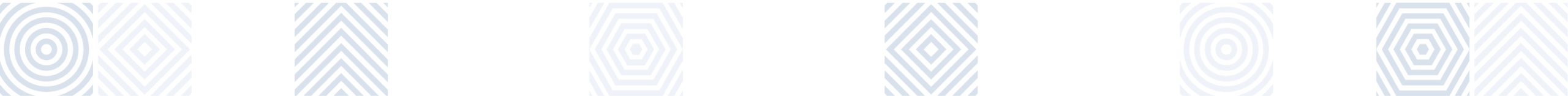
Key Points

Rationalising and prioritising documentation needs

Delivering “briefer, timelier reports with fewer words and more visuals”

Practice in Astra

1. Audit program & working paper in the same excel file
2. Using audit management system to help centralized documentation and automation of ISR (audit follow up)
3. Straightforward report (detail in appendix/working paper) and 1-page executive summary
4. The importance of setting the right timeline, optimistic but still realistic
5. Open discussion with team
6. Review of timeline, along with audit program periodic review



PRINCIPLE 12 – AT REGULAR INTERVALS, THE TEAM REFLECTS ON HOW TO BECOME MORE EFFECTIVE, THEN TUNES AND ADJUST ITS BEHAVIOR ACCORDINGLY.

Key Points

Quality Assurance and Improvement Programs

The regular scrums and conclusion of sprints → reflection opportunity

Practice in Astra

1. Periodic QAIP (ongoing assessment, annual peer review, 5-year external QA)
2. Periodic meetings with team – formal & informal
3. Manager and supervisor to check in with teams



KEY TAKEAWAS

1. Agile audit does not eliminate the need to meet internal audit standards or regulatory guidance on providing assurance, quality of execution, or reporting
2. Adopting all aspects of Agile would go against the core principles of Agile.
3. Go in stages – no need to wait until everything's perfect
4. Continuous review and adjustment
5. Team involvement and empowerment
6. Change starts from the Top!



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Thank You