

AUDIT HORIZONS

Culture Audit

Karem Obeid





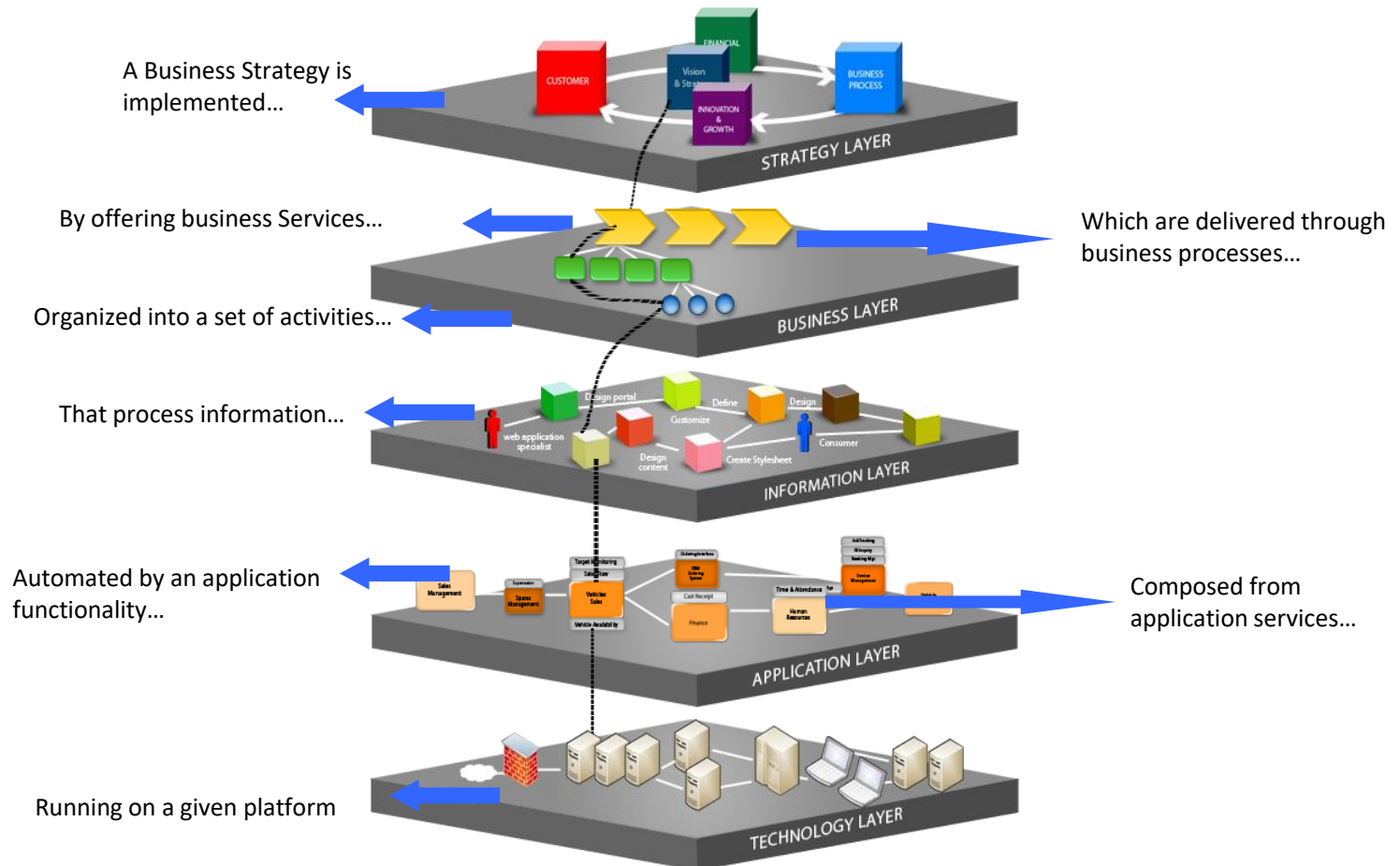
Setting the scene





Organization Ecosystem

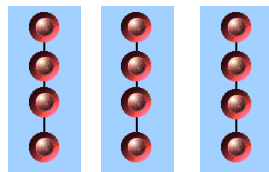
What is a company?



