# Agile internal auditing: Kingfisher case study

## We spoke to Ross Finlayson, Head of Audit for Offer and Supply Chain at Kingfisher Group.

We are investigating how to incorporate Agile principles into all our audits explains Ross Finlayson, Head of Audit for Offer and Supply Chain at Kingfisher Group. The group started a trial to see what "agile" could mean for its internal audit team 18 months ago and is now exploring rolling out to the whole function – this is going to be a big step.

So far, Agile principles and techniques have been applied by the internal auditors working alongside the Group's digital team. Following the success of this trial, the Heads of Audit are developing a toolkit to enable all internal auditors to adopt Agile ways of working for the full range of audits – from back offices to stores.

"We chose to trial the use of an Agile approach when working with our Digital and IT teams to improve the speed of delivery and overall efficiencies of our engagements" explains Ed Wilton, Head of Group IT Audit at Kingfisher. "Digital developments are moving at such a pace within our organisation that traditional audit methods couldn't keep up – by the time we delivered findings, our stakeholders were working on something else."

The two key drivers, he says, were to improve customer focus – for example, by delivering findings faster – and better collaboration within the team.

Wilton first encountered Agile at Screwfix, part of Kingfisher that has used Agile principles for its systems developments for the last decade. He became enthusiastic and signed up for training to find out more. The whole IT and digital assurance team has now been trained on the SAFe methodology – a Scaled Agile Framework used within Kingfisher for systems and Digital development.

The team breaks audits and reviews into fortnightly "mini sprints". The aim is to have a "sprint" focused on a specific objective or topic such as systems configuration, password controls or access management which means that auditees can receive findings and insights on specific areas and implement actions before the rest of the audit is completed. It also enables the auditors to switch focus or bring in different resources without jeopardising progress on other parts of the audit.

Wilton explains that he and the team have trialled some of the typical Agile practices such as dual-working and holding "retrospectives" to share lessons learned after audits, but some of the best results have come from adopting the roles of "scrum masters" or "product owners" during the team's weekly "scrums", where they meet to discuss progress, what to prioritise and how to clear any "blockers" in their reviews. "This has certainly improved the way we work as a team and share knowledge and feedback," Wilton says. "You need a good level of discipline to make it work efficiently, but the team has been really self-motivating and it has been great to see the extra collaboration, knowledge sharing and lessons we have learned so far".

Kingfisher is now exploring how it can roll out Agile to its 55 auditors working across the entire business – at a time when the organisation is also undergoing huge changes. "This will be a phased approach, rather than a big bang. We've got to look at how much we can do, while still offering the same levels of assurance," Finlayson says. "If all the audit teams are applying Agile principles in our work 12 months from now, that will be a real symbol of our function embracing different approaches to delivering assurance."

Finlayson's team is currently applying Agile methods to an audit to see how they work in a different environment from digital assurance. "We want to see how transferable the methods are and consider whether we need to repackage some elements for other parts of the business," he explains.

"The basic Agile principles are all good things for internal audit to adopt anyway, so why wouldn't auditors want to be more agile?" Wilton asks. "We're all looking for ways to collaborate better within teams and with the business, to offer timely, relevant feedback, to share knowledge and boost efficiency."

Finlayson agrees. "The principles of agile reflect what all modern audit teams should be aiming for – they reinforce so much of what we already aim to do in terms of customer focus, collaboration, providing timely information, being responsive, etc," he says. "But you need to give people hands-on experience of how it works in practice or they can get turned off by what sounds like jargon and terminology."

## Top tips

1. Start small – read up on the principles and see whether you can apply these in a trial on a single piece of work or in a team.
2. Be rigorous. Appoint an Agile "champion" to ensure the principles and practices are properly applied and embedded.
3. Don't get bogged down with terminology – there are other words in the business lexicon that you could use instead of standard agile terms that might prove more acceptable.

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