

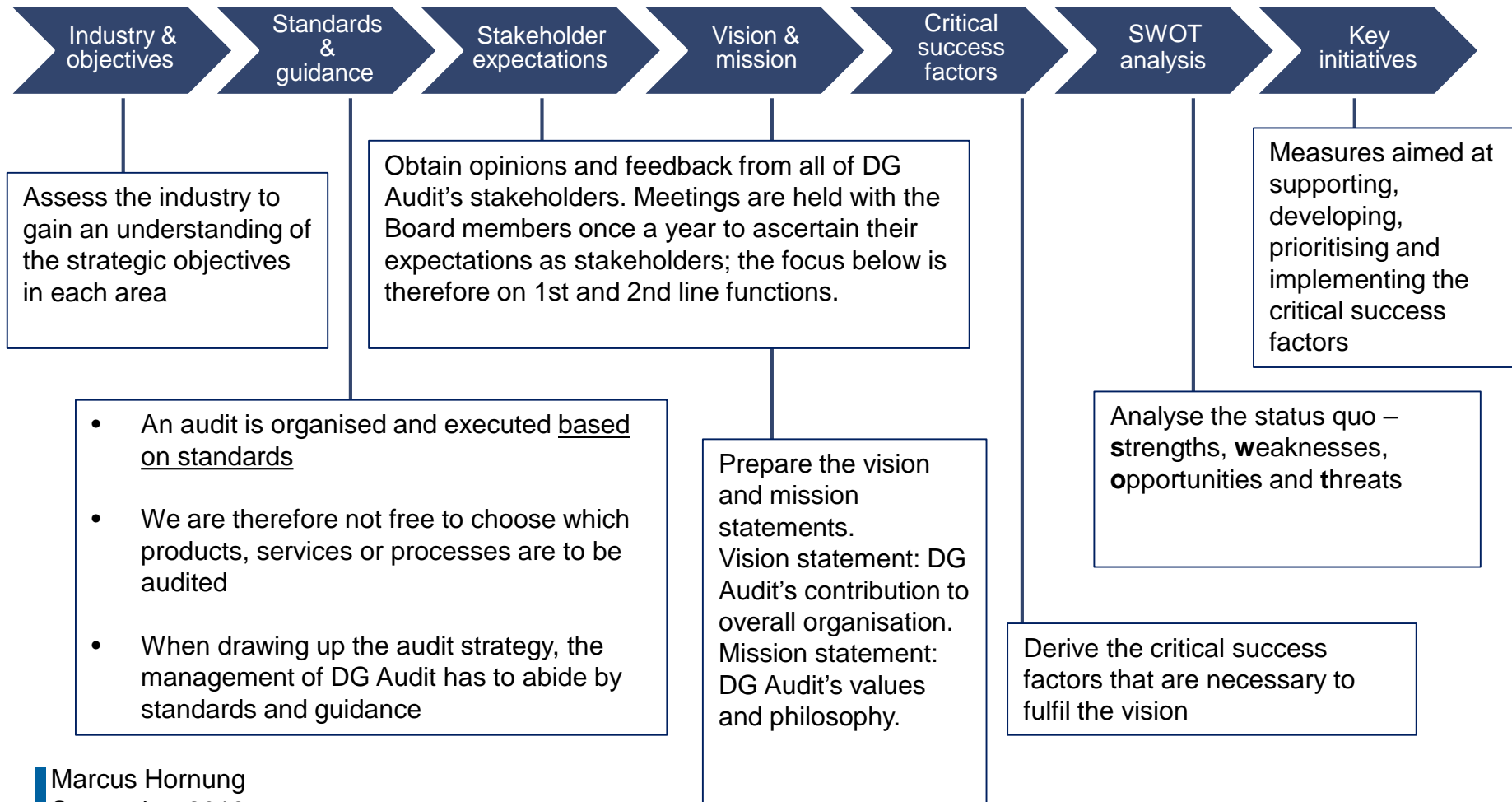


# **Developing an IA Strategic Plan**

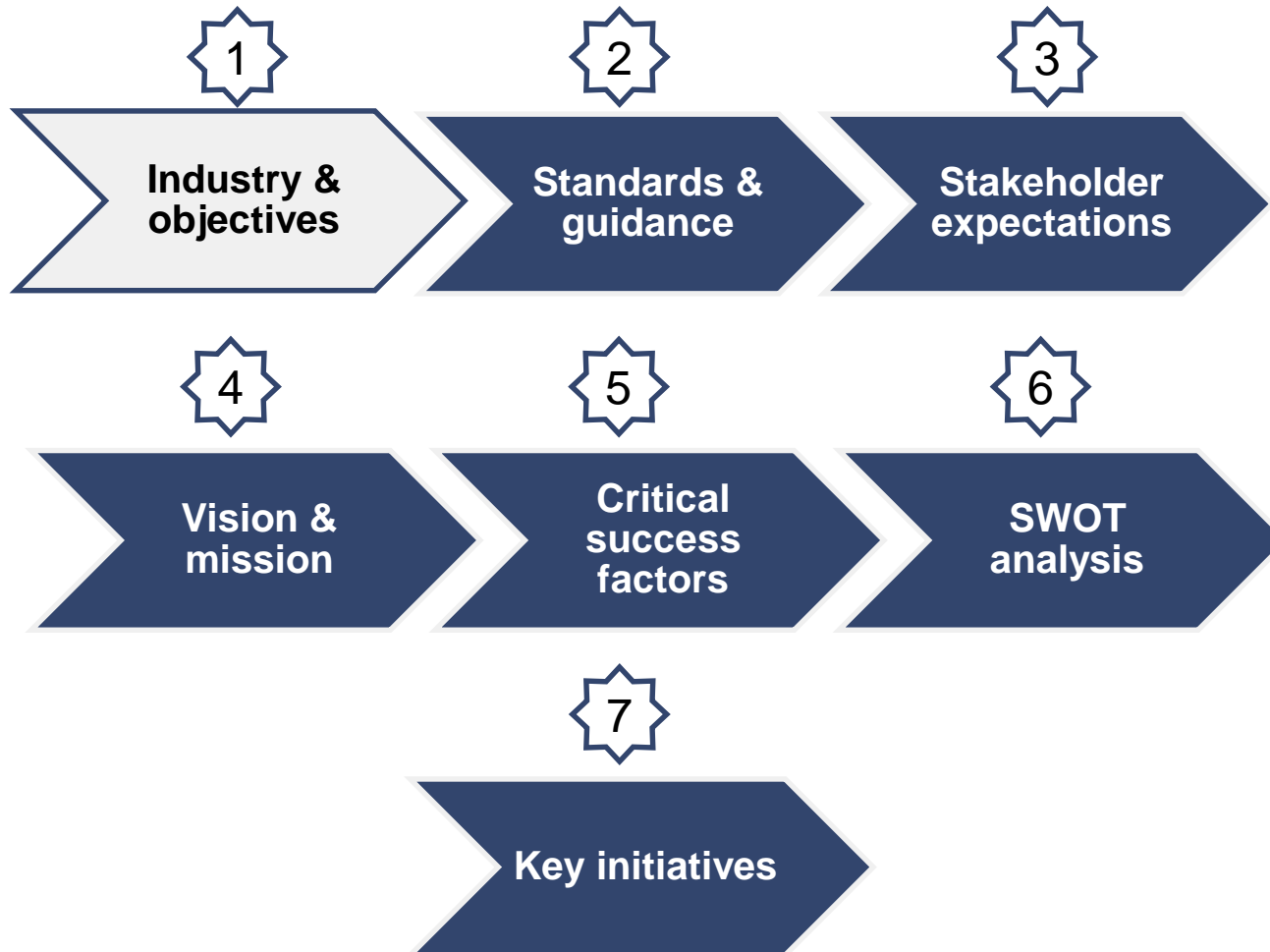
The Bundesbank as an example

# DG Audit's strategy process

Based on "Developing the Internal Audit Strategic Plan", IIA, 2012



# Drawing up a strategy



# Underlying assumption: internal auditing helps the Bank adapt to changes in the underlying conditions

## Impact on the Bank

## Conditions

## Impact on DG Audit

- Decentralisation and globalisation of processes & outsourcing



**Greater decentralisation**

- Continue intensive involvement in ESCB Audits
- Focus on outsourcing management

