

# Enterprise Risk Management Seminar:

## Topic: Transformational Risk Management

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Wednesday, 26<sup>th</sup> August 2020

# Presentation Agenda



- ❖ Agile Reporting Requirements for Accountants and Auditors

# Quotable Quotes



*“You live in a grim universe.”*

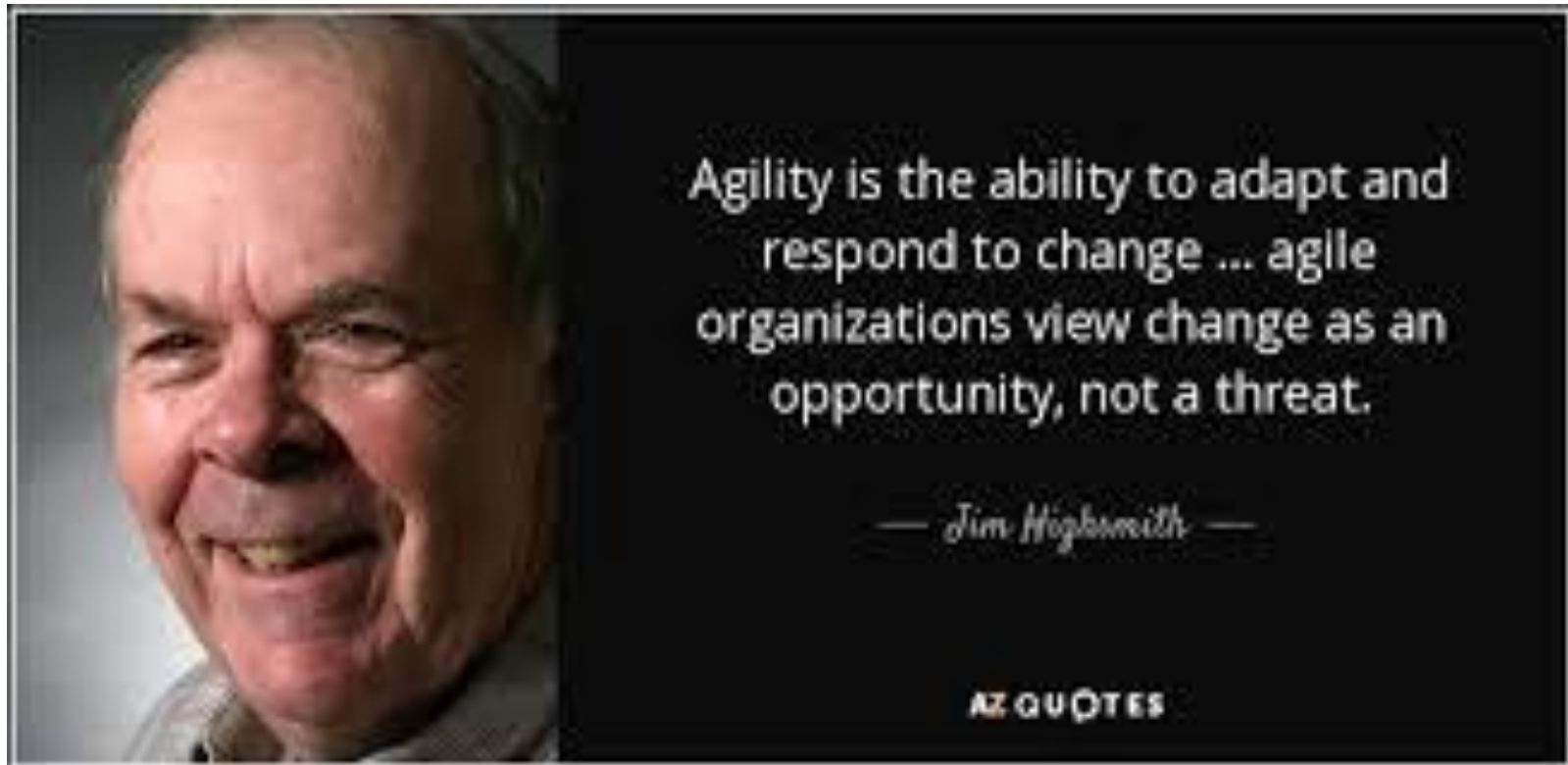
*“That’s risk management for you.”*

— Max Gladstone

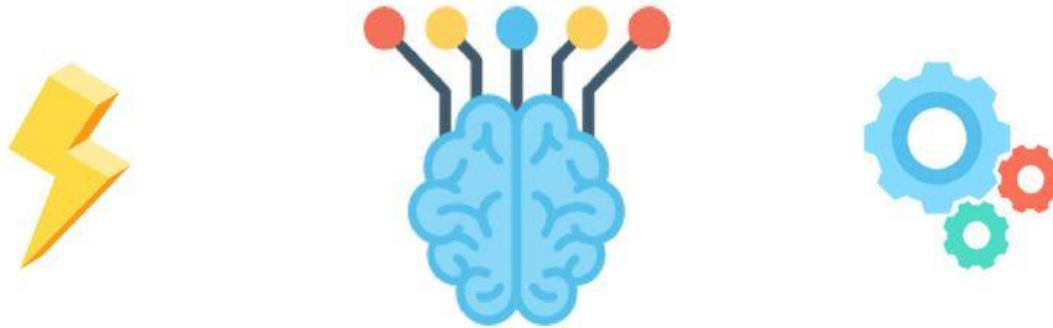
*“Opportunity and risk come in pairs”*

— Bangambiki Habyarimana,

# Agility



# Agility



## Agile Thinking

# Agile Organization



- ❖ It is fit, alert, flexible, and nimble.
- ❖ It is efficient, profitable, liquid, and resilient.
- ❖ It is aware of how the business **generates value**, alert to **threats** in the marketplace, and looking out for **opportunities**.
- ❖ It is able to develop strategies and implement them **promptly**.

# Attributes of an Agile Organization



- ❖ It has to be constantly strategically alert;
- ❖ It must have the capacity and flexibility to implement change; and
- ❖ It has to be adaptive in the means it uses to continually improve its performance.

# Agile Finance Function



A finance function might be considered agile if it supports business agility in how it:

- ❖ Informs strategic thinking
- ❖ Supports agile implementation
- ❖ Informs agile performance management



# Agile Internal Audit



- ❖ Agile Internal Audit is the mindset and method that an IAF uses to focus on the needs of stakeholders; accelerate the audit cycles, providing **timely insight** and reduce the waste of resources.
- ❖ By applying an Agile method, the **productivity** and **added value** of the IAF can be increased and the **lead time** of an audit can be reduced.

