



**Ready to respond: How business
agility enabled the adaptable
internal audit organization
during COVID-19**

We were one major disruption away from rethinking how to conduct business and be effective. The emergence of COVID-19 gave us the use case to test how we would deal with unique environments and still be effective. New challenges and opportunities emerged around our team's ability to pivot our client offerings, conduct our work, and even connect as a practice. Moreover, the current macroeconomic environment has created the ultimate test around adaptability. Although there is a long way to go, we have been able to meet the challenge through collaboration, empowerment, value-driven decision-making, and, of course, agility.

We get it: You are more interested in how your peers and others have done. How have they responded, and what have we seen across the Agile IA space?

There have been differing responses and varying levels of adaptability based on the organization's size and other factors, such as in-house IA functions (or cosourced and outsourced), [standards and regulatory factors](#), and profitability of organizations.

Some of our clients had previously embraced future-of-work practices and were well-positioned to sustain their operations and respond quickly to the demands of navigating COVID-19. In

these organizations, **work, workforce, and workplace** experiences were supported by an ecosystem of virtual resources, technology, and behavioral norms that defined work as a thing we do, not a place we go. Others faced the challenge of addressing all three factors at once, in real time, and practically overnight.

While each organization has had its own flavor of challenges and stories of perseverance, one small-to-medium-sized power utility client's Agile IA transformation journey since 2018 enabled its internal audit organization to **respond, recover, and thrive**.

While each organization has had its own flavor of challenges and stories of perseverance, we wanted to highlight one of our small-to-medium-sized power utility clients that has been on its Agile IA transformation journey since 2018:

Case study

Through its transformation journey of more than two years—**sensing, responding, and adapting** to what works—this organization had started to reach a higher level of Agile organizational maturity. With that maturity came more experience and opportunities to fail forward and implement more advanced Agile initiatives and scaled processes.

It was these advanced Agile IA transformation initiatives that helped to set up this organization for success in dealing with massive disruption during COVID-19.

The following is the case study of our public utility client. Specifically, we'll be highlighting the advanced Agile steps taken as it progressed along its Agile IA journey and how those steps helped to enable an adaptable organization that has been able to successfully manage adversity, respond to changing priorities, and implement a new way of working in spite of the constraints of COVID-19.

CASE STUDY

Initiative 1: Redesigning the organization to center around “POD” teams with dedicated Scrum team members, Scrum Masters, and product owners

Action taken:

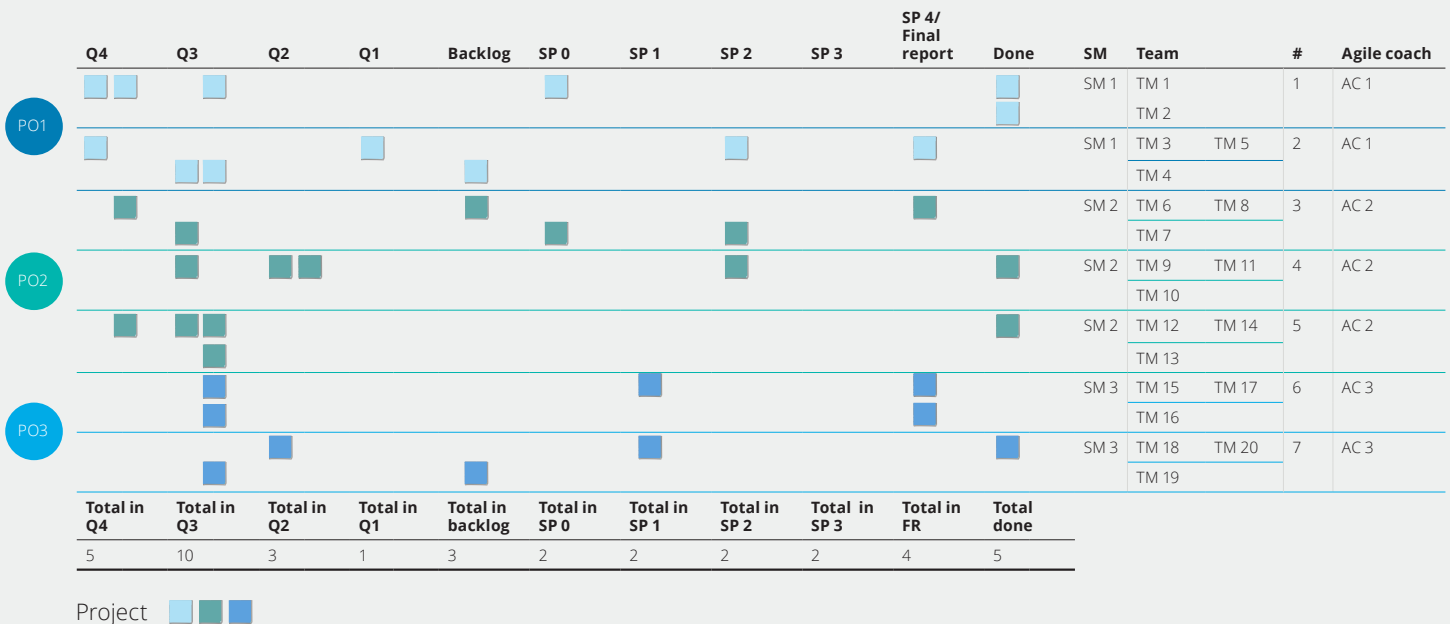
As part of this client's Agile IA transformational journey, several team-based issues started to arise without dedicated team members assigned to dedicated teams and projects. Multiple team members working on multiple user stories across multiple projects all but canceled out any sort of Agile benefits that could be achieved around prioritization, throughput, predictability, and empowerment.

To take its transformation to the next level, this client committed to a POD organizational model and restructure, where each product owner had one to three of their own PODs (teams) with dedicated team members in those PODs. Scrum masters were then dedicated to one to three of their own dedicated PODs within this model, **serving as a pure Scrum master** (making sure processes

and projects move forward) while also taking on some management responsibilities, like workpaper review.

This was a **major milestone** in this client's transformation efforts. It's also one of the more challenging transformation steps to take due to the change management, career progression, and associated performance management considerations that arise.

Enterprise visual control board



How it enabled COVID-19 success:

There were several use cases where one team would start on one project and have to quickly pivot to another due to stakeholder availability or other circumstances. An organization centered around dedicated teams meant that that team could pick up the next project with relative ease and flip back to that original project if needed. In addition to project flexibility, POD teams also enabled the following benefits:

- Team members continued to have visibility into upcoming project priorities—even if they were constantly changing.
- Team members continued to build eminence and business experience by operating in the same business space.

Note: POD teams can be reshuffled as needed to help drive this theme of eminence-building across an organization.

- Team members continued to build trust as an operational unit while contributing to the overall cultural element building within the organization.

Beyond enabling an adaptive COVID-19 response, the POD model paired with the enterprise visual control board (EVCB) has been an excellent way for this client to drive resource planning conversations and to proactively dictate its hiring needs for the rest of the year.

Initiative 2: Creating an EVCB as a cultural nucleus

Action taken:

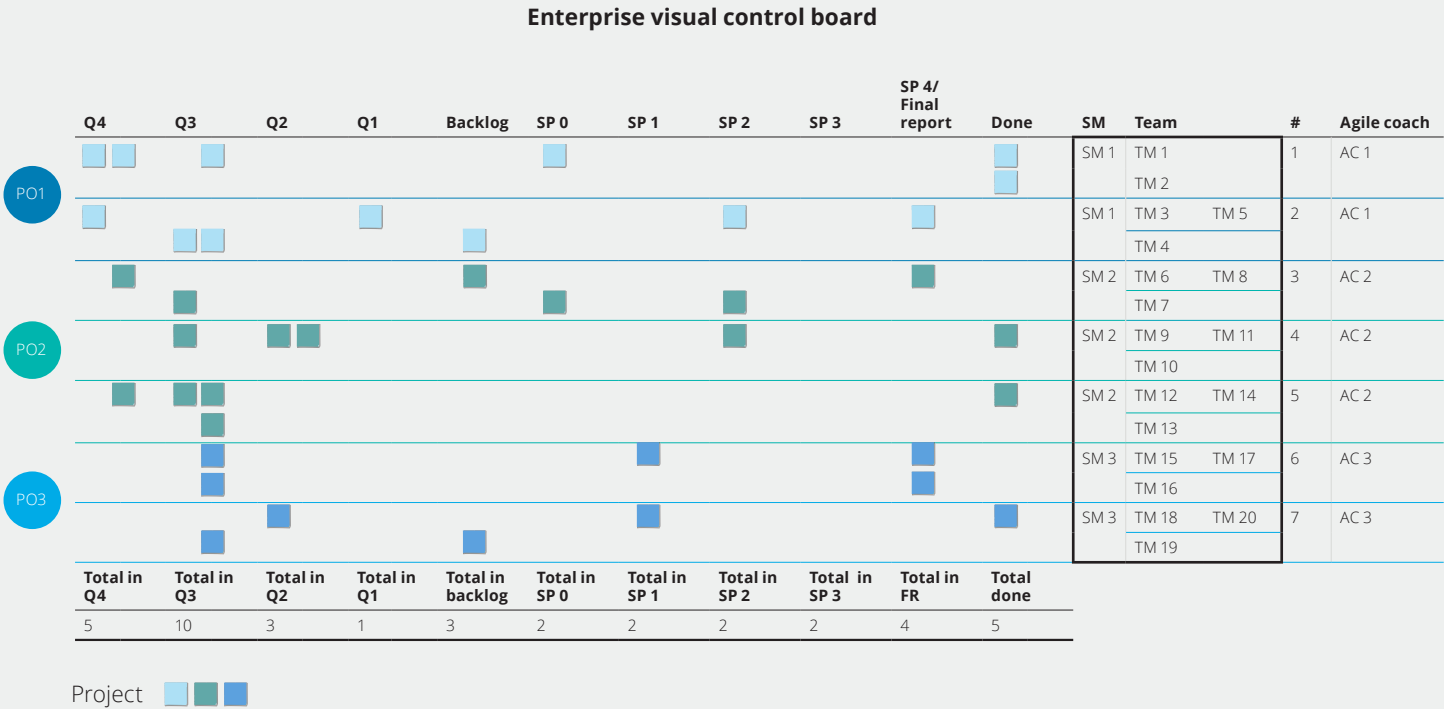
As an organization, how do you ingrain project transparency, visibility, and flexibility from the portfolio level down to the team level while also making those characteristics a centerpiece for organizational culture?

The answer: Create a massive EVCB that would cover an entire wall, including all teams within the organization, what projects they are slated to work on within a given quarter (and beyond), what sprint each project is in, and who is assigned to what team. You've created the ultimate tool to manage work across the department.

A sample of an EVCB is included below, with product owners and their designated PODS and teams (more on stable teams in initiative 2 below) color-coded in swim lanes. The designated phases of project activity (quarter, backlog, sprint 0, sprint n+1) are in the vertical columns.

The EVCB became the center of all Agile operational conversations. It showed who was working on what. The EVCB reflected priorities coming through the pipeline while promoting the project throughout. Most importantly, all information was readily apparent and available across the department.

The EVCB went from a conversation-starter to a way to hold an entire IA department accountable for its progress and how it could collectively learn about what projects were being worked on and when.



How it enabled COVID-19 success:

As alluded to above, one of the biggest value-adds to having an EVCB is the transparency into the audit project pipeline for the year. Take a step back even further, and the EVCB, like all other visual display boards, isn't that much different than a giant Tetris board.

Playing Tetris—Agile Tetris, that is

As stakeholders across the public utility became focused on running the business with the changes caused by COVID-19, their availability for upcoming project commitments was significantly affected. Like in Tetris, having the EVCB enabled several organizational wins around adaptability:

- Project priorities could easily be shuffled around on the board based on stakeholder availability.

Something in your backlog no longer looks available (such as stakeholder availability)? Consider taking another project from your Q2 backlog and move it to the forefront.

- Project priorities shifted from stakeholder availability and moved to focus more around risks and value-add to the organization.

Perhaps a VPN and intrusion detection assessments were slated for Q4. Product owners now had the ability to move those projects to the forefront of their backlog while keeping risk and value top of mind for the organization.

- With full visibility into a team's pipeline, product owners could confirm that their team had a project in the backlog pipeline with another one in the queue in case stakeholder availability changed.
- The Audit Committee continued to have full visibility into upcoming projects and adjusted priorities. They were continuously aware of when final reports (points of view) were expected to be issued based on where current projects stood in their sprint columns.

While the EVCB did forecast an entire year's worth of audit projects, it didn't necessarily commit this IA department to those timelines. Flexibility and transparency into the entire pipeline, with the EVCB as a cultural nucleus, allowed the Tetris mentality to drive adaptive and flexible planning. This ultimately confirmed that the IA teams could focus on the right risks without causing total disruption to their audit pipeline and plan.



Initiative 3: Feedback as a service | Using data to drive adaptability and cultural happiness

Action taken:

A consistent growing pain that we see across small-to-medium-sized IA shops is how to flatten hierarchical influence within the organization when trying to promote the theme of empowerment across all team members. While retrospectives can be effective at the team level, and the EVCB can physically tell you the health of an organization, it is the unsaid that provides the invaluable pulse check of how an organization is really doing (and feels).

To confirm that feedback became ingrained in IA culture (and to limit hierarchical influence), the client committed to several feedback loops, including:

- Quarterly Agile IA retrospective maturity surveys (with anonymous survey results)
- Scrum masters and Agile Champion retrospective
- Scrum team member and Agile Champion retrospective
- Monthly Agile coffee chats (includes the entire IA department)

How it assisted with successfully pivoting due to COVID-19:

Feedback became a key component of how to drive both team- and portfolio-level adjustments related to Agile processes and IA culture in an evolving frontier. From a process perspective, maturity surveys were used to:

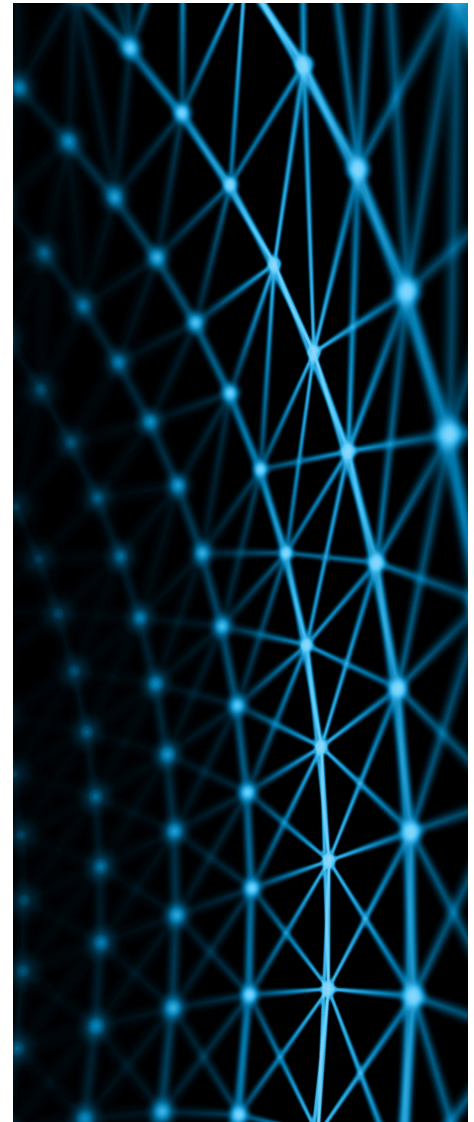
- Identify where some processes were not being followed in the newly adopted remote environment

- Drive and raise several robust conversations around how teams were adapting with existing tools, such as social contracts during sprint 0, to confirm there was full alignment on project roles and responsibilities and team logistical expectations—including, for example, appropriate meeting times for those with children

Moving beyond process, retrospectives with various team members and roles and the Agile champion verified that feedback continued to move freely to the top of the organization in a transparent and honest way. While in-person interactions can't be replaced, having a structured and process-driven feedback cycle confirmed that team members' **voices were honored** and that they felt like **part of the organization**, driving enhanced **sense of ownership**. Replicating this without a physical presence can be especially challenging.

The final feedback driver was created through monthly Agile coffee chats, where team members met to talk about project priorities, project updates, and open Agile- or IA department-based issues using the now-virtual EVCB as their point of reference. With all team members attending this series, it confirmed that contentious topics were discussed in an open and free-flowing format to drive organizational improvements. Beyond the feedback component, this series also produced a **higher level** of team member involvement and **cultural continuity**.

As part of the series, each team member was expected to give a quick update on their project, its scope, and high-level detail so that everyone else understood the work, at least at a general level. This not only encouraged **knowledge-sharing** of different aspects of the business and exposure to various lines of business, but also confirmed that all team members had the ability to participate in a more public forum.



Looking holistically at the case study of our public utility client, all of the Agile IA transformation progress made over the past two years has led it to become an adaptable organization. Implementing the EVCB, reorganizing teams to have dedicated team members through PODs, and a continued commitment to feedback will serve as sustainable building blocks for the future—no matter what kind of challenges this organization faces.

Agile IA transformations are a journey, not a sprint. While journeys can be built through road maps that you create for your IA departments, it's the [Agile mindset](#) that, when enabled, drives adoption. We are dealing with change, after all.

Moreover, what this case study doesn't show our readers and Agile IA community are the other steps that this client took to put its IA department in a position to succeed with its

transformation. The continued commitment to Agile coaches that forms the core of facilitating the mindset shift needed for each of the three initiatives was critical to its success.

As this client continues to push into the unknown, one thing should remain constant: A continued commitment to agility will be at the heart of its IA culture.

Interested in learning more about this small-to-medium-sized IA client, how an Agile IA transformation journey could benefit your organization, and how to get started? Contact us.

Postscript: Since writing this article, we have had the opportunity to strategize with this client on data analytics through our virtual Greenhouse. We had the pleasure of witnessing a dynamic, engaged team interacting with transparency, challenging one another, and building on each other's observations and suggestions to tackle their next transformation. An Agile mindset and culture of continuous improvement knows no bounds!

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