Business Operating Model Evolution

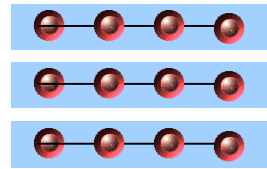
Business Model

1980's and earlier



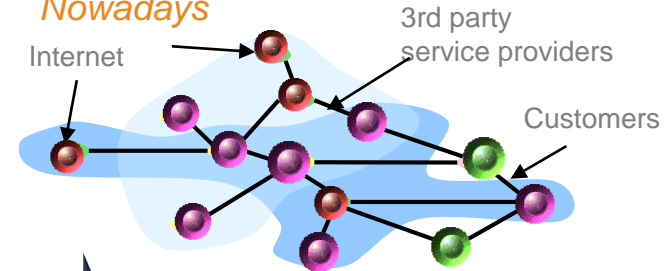
- Organization Focus
- Mainframe centric

1990's



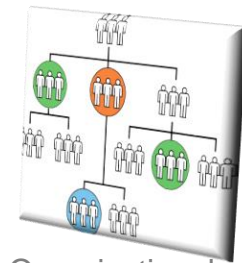
- Business Process Focus
- Client/Server

Nowadays

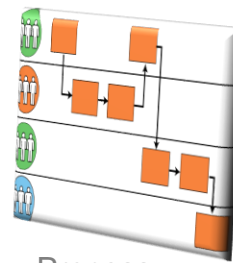


- Virtual organizations
- Distributed Functions
- Service oriented
- E-commerce, blockchain...
- Real-time

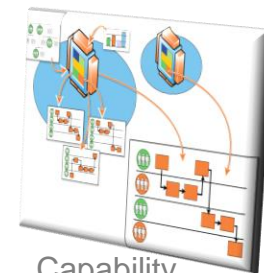
Transformation Approach



Organizational Management



Process Management



Capability Management

The assembly of people, process and technology for a specific purpose

Changing Environment



Board n





Strategic Plan Hierarchy



Values





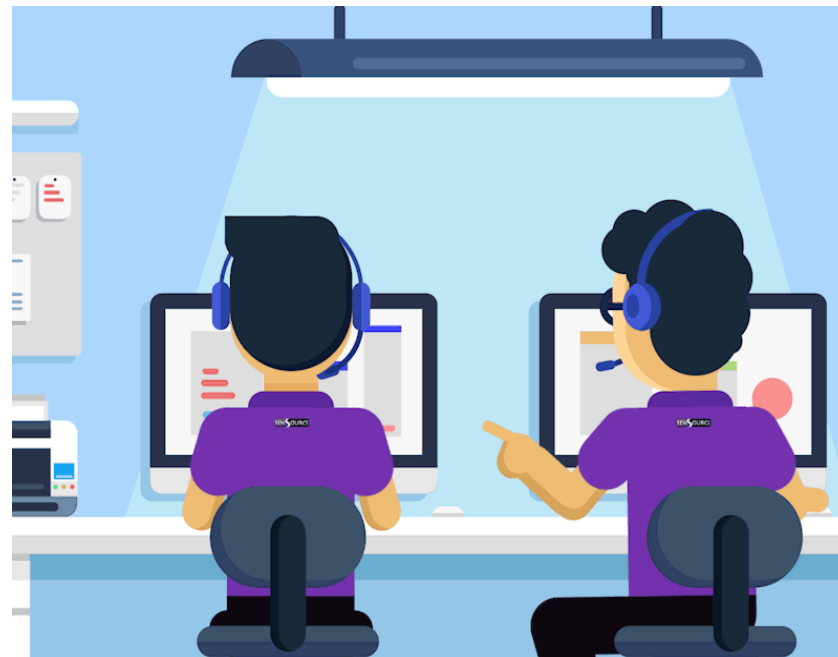
What is Culture?

**“The way things get
done around here.”**





What is Culture ?