# Coupling Mindset and Process



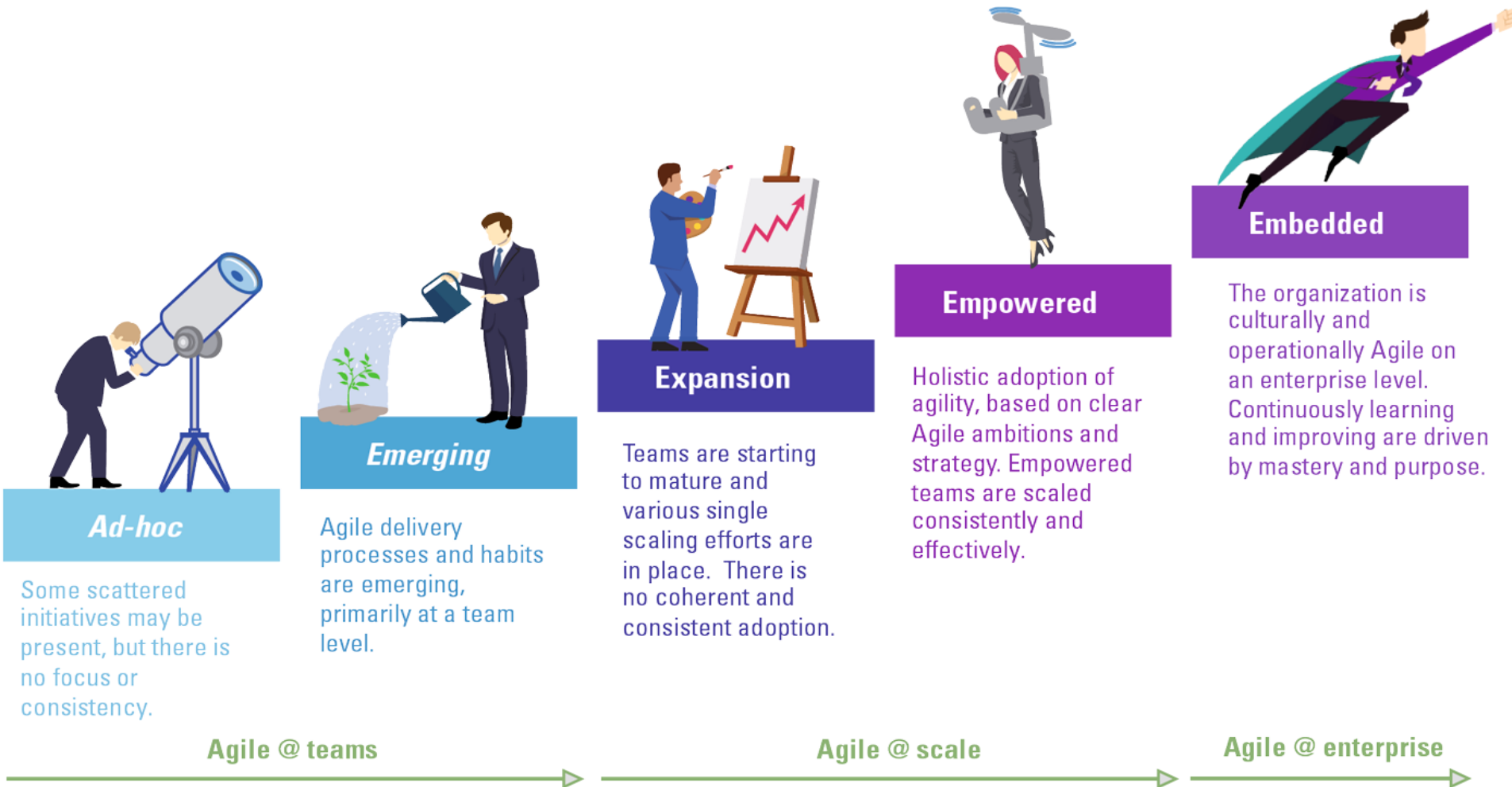
- ❖ Clearer outcomes - Agile Internal Audit methods aim to confirm or disprove a hypothesis or support a point of view. The audit targets an outcome, which guides the fieldwork and reporting.
- ❖ Increased engagement -Prioritize areas, issues, and risks in collaboration with stakeholders. Helps identify needed resources and focus work on factors that determine business performance and value.
- ❖ Improved documentation -Deliver briefer, timelier reports with fewer words and more visuals.

# Transformative Changes



- ❖ Enhanced internal audit planning
- ❖ Empowered internal audit teams
- ❖ Accelerated delivery cycles
- ❖ Valuable insights

# Agile Internal Audit – Maturity Model



# Poll



Where is your Organization on the Agile Internal Audit Maturity Model?

1. Ad-hoc
2. Emerging
3. Expansion
4. Empowered
5. Embedded

# Conclusion



- ❖ For most businesses, change is not an option—it's an imperative driven by customer expectations and the pace of innovation.
- ❖ An Agile way of working, involves continual assessment and development, to drive efficiencies and ensure plans are on track and are meeting evolving goals.



# References for Further Insights

1. *Agile Finance Revealed: The New Operating Model for Modern Finance –AICPA and Oracle*
2. *Agile Internal Audit –KPMG Advisory*
3. *Becoming agile: A guide to elevating internal audit's performance and value – Deloitte Advisory*
4. *Leveraging an Agile Internal Audit Mindset -Video*

<https://youtu.be/9L2AzSAI01w>

# Interactive Session





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