Agile internal auditing: Barclays case study

We spoke to Nick Curle, Head of Strategy and Change at Barclays Internal Audit.

"Like every audit function, we are under pressure and demands and expectations are growing. In 2016 we asked ourselves should we do more of what we were already doing, or was there was a better way to do more, better, faster and to a higher standard." This, explains Nick Curle, head of strategy and change at Barclays Internal Audit, was the impetus behind a project to investigate the potential of agile working for internal audit.

Barclays Internal Audit has a team of 650 people working on over 600 audits a year worldwide. The team started from a position of ignorance, but with an open attitude to innovation. Two internal auditors were asked to find out what 'agile' involved and whether it could help their team provide more to its stakeholders.

"We started by understanding the core principles and features of agile and began experimenting with how their application could help us. We honed these into our vision of what agile auditing would look like," Curle says.

"The term 'agile audit' has been used to describe flexible and responsive auditing, but, while this is really important and valuable, it is not the same as being 'Agile'," explains Chris Spedding, change director in the function. "We recognised that many of the agile principles could help us to address the challenges, inefficiencies and frustrations we faced in delivering audits."

The starting point is the audit team. For Barclays, Spedding says, an agile approach emphasises the importance of teams determining the most effective and efficient way to deliver their work – 'self-organising' their roles and responsibilities. "We tried to remove any barriers to the team working together, face to face whenever possible, and with the whole team involved throughout the audit."

"You need to foster an environment of trust and motivation," Curle says. "Each member of the team has to feel able to say "I don't understand why we're doing x" or "I can't get past this blockage because of x". It's not a criticism, it's about saying "are we doing the right things, what's in our way and should we change our approach or our focus?"

Audits are now broken into fortnightly 'sprints' of work with an agreed schedule that should be completed within that period. Each piece of work is visualised on the 'scrum board', and prioritised according to value and effort. The team meets around the board for a daily 15-minute 'scrum' to highlight what each member will do that day, whether anything is blocking them from doing it, and to agree team priorities.

The agile framework and 'rituals' of the meetings have transformed the way team members interact with each other and with auditees, and made the entire process more transparent. It also puts pressure on all involved to get actions completed on time. The auditee and other stakeholders are invited to attend the scrums when possible – scrums may even be held in the auditee's office to encourage participation.

1

At the end of two weeks, the key stakeholders in an audit meet for the sprint review. "We tell them exactly what we've found so far, explain what we've done and what we have not done – and why – and what follow-up actions are necessary," Curle says. The audit team then gets together on its own and has a no-holds-barred retrospective that analyses what has gone well and what has not worked and what this means for future actions and audits. This session also identifies the work to do in the next fortnight, so the cycle starts again.

"There's nowhere to hide. This process forces people to change, adjust and implement continuous improvement. It helps the whole team to move to the next level in terms of behaviour, communication and transparency," Curle explains.

For Spedding, the benefits of agile auditing are greater than just efficiency. "We believe this approach enhances the quality of communication, the transparency of the process and the culture of continuous feedback and improvement," he says.

Implementing agile has involved considerable investment in time and resources – the agile team now has eight full-time staff rolling out training and identifying next steps and team members have attended over 1,000 days of training, but the benefits are clear. Audits are being completed around 10-20% faster and feedback from stakeholders is good. In addition, Curle and Spedding have helped to set up an Agile in Auditing group where they share their experiences with others in the sector so they do not have to start from scratch.

Key tips

1. Get top-down sponsorship from senior management.
2. Look for ways to reinforce all the behavioural elements constantly.
3. It's ok for the output of audits to look identical to previous audits – agile is about changing behaviour, not methodology.
4. Don't think agile is complicated – it's a simple concept, but hard to implement because it's about changing people's behaviour and habits.

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