- Greater degree of IT dependency in processes



**Higher complexity**

- Enhanced IT expertise required
- IT audit is crucial

- Juridification increases liability risks



**Increasing juridification**

- Wider range of special legal expertise
- Focus on compliance processes

- Dynamic underlying conditions
- More data required to fulfil tasks



**Highly dynamic environment**

- Enhanced coordination with other auditing & advisory service providers
- Ex-ante audit approach more important

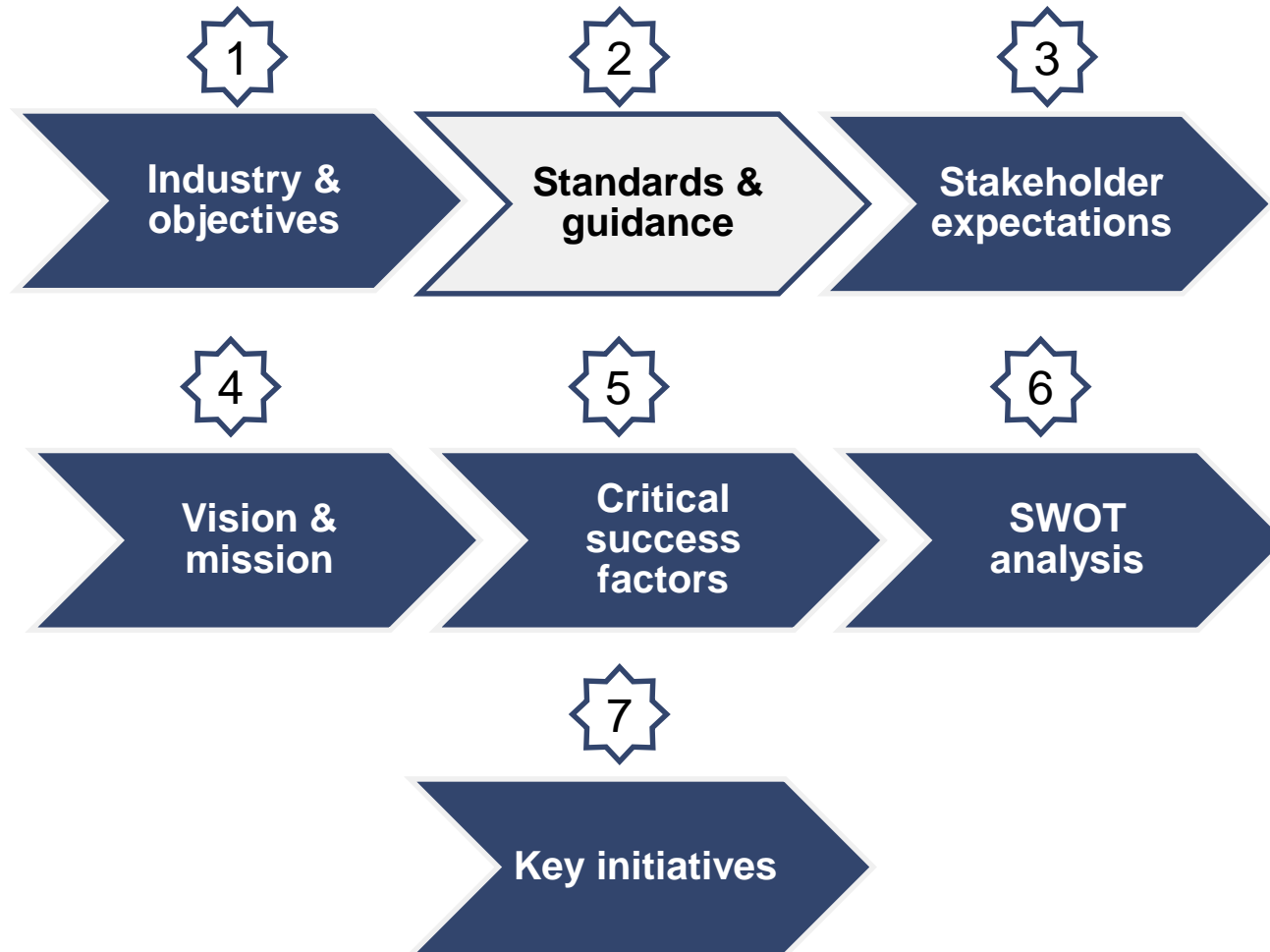
- Needs-based professional development and recruitment
- Greater technical expertise required