Macro and Micro Culture

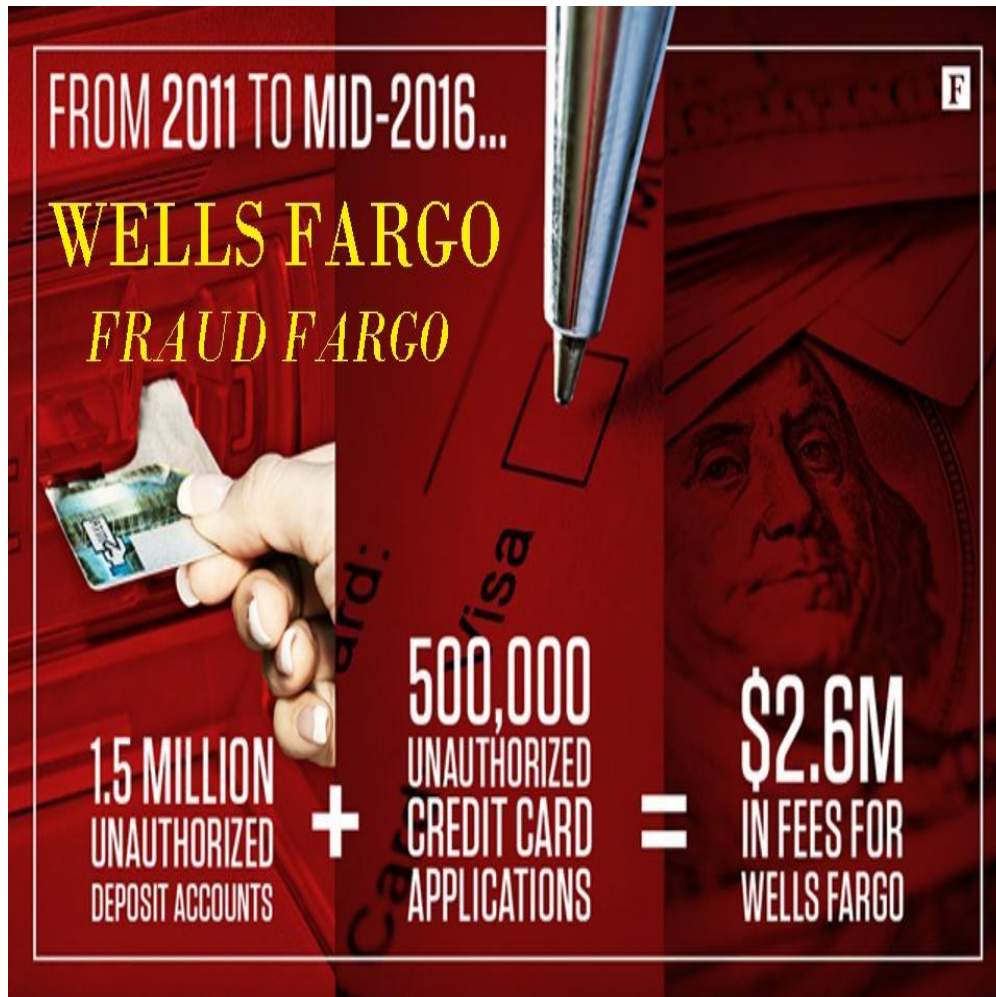


Source: CIIA Organizational Culture – Evolving approaches to embedding assurance (2016)





And still, will we see others?!!



Culture vs Strategy

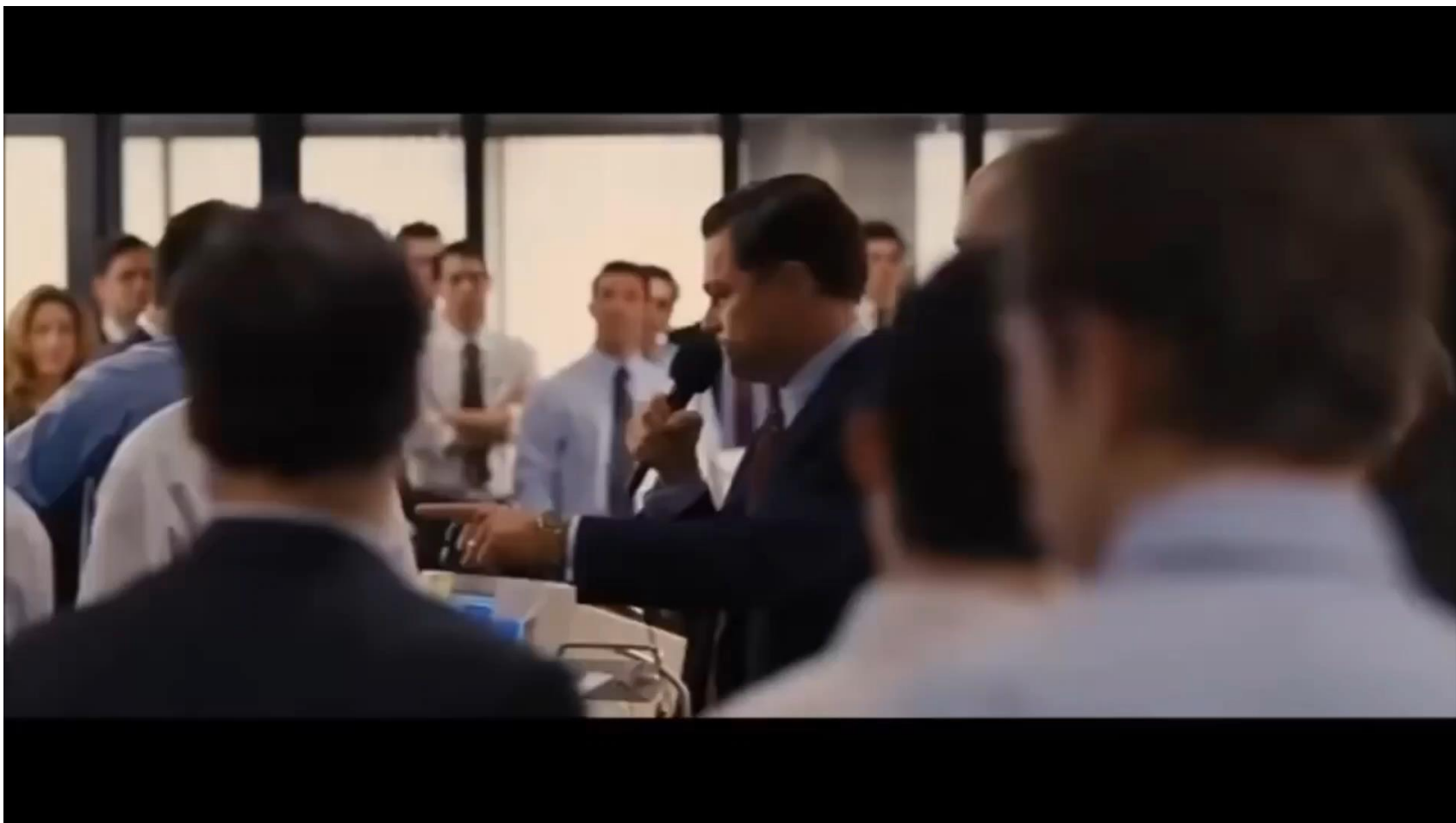
Organizational culture eats strategy
for breakfast, lunch and dinner



Culture

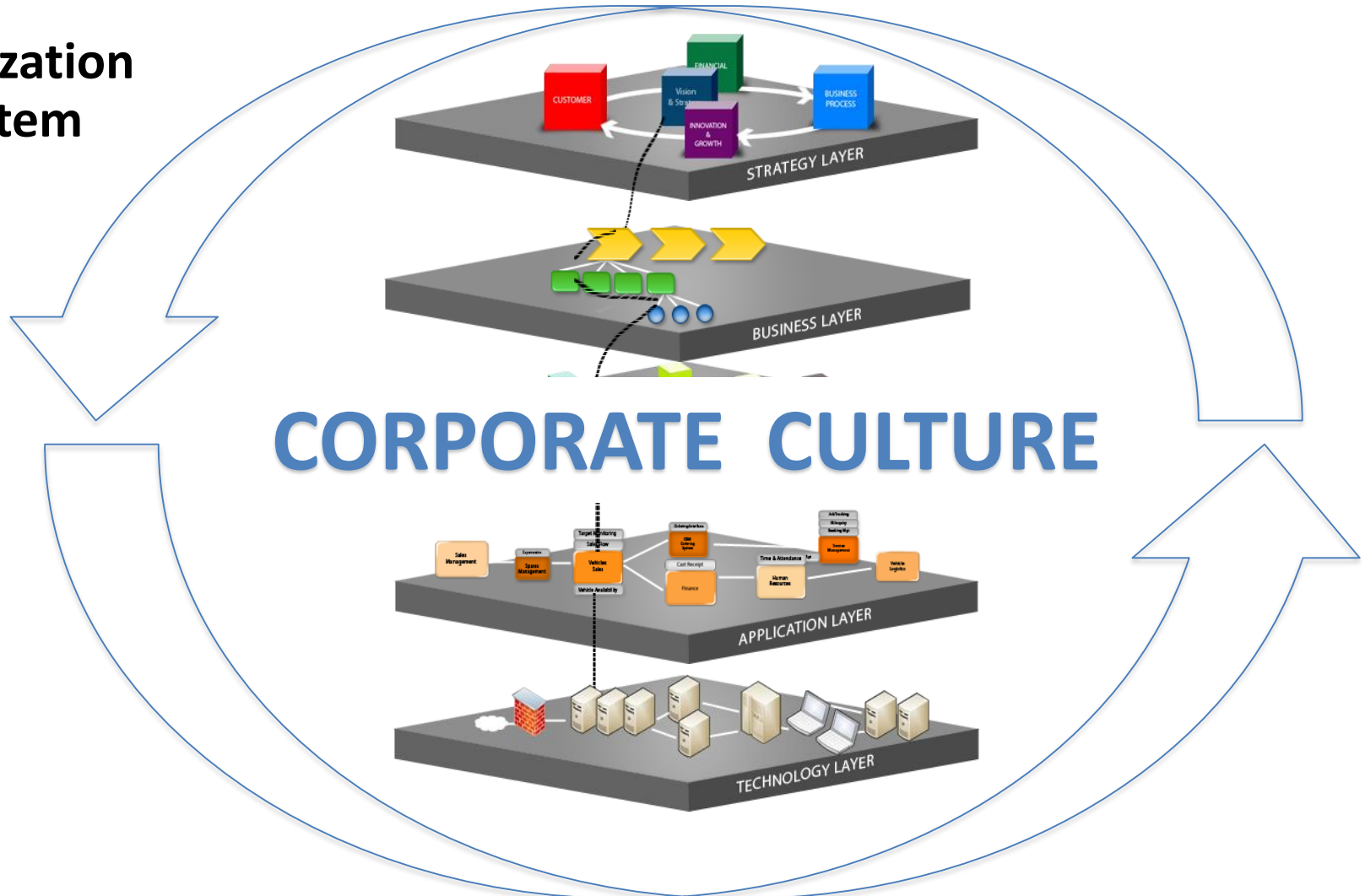


Strategy



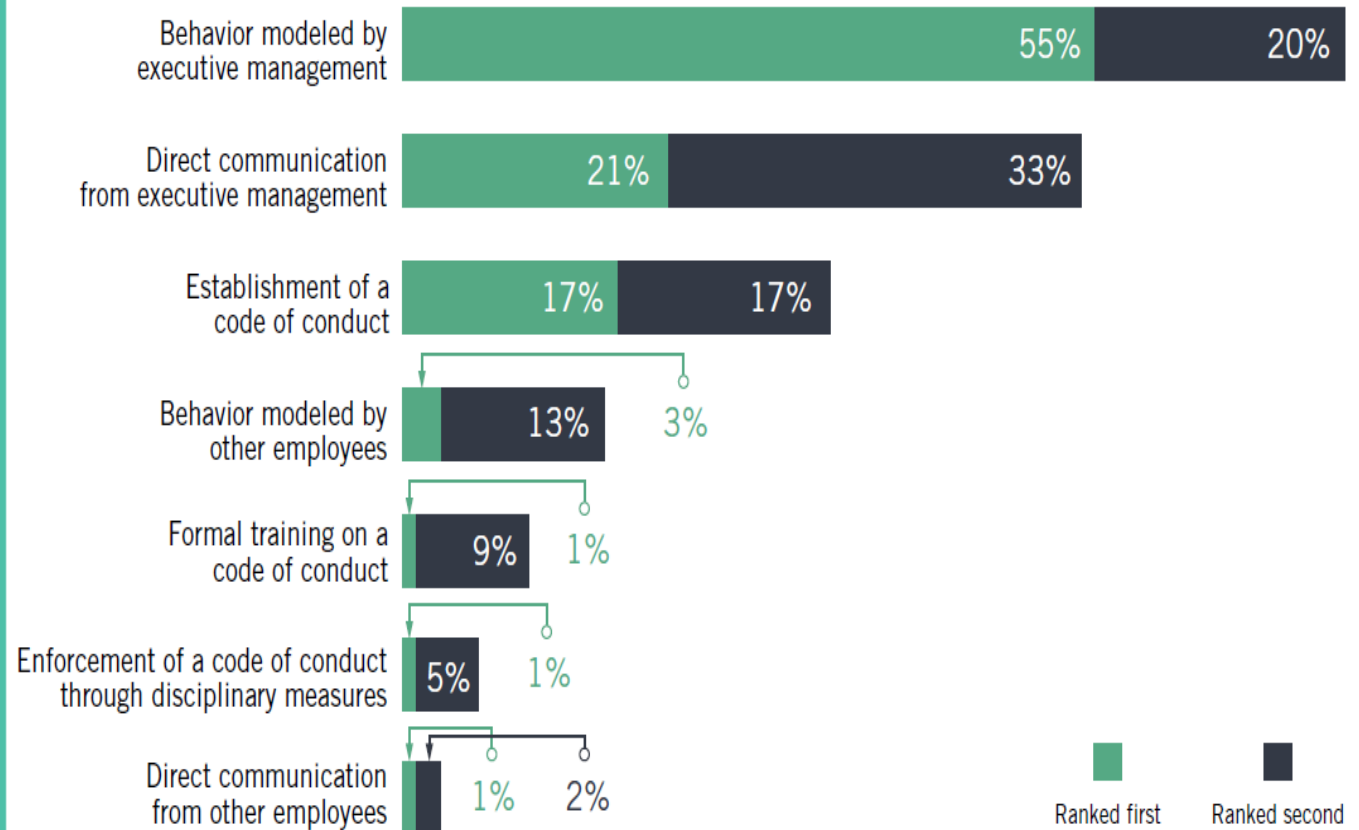
Culture

Organization
Ecosystem



Factors Influencing Culture

Figure 2. Factors influencing culture ranked as first and second most effective.

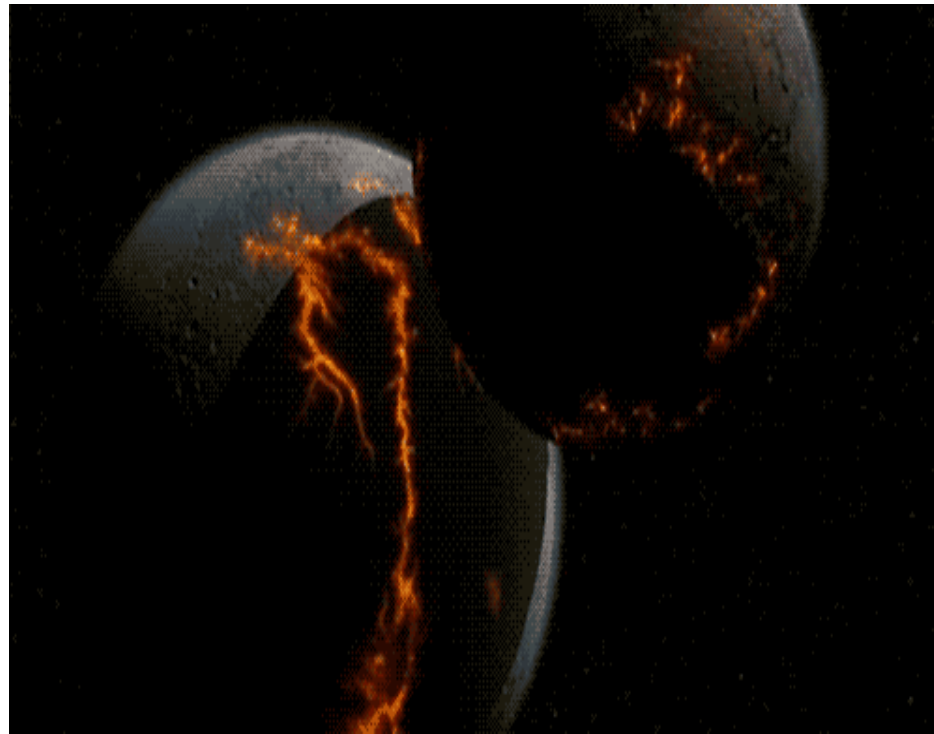


Note: Q8: Rank each of the following factors according to its effectiveness in influencing the culture of your organization, with 1 as the most effective.

Source: The IIA's 2016 North American Pulse of Internal Audit Study



High Impact Areas



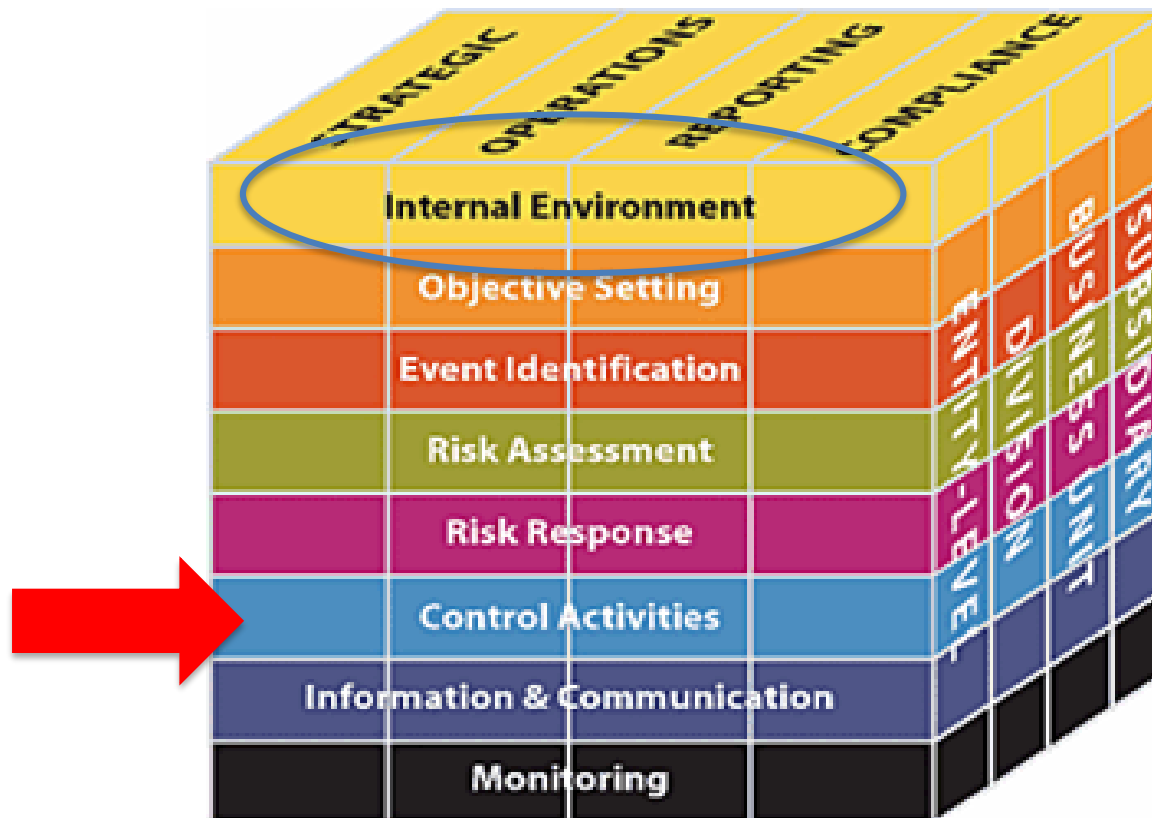


58%

of Internal audit functions are not auditing their organization's culture.

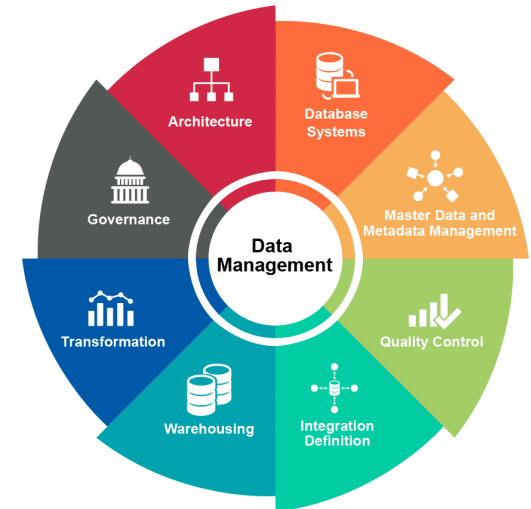


Source: The IIA's 2016 North American Pulse of Internal Audit Study



Source: The IIA's 2016 North American Pulse of Internal Audit Study

Hard Controls





Soft Controls

Strong Leadership

Integrity

Shared Values

Competence

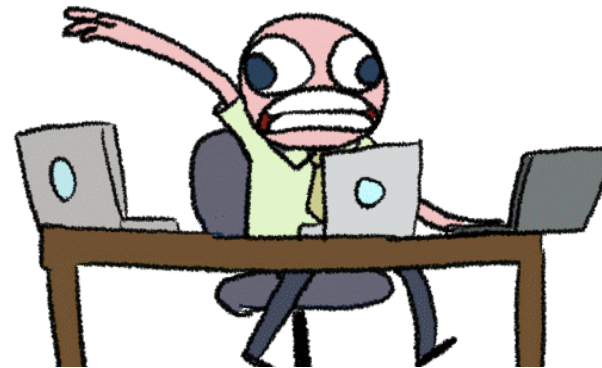
High Expectations



Trust and Openness

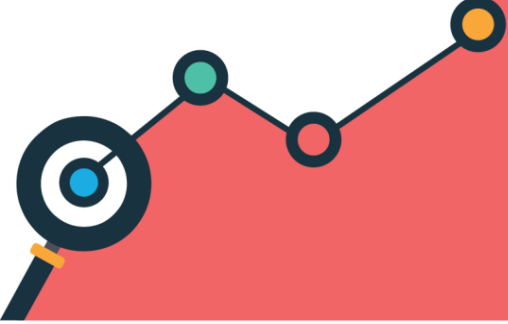
High Ethical Standards

Red Flags



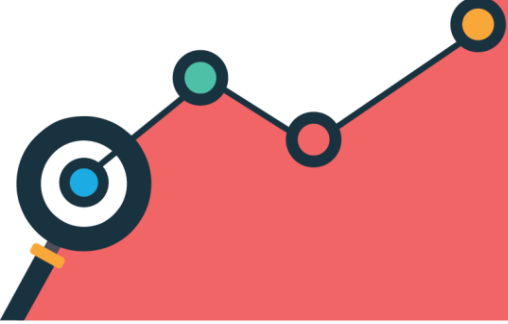
Red Flags

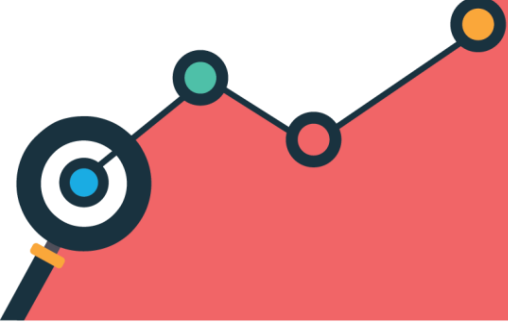




Red Flags







How to Audit Culture? Support



Source: IIA Global Perspectives: Auditing Culture – A Hard Look at the Soft Stuff (2016)



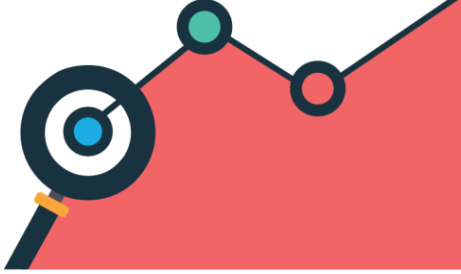
Where and when to gather soft evidence?



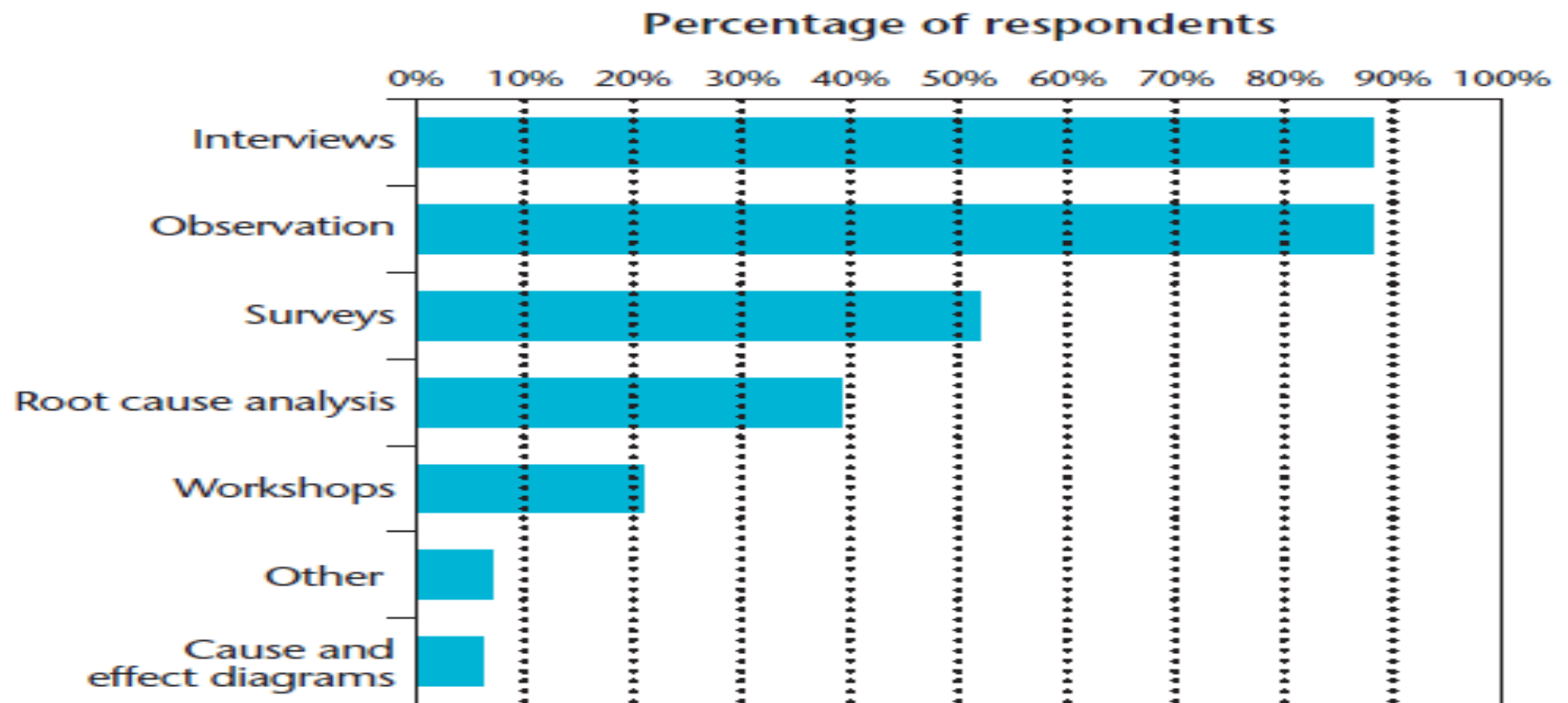
Everywhere all the time

Audits

Hallways



What methods do you use to audit behaviours and culture? (tick all that apply)



Source: CIIA Organizational Culture – Evolving approaches to embedding assurance (2016)

How to Audit Culture? Employee Surveys

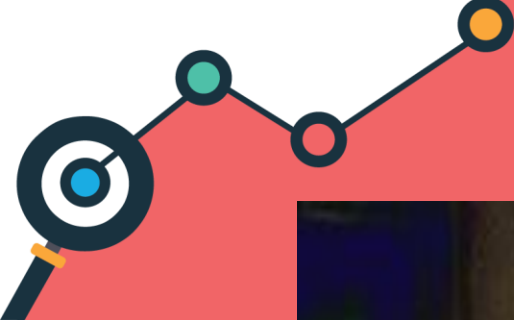


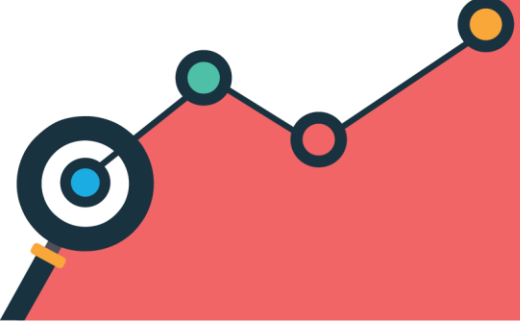
Source: IIA Assessing your Organization's Culture

Governance, Culture, Maturity Assessments

Corporate Governance







An illustration on the left side of the slide featuring a target with a red dot and an orange dot, a magnifying glass over a green document, a laptop with a line graph, a calculator, and a gear. The background has faint text like 'BANQUE DU' and 'MILLE LIVRES'.

QUESTIONS?

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