

MOVING AUDIT TEAMS
FORWARD 2.0

*Fostering Audit Quality
through Culture and
Professional Behaviours*

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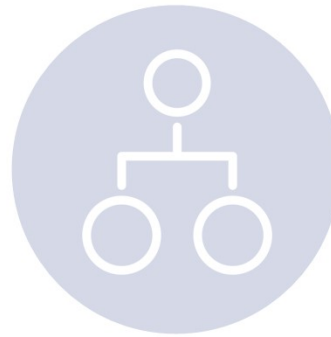
*Discussant: Petra Tijmstra,
PwC / NBA*

FOUNDATION FOR
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RESEARCH

ON THE AGENDA TODAY



Our Approach:
Co-Creation



Hierarchy
& Safety



Complexity
& Reflexivity

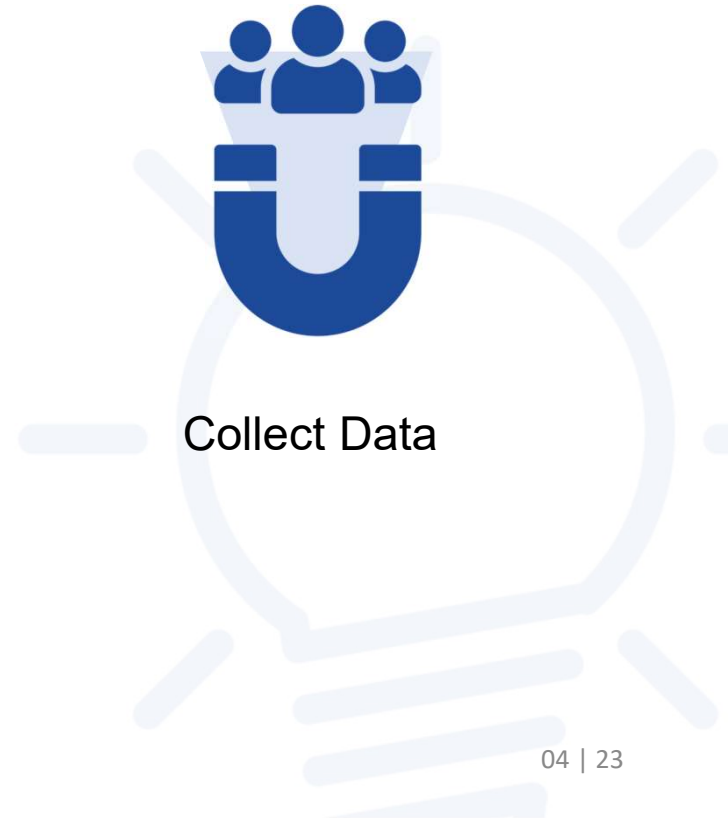
OUR APPROACH



Research Proposal



Finding a Firm



Collect Data

OUR APPROACH



Research Proposal



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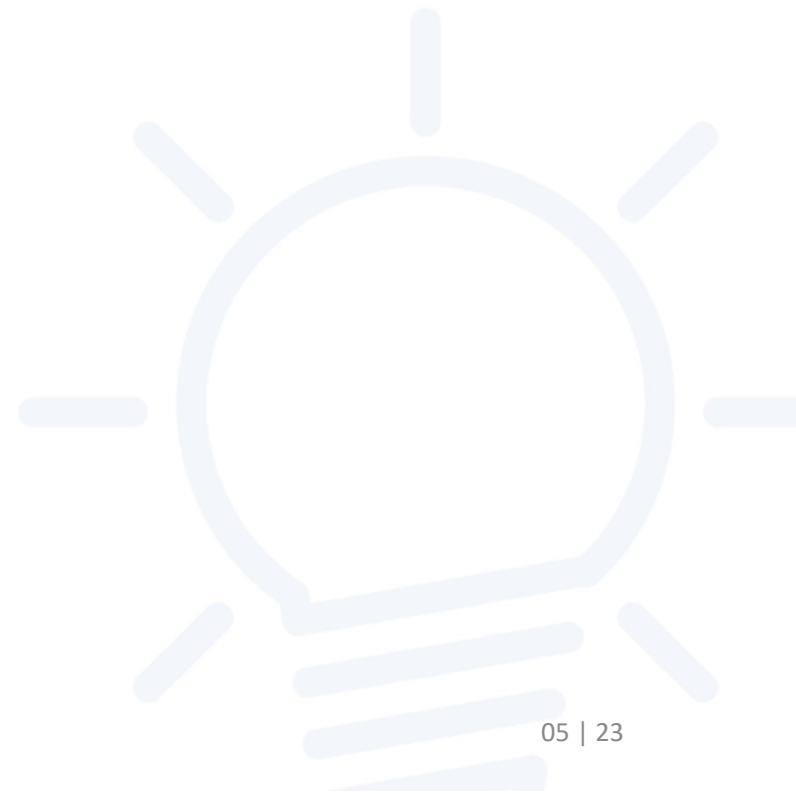


Research Proposal



Shared Curiosity

- Prior research collaboration
- Interventions
- Business case



OUR APPROACH



Shared Curiosity

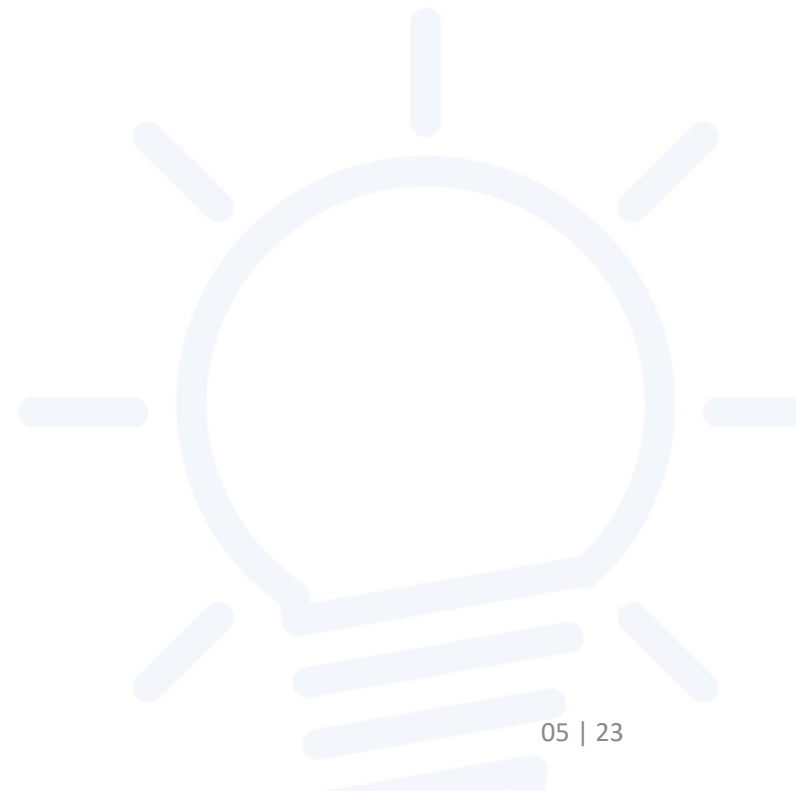


Finding a Firm



Combined Team

- Audit, psychology, L&D, change perspective
- Shared language



OUR APPROACH



Shared Curiosity



Combined Team



Collect Data



Co-Creation

- Respectful, curious
- Own strength & responsibility
- Long-term approach

OUR APPROACH



Realistic Simulation:
Behaviours &
Performance



Immediate
Feedback & Data
Analyses



Research-Based
Debriefing and
Discussions

OUR APPROACH



Associate



Senior



Manager



Sen. Man.



Partner

OUR APPROACH

Sample

- 98 ad-hoc teams of (mostly) 5 auditors each; 492 participants (1200 participants in project overall)
- entire population of senior associates and up within firm

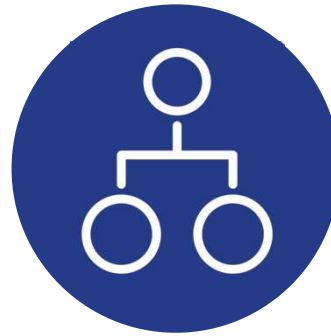
Measuring Performance

- Number of (ir-)relevant items included in final judgment

ON THE AGENDA TODAY



Our Approach:
Co-Creation

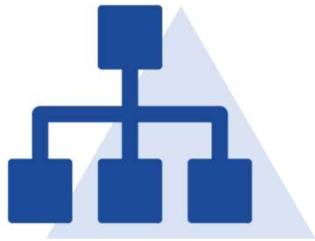


Hierarchy
& Safety



Complexity
& Reflexivity

HIERARCHY & SAFETY



Hierarchy

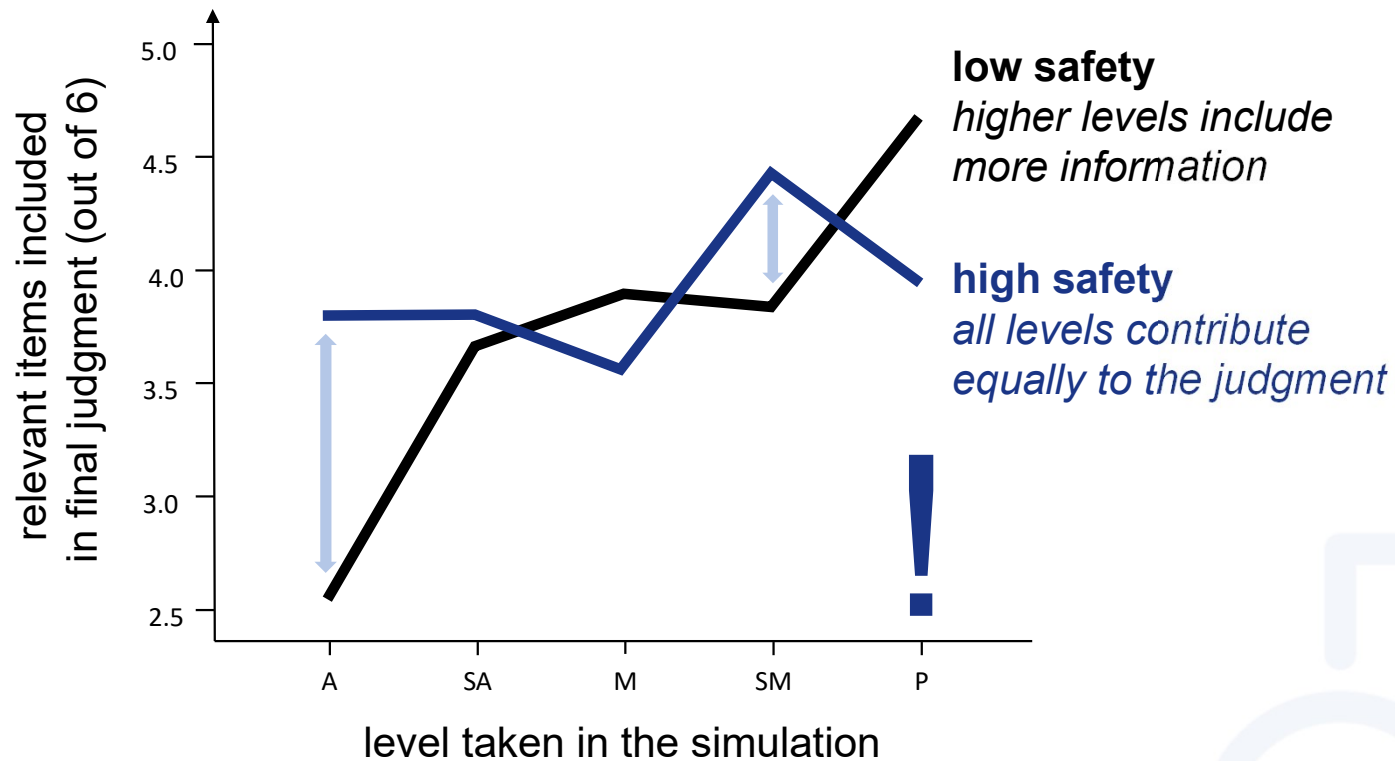
Team members can be distinguished by commonly understood attributes, like status, responsibility, access to resources, knowledge, experience



Psychological Safety

Feeling free to express relevant thoughts to team members, such as disagreement, questions, mistakes and challenges to the group opinion

HIERARCHY & SAFETY



HIERARCHY & SAFETY

Creating a Safe Learning Environment

- ❑ Make the connection
- ❑ Recognise the value that each person contributes
- ❑ Be present and listen to your colleagues
- ❑ Vulnerability: sharing own struggles/failures
- ❑ Equality: all perspectives matter

Be aware of differences in experience (function levels, cultural background)

Sources: Research by Maastricht University, Amy Edmondson (2018),
Stephen Covey (2001), Brené Brown, London Business School



HIERARCHY & SAFETY

Language in Line with Values and Behaviours



Act with integrity

- Speak up for what is right, especially when it feels difficult
- Expect and deliver the highest quality outcomes
- Make decisions and act as if our personal reputations were at stake



Make a difference

- Stay informed and ask questions about the future of the world we live in
- Create impact with our colleagues, our clients, and society through our actions
- Respond with agility to the ever-changing environment in which we operate



Care

- Make the effort to understand every individual and what matters to them
- Recognise the value that each person contributes
- Support others to grow and work in the ways that bring out their best



Work together

- Collaborate and share relationships, ideas and knowledge beyond boundaries
- Seek and integrate a diverse range of perspectives, people, and ideas
- Give and ask for feedback to improve ourselves and others



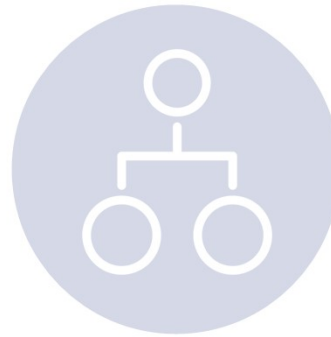
Reimagine the possible

- Dare to challenge the status quo and try new things
- Innovate, test and learn from failure
- Have an open mind to the possibilities in every idea

ON THE AGENDA TODAY



Our Approach:
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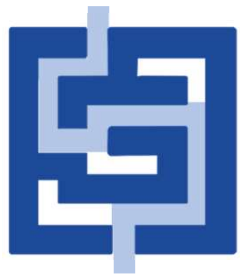


Hierarchy
& Safety



Complexity
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COMPLEXITY & REFLEXIVITY



Complexity

Information informing a judgment can point to a specific judgment (lower complexity) or can be contradictory (higher complexity)



Team Reflexivity

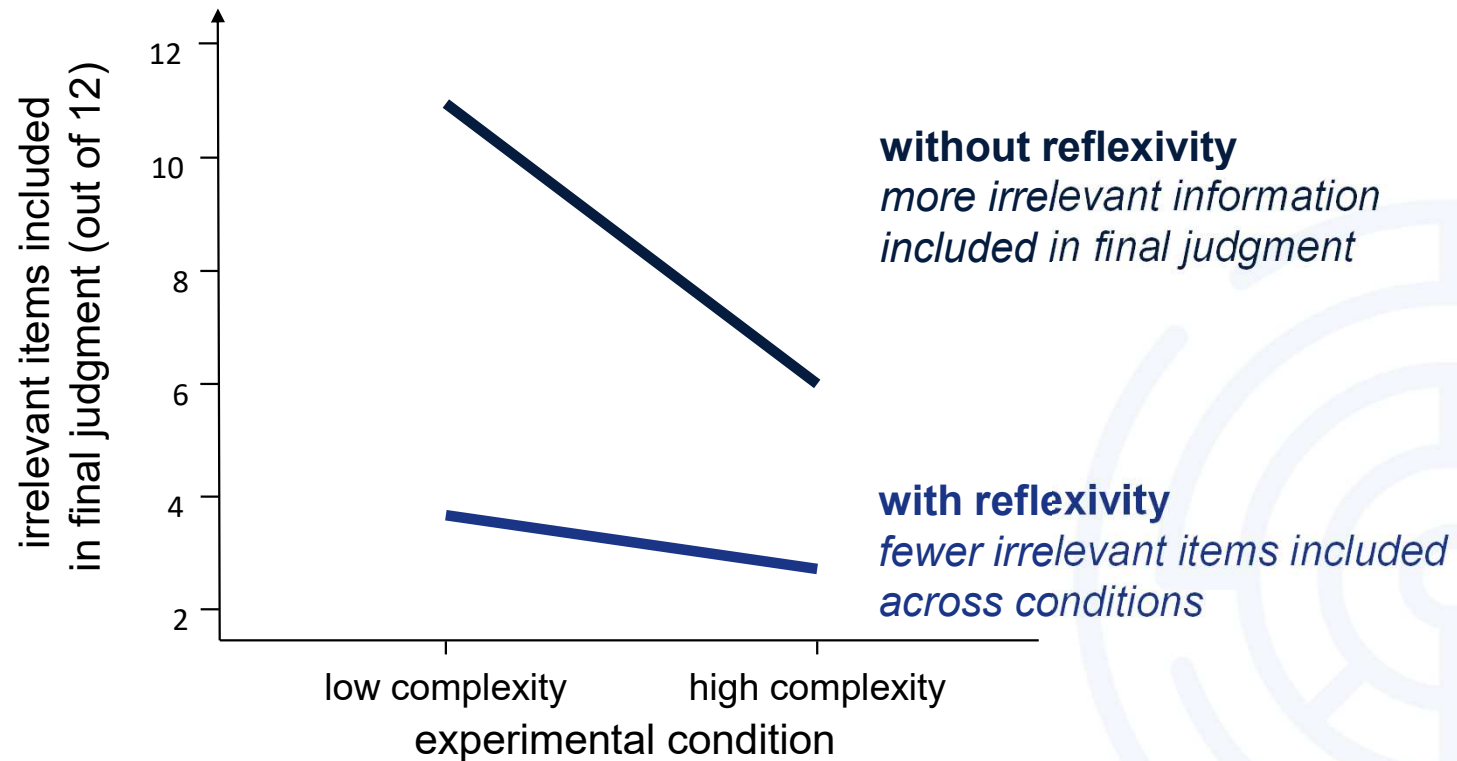
Examining the effectiveness of the approach the team is taking towards forming a judgment; formulating expectations with accountability

COMPLEXITY & REFLEXIVITY

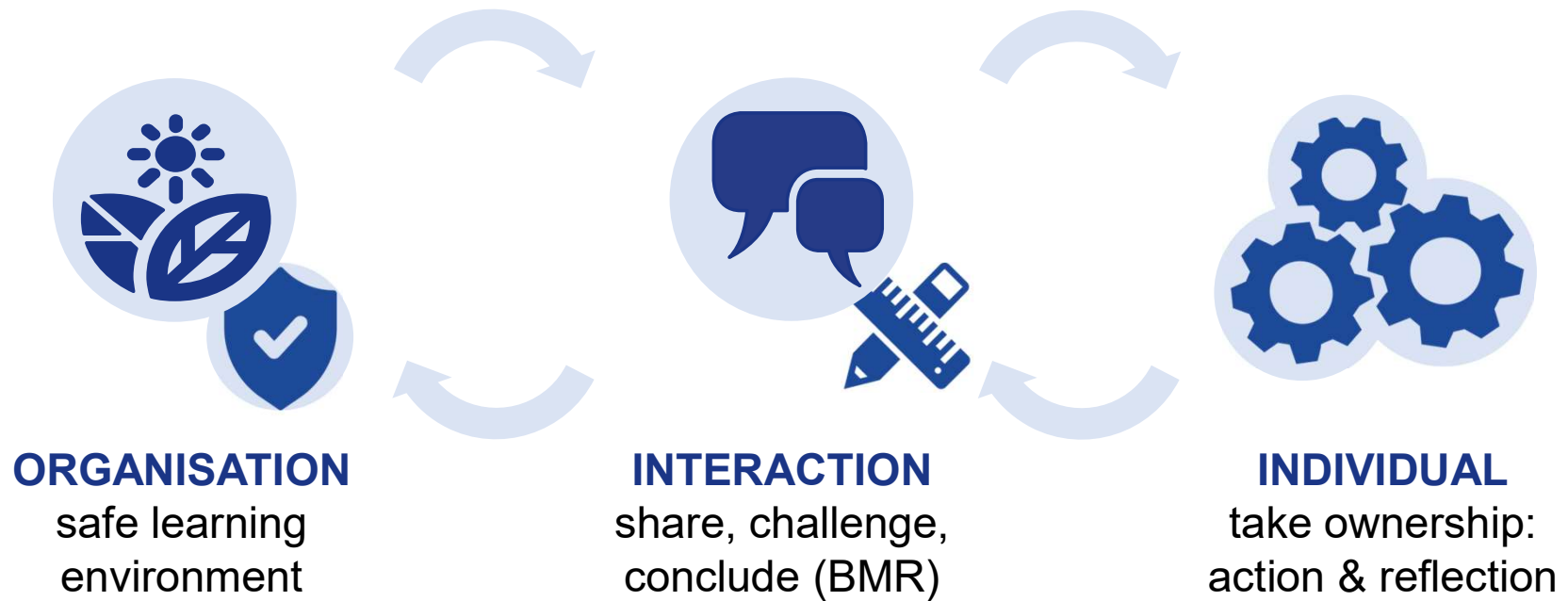
- Who has past experience with this task?
- What is our goal, what are attention points?
- How should we (not) approach the task?
- How do we hold each other accountable?



COMPLEXITY & REFLEXIVITY



QUALITY OF DECISION-MAKING



COMPLEXITY & REFLEXIVITY

Complexity Requires Interaction

- Share: information and ideas
- Challenge: discuss possible scenarios, and perspectives
- Conclude: behaviours, roles, and actions

Timing of Interaction

- Planned: during the audit process, kick-off, taking stock, final
- Unplanned: strategic time-outs

Sources: Other findings from research project regarding team learning behaviours, and team reflexivity (both planned and ad-hoc)



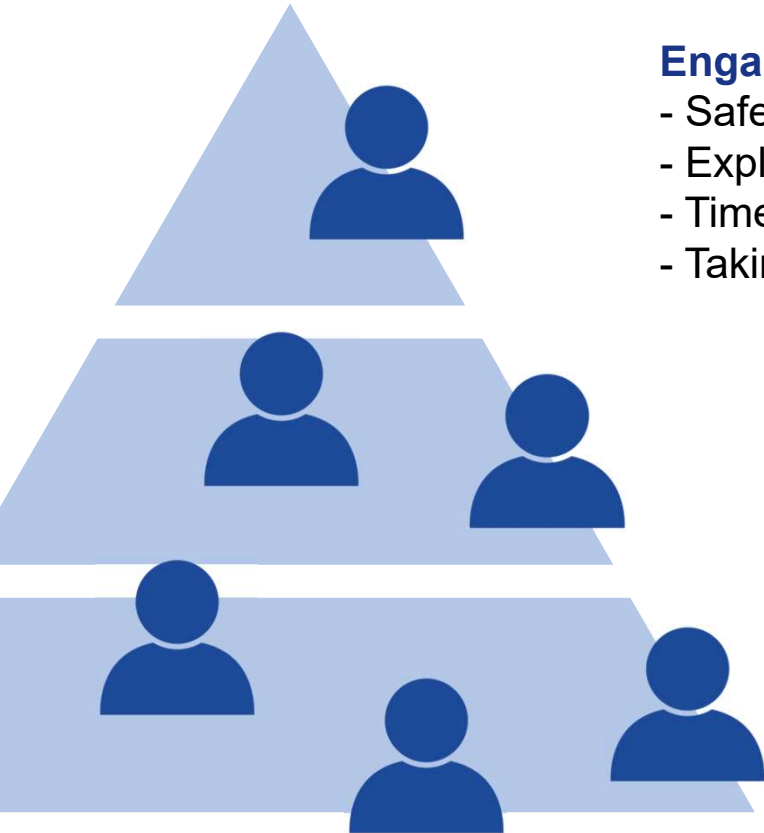
COMPLEXITY & REFLEXIVITY

Triggers to initiate a Strategic Time-Out

- (Time) pressure and unexpected challenges
- Communication decreases
- Others (may) have relevant information
- Need for professional judgment
- Other perspective(s) needed
- Unsupportive behaviour towards a safe learning environment
- Failure to complete a step during the decision-making process



COMPLEXITY & REFLEXIVITY



Engagement leader ultimately responsible for:

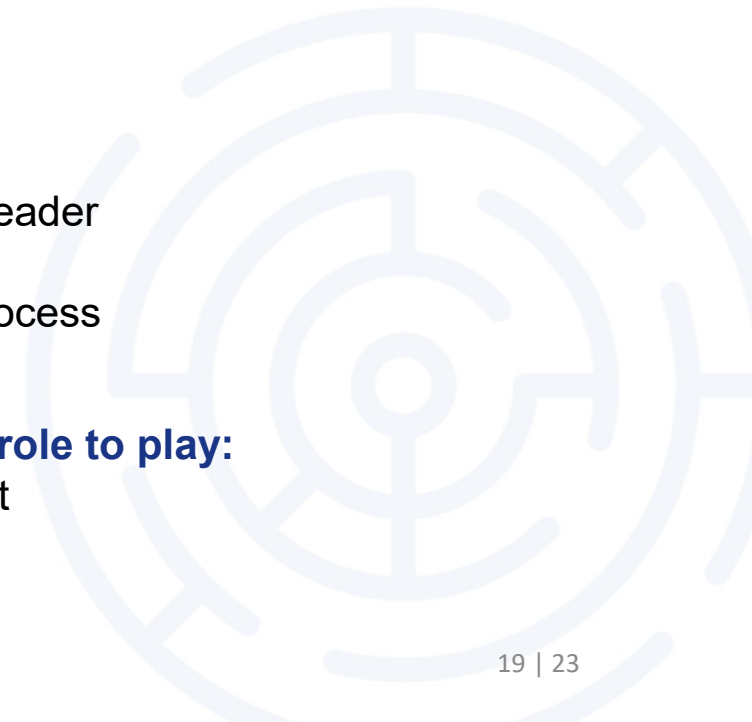
- Safe learning environment
- Exploring all perspectives
- Time-outs
- Taking all team members along

Behavioural management role:

- Empowered by the engagement leader
- Creating time outs
- Managing team behaviour and process

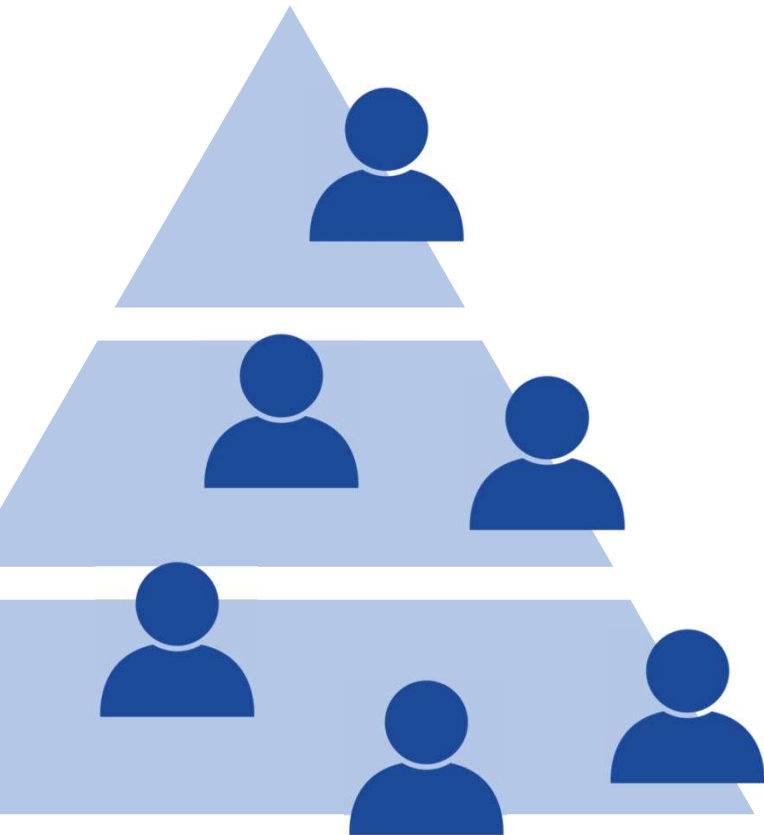
Every team member has a role to play:

- Safe learning environment
- Speaking up



COMPLEXITY & REFLEXIVITY

Different forms to intervene



Indirectly: 'For me the are not totally clear, can somebody summarize?'

Explicitly in the moment: "'team, I notice that...".