**Rising quality requirements**

- More training
- Growing importance of audit software and quality assurance

# Drawing up a strategy



# Mission and definition of internal auditing according to professional standards

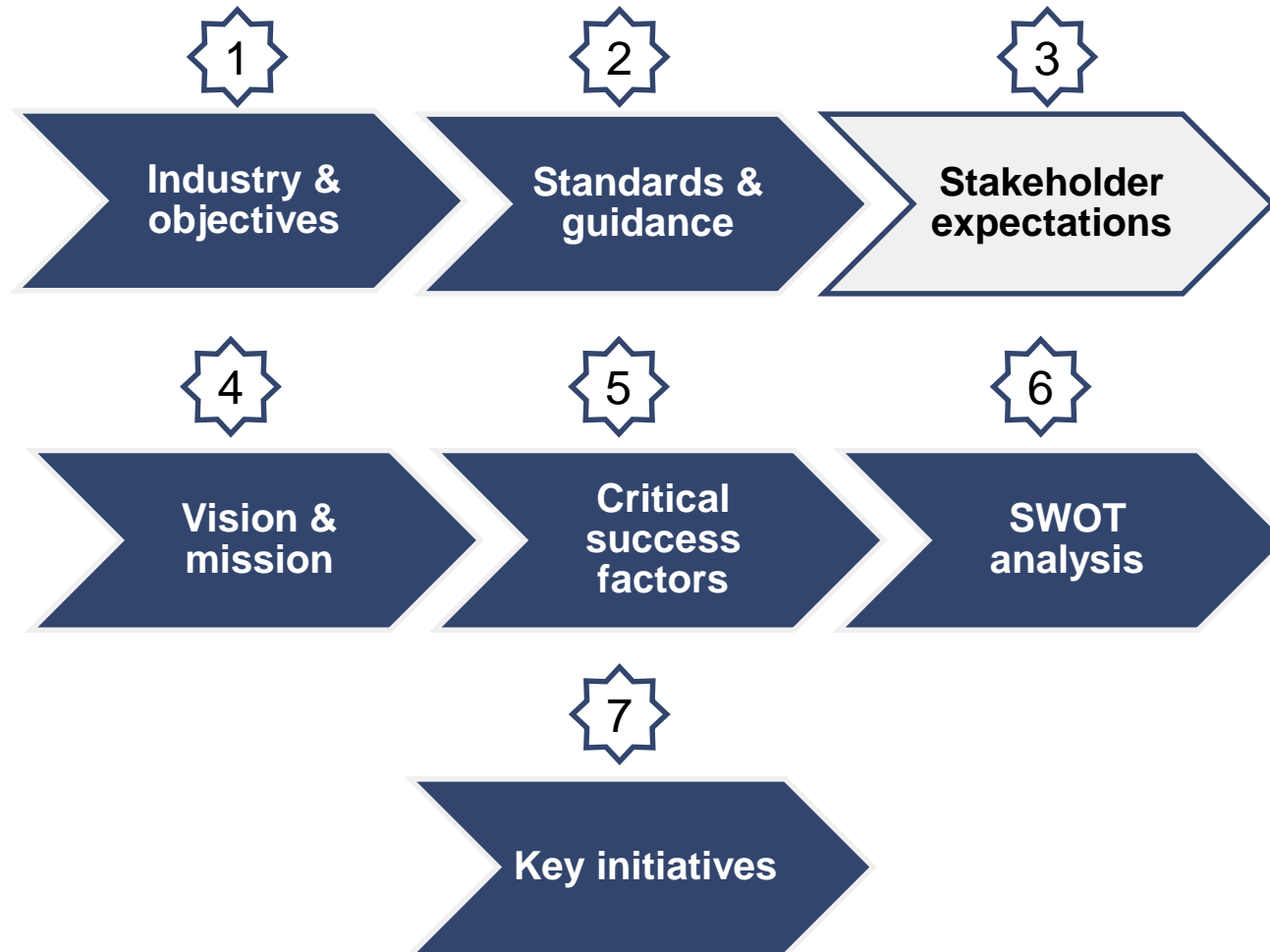
## Mission

To **enhance and protect organisational value** by providing risk-based and objective assurance, advice and insight

## Definition

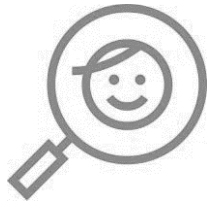
Internal auditing is an independent, objective assurance and consulting activity **designed to add value and improve an organisation's operations**. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

# Drawing up a strategy



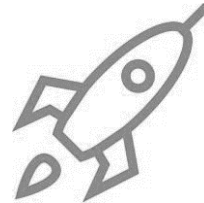
# Intro to design thinking

## Design thinking is based on just a few guiding principles



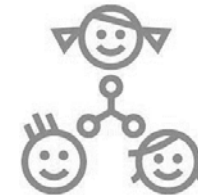
### User-centred

We look at the topic in question from the users' perspective and put ourselves in the users' shoes. Users are asked to give feedback at numerous points.



### Solution-based

Rather than churning out masses of documentation, we concentrate on developing solutions that can be implemented straight away. We develop tangible prototypes that are often improved in subsequent iterations.



