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Agile Internal Audit:
Recent insights from the field

Being an Agile leader

Much has been discussed, studied, and written about the impact of leadership on the efforts of businesses and organizations. In our experience helping more than 100 Internal Audit organizations become more successful through implementing Agile ways of working, one thing is clear: Leadership! Leadership! Leadership! Or more precisely, the visible behaviors and actions of leaders—matter. It's critical that Agile leaders **connect** to their people to build a shared vision, **energize** their teams by practicing deliberate leadership, and **empower** others to enable their success.

Connect: Building shared vision
It's vital to establish a clear, concise purpose before embarking on an Agile journey. Agile isn't a goal in itself. In one case of great learning from a failure, an Internal Audit director had heard about "this Agile thing" and wanted to implement it—only because they wanted to be regarded as an innovator. They and their team received training, but the people had little understanding of why they were there, and the result was a failed experiment.

Rallying your team around a shared goal can greatly increase the value derived from Agile. At a large global bank, the chief audit executive (CAE) was clear about defining success from the start. We worked with the CAE and team to generate their vision during a tailored design thinking-based (lab) experience. Key parts of their vision were to **audit the highest risk areas, empower team members, engage stakeholders, and improve decision-making.** While their focus early in their journey was on Agile itself, they never lost sight of their shared goals. **Whenever they ran into challenges, they returned to their vision,** which transformed the context for the bank's efforts and ultimately spurred their success.

Energize: Practicing deliberate leadership
Powerful leaders set the culture of their organization consciously. This means awareness to their patterns and interactions with everyone in their organization. The CAE at a major domestic retailer consciously created his culture by telling his team it was OK to make mistakes as long as they learned from them. This was the right thing to **say**—but he backed it up with **action**. Deloitte helped him understand that shifting to an Agile mindset required him to establish an environment safe for learning. As a result, he suspended standard IA methodology for the pilot teams while they were going through the transformation, meaning they wouldn't be held to account for deviations from detailed methodological requirements as long as they still delivered a solid, well-supported audit. **This freed up the pilot teams** to create better, leaner methodology, which enabled their Agile experiment to succeed, as well as eventually enhance their methodology to align with their new ways of working and still align with the IIA standards.

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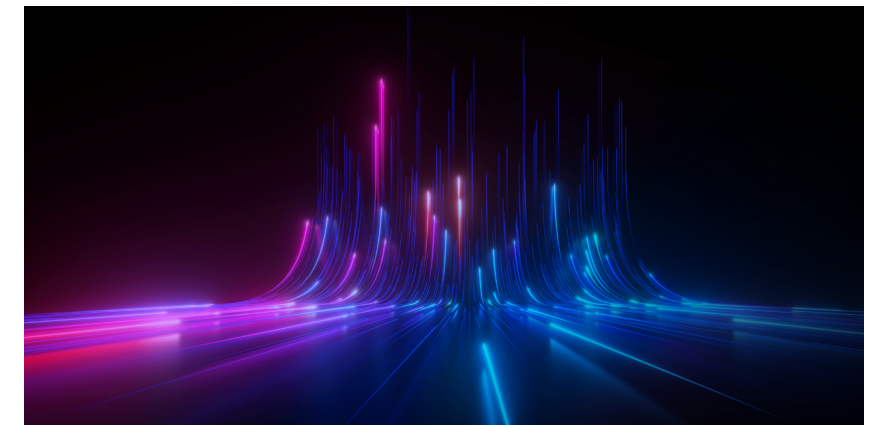
Empower: Enabling the success of others

Agile leaders think first about what can enable the success of their people. While working with a large US insurance company, a special moment occurred when the CAE and her directors gathered in a conference room to whiteboard their new Agile organization. After weeks of conversation and contemplation among the team, the CAE had decided that the goal was establishing persistent teams who would work in sprints using Agile values and principles. When the group started whiteboarding in the conference room, she physically stepped aside and let them figure out how. In reflection, the CAE shared with us,

"Once I felt like the team had a clear, shared vision of what we needed to accomplish, I expected them to figure out how to get there because they were closer to the details than me. Once they convinced me the plan was sound, we were off and running."

Final thoughts on leadership

At Deloitte, we think leaders have a tremendous opportunity to leave the world a better place. Becoming a successful leader takes intentionality, a demonstrated commitment that you are there to serve your team, and resilience. Leadership is often the number one reason why Agile transformations fail—and it is also the number one reason why Agile transformations succeed. Vision, alignment, and an environment for learning and adaptation are scarce without the intentional actions of leaders. As Gandhi said, "Be the change you wish to see in the world." Leading by example is one of the most powerful things you can do to make a lasting, positive impact within your IA organization.
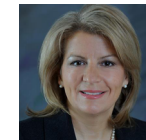
Next in the series: Evolutionary leadership.

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