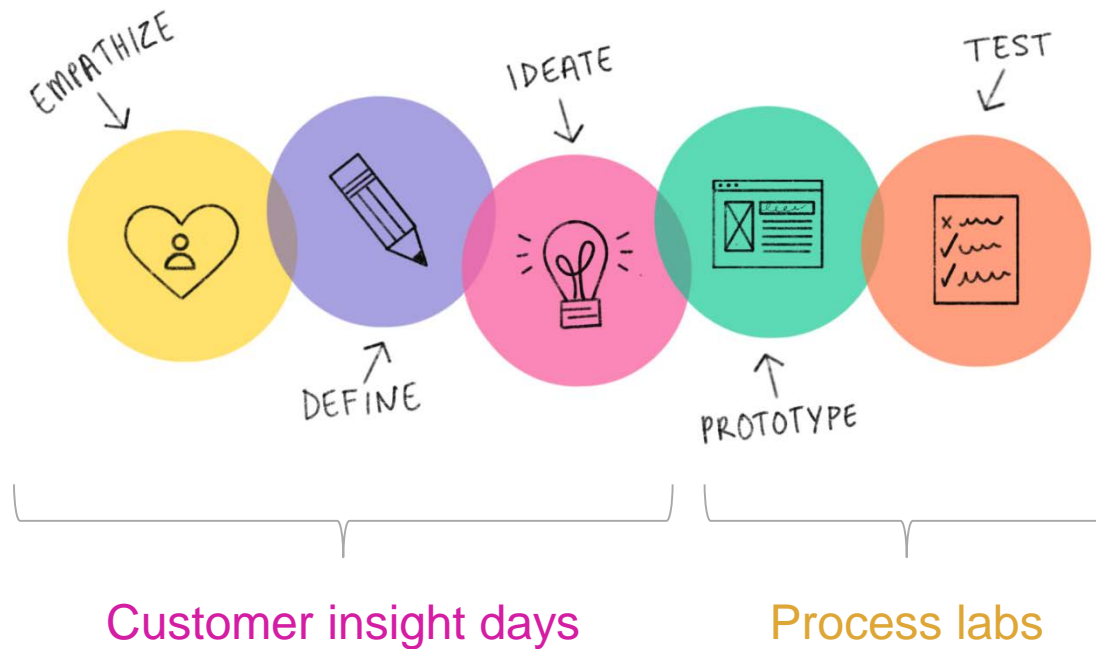
### Multidisciplinary teams

Design thinking always takes place in a team. The teams are mixed to ensure that as many different disciplines and perspectives as possible are represented in each team.



# Design thinking procedure

Design thinking is defined as “a methodology for innovation that combines creative and analytical approaches and requires collaboration across disciplines.” (d.school)



# DG Audit's objectives are derived from the expectations of the Executive Board and Heads of DG (stakeholders)

## Customer insight days



### OBJECTIVE

- Obtain users' opinions (feedback)
- Determine DG Audit's current processes
- Collect wishes and expectations concerning cooperation and communication



### PARTICIPANTS

- Representatives from divisions that have been audited by DG Audit
- A distinction should be made between:
  - Business units that have already been audited and received advisory services
  - The Bank's 2<sup>nd</sup> LoD-Functions



### FORMAT & METHODS

- "Customer insight days"
- Joint development of "customer journeys" to show the audit process from the users' perspective



# Procedure

## Customer insight days

### Customer insight days are divided into three consecutive steps



#### **PARTICIPANTS**

From all directorates



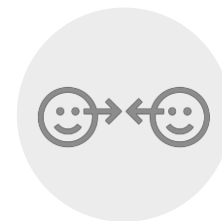
#### **INTERVIEWS**

The first step is to interview the participants using the key questions on “Working together with DG Audit”. The results are collected on post-it notes.



#### **PERSONAS**

The second step involves clustering the results from the interviews into categories and creating fictitious personas with their key needs and requirements.



#### **CUSTOMER JOURNEY**

In the third step, the key needs and supplementary points are transferred to the customer journey and assigned to the touch points in the audit process with DG Audit as well as the corresponding emotions.

# Personas



KMU / Start-up  
Forschungsmanager

Ich bin komplett überfordert,  
was den Förderdschungel  
betrifft. Vor allem habe ich  
große Angst, viel Zeit in eine  
Antragsstellung zu investieren,  
um dann abgelehnt zu  
werden. Das kann ich mir  
finanziell und zeitlich gar nicht  
leisten!

Personas are actual or stylised users. They help build up empathy and find solutions. Personas are created using demographic data, motives, objectives and values, and, in many cases, also wishes, hobbies and interests.

**PERSONA**

**NAME:** Martina  
**AGE:** 48  
**PROFESSION:** Head of Section,  
Banking Supervision

**WE HAVE MET...**

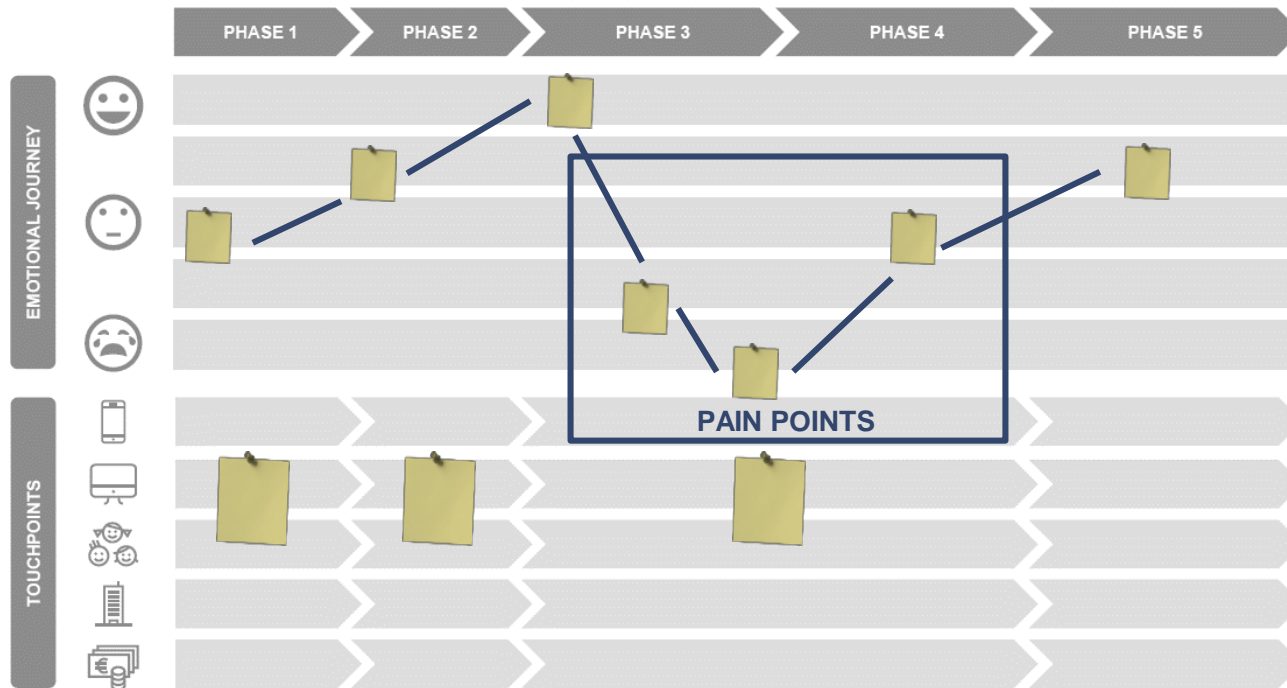
- open for learning new subject matter
- flexible and willing to try her hand at something new
- experienced but not yet too old
- talks about her holiday, too – is approachable
- doesn't shy away; wants to understand and help shape the process

**IT WAS INTERESTING TO FIND...**

- that Martina would like to see more interaction and transparency
- that Martina is wondering "what do they actually want?"
- that Martina would like someone to explain what benefits the audit can bring
- that Martina would like more information about DG Audit's role and objectives, and would also like more support

# Mapping customer journeys

A customer journey map shows the points at which a user interacts with their organisation and the associated emotions



## PAIN POINTS

“Pain points” can be identified along the emotional journey. These are interesting starting points to gather inspiration and new ideas for improvements.

## Next steps

### The results of the customer insight days are consolidated and analysed further in the process labs



#### **CONSOLIDATION**

In total, five customer insight days are held with various stakeholders from different areas. The results of the workshops are consolidated afterwards and compared.



#### **INTERFACES**

On the basis of the results gathered from the customer insight days and the interviews with management, stakeholders are selected from business units that have been audited and from DG Audit. Together they take these ideas further and analyse them in the process labs.

# Next Step: Process Labs with Stakeholders



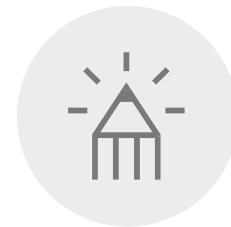
## OBJECTIVE

- Identify possible improvements in current processes
- Develop a draft interface management strategy
- Test and obtain user feedback



## PARTICIPANTS

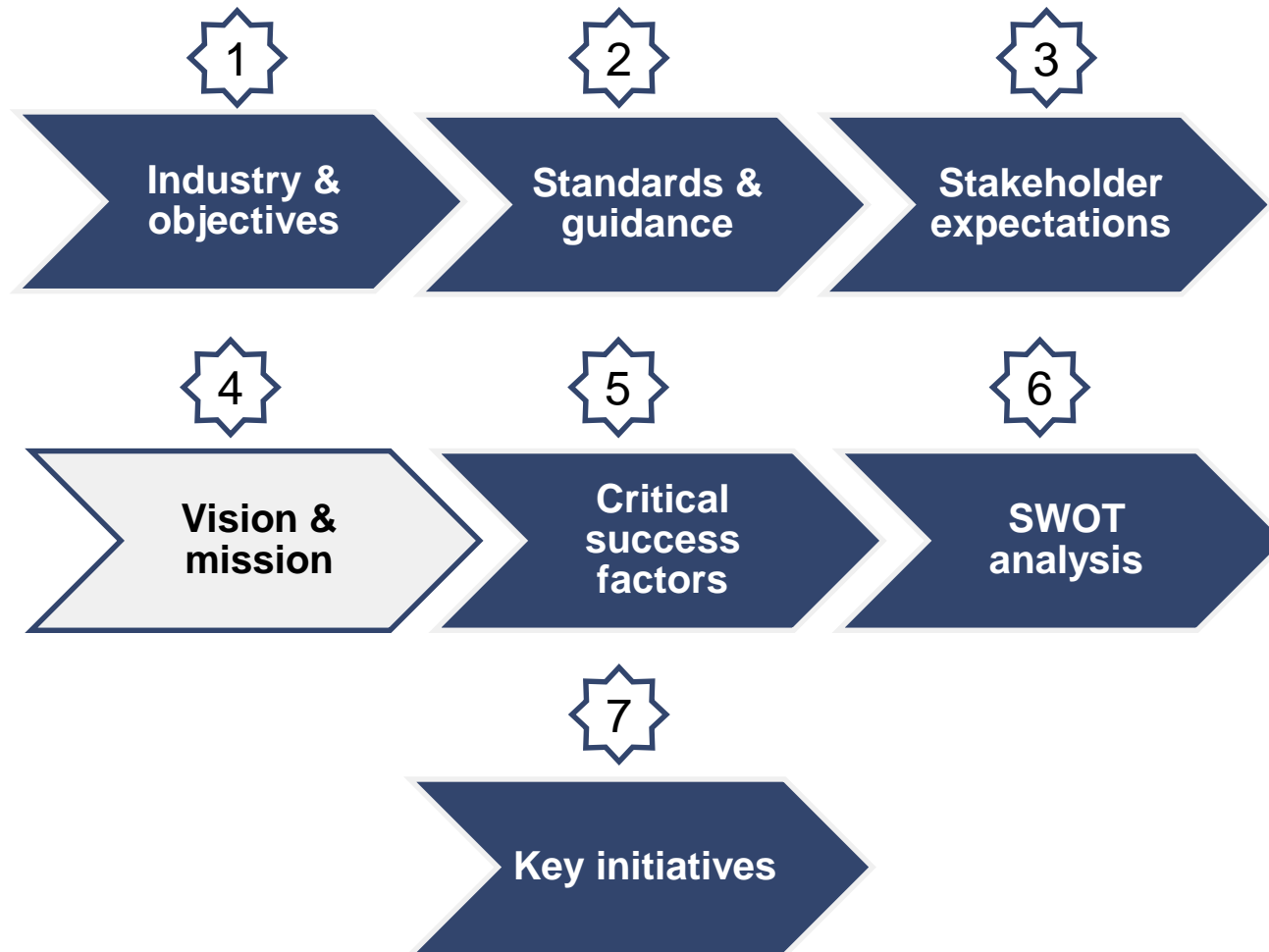
- Representatives from business units and central competency units as well as from DG Audit. A distinction should be made between:
  - Management
  - Employees involved in operations



## FORMAT & METHODS

- Process labs
- Joint development of process prototypes as part of interdisciplinary process labs

# Drawing up a strategy

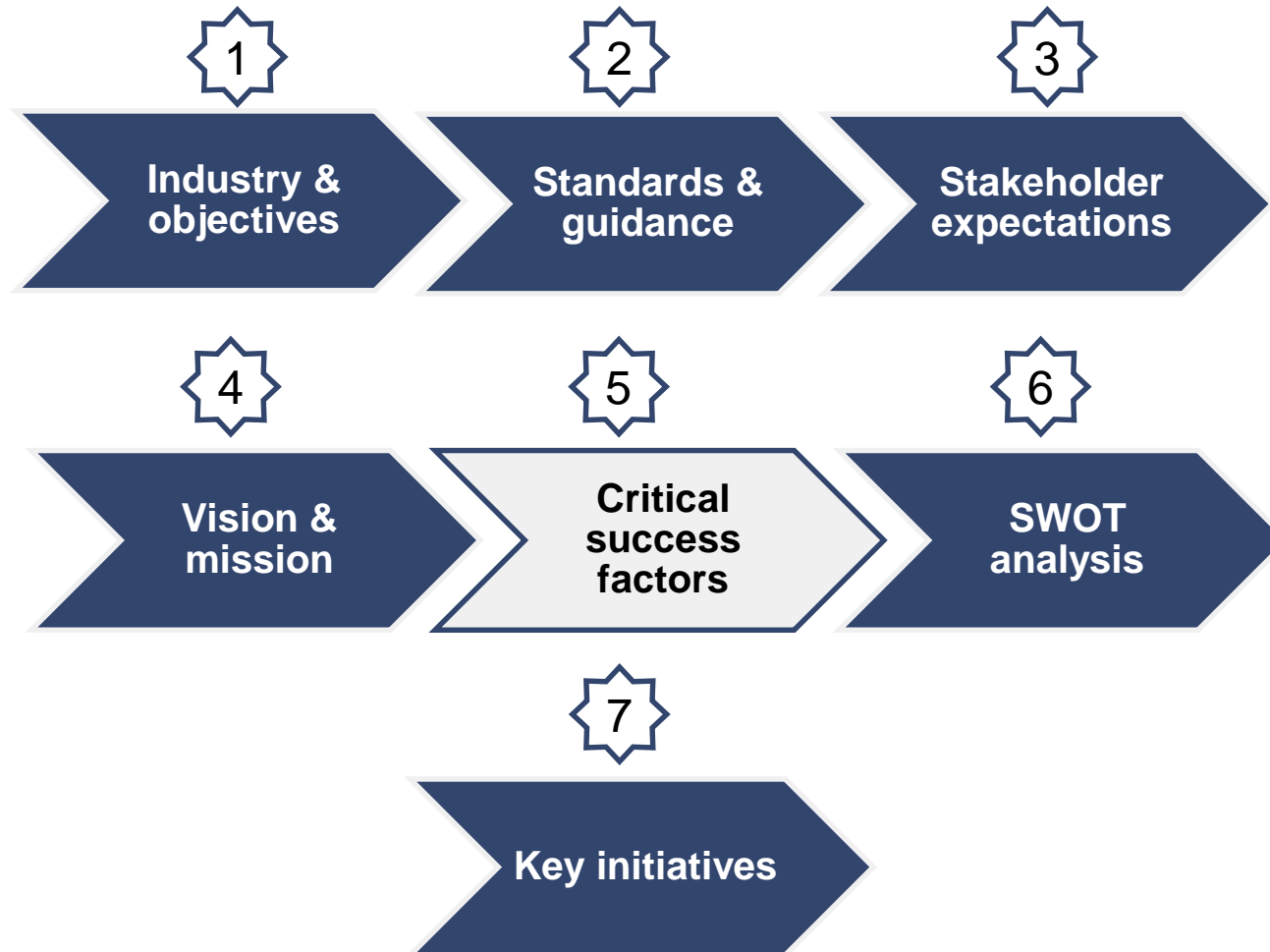




Vision and mission are derived from changes in the underlying conditions and from stakeholder expectations



# Drawing up a strategy



# To accomplish the objectives, DG Audit must fulfil the critical success factors



**“Organisation”:**  
Structure &  
positioning of DG  
Audit

- Organisational and personal independence
- Appropriate organisation of DG
- Cooperation with auditing and advisory service providers
- Perceived as “trusted assurance provider”
- Intensive involvement in ESCB



**“Employees”:**  
Skills & profile

- Sufficient coverage of required special expertise
- Sufficient knowledge of methods
- Required professional expertise
- Ethical behaviour of employees
- Communication

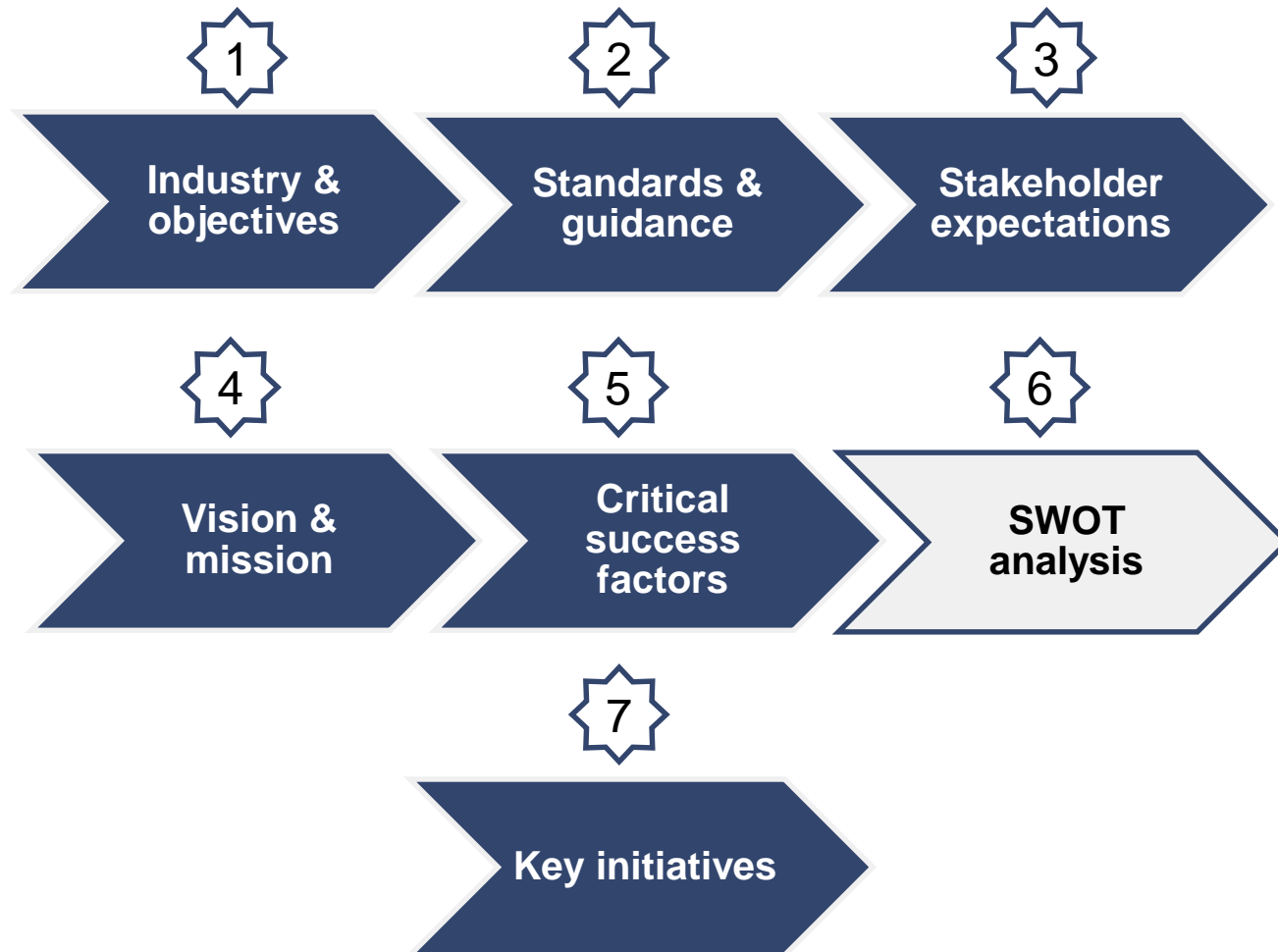


**“Processes”:**  
Methods & tools

- Appropriate IT audit approach
- Use of computer-assisted auditing
- “Ex-ante” audit approach
- Sufficient fraud-related audit activities
- Risk-based audit planning
- Consideration of standards & guidance
- Quality assurance through EQAs
- Transparency

Examples, not a complete list

# Drawing up a strategy



# SWOT analysis

## Internal perspective

Derived from the results of group work 2

### S - Strengths

Critical success factors that are deemed "fulfilled"

Example:  
Independence

### W – Weaknesses

Critical success factors that are deemed "not fulfilled"

Example:  
Knowledge transfer and knowledge management

## External perspective

Derived from the results of group work 1

### O – Opportunities

Opportunities and objectives stemming from the industry

Example:  
Perspective from audits for the Bundesbank as a whole

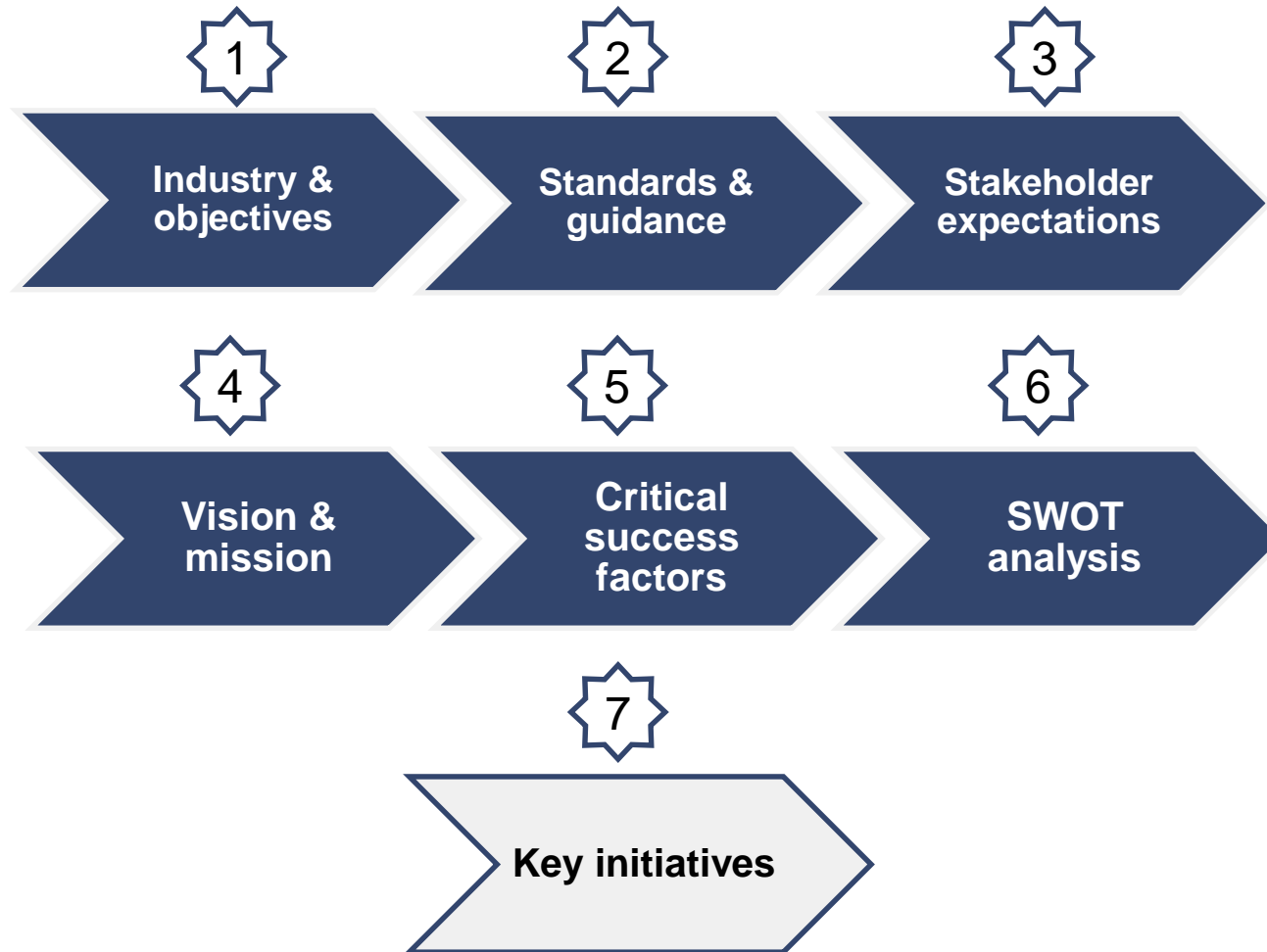
### T – Threats

Threats stemming from the industry

Combining the internal and the external perspectives gives rise to four strategic directions

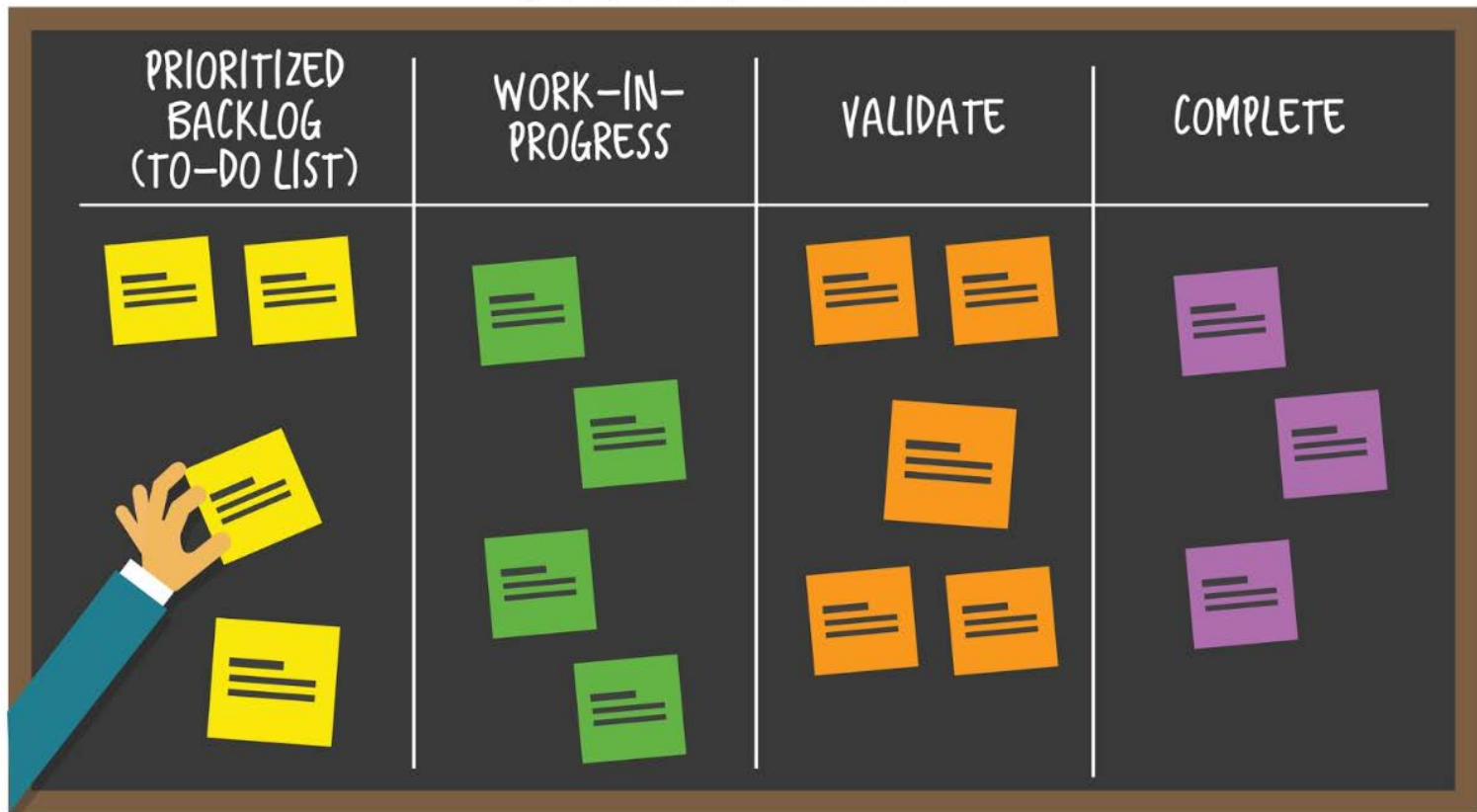
**“extend”, “avoid”, “catch up” and “secure”**

# Drawing up a strategy



We use a kanban board for this purpose

## KANBAN BOARD



# And work through the points in a scrum

## ① PLANNING



① 90 min - 1 day  
From strategy backlog to tasks  
where effort involved is estimated

♀♀ Scrum master, product owner, team

## ② DAILY STAND-UP



① 15 min ♀ standing up  
Fixed agenda

- What have I achieved since the last stand-up?
- What do I plan to achieve before the next stand-up?
- What has stopped me (impediments)

♀♀ Scrum master, team

## ③ REVIEW



① 4h, presentation of results

♀♀ Product owner, scrum master, team, guests

## ④ RETROSPECTIVE



Lessons learned - what happened?  
What went well? What can we improve?

♀♀ Scrum master, team (product owner)

① 2 weeks



Any questions?



## Cooperation partner



**WONDERWERK**

STRATEGIES AND INNOVATION FOR  
MORE IMPACT

### CONTACT DETAILS

Mag. Thomas M. Klein  
Wonderwerk Consulting GmbH  
Stoß im Himmel 3/9, 1010 Wien  
T. +43 1 922 68 47  
M. +43 664 88 24 83 82  
[thomas.klein@wonderwerk.at](mailto:thomas.klein@wonderwerk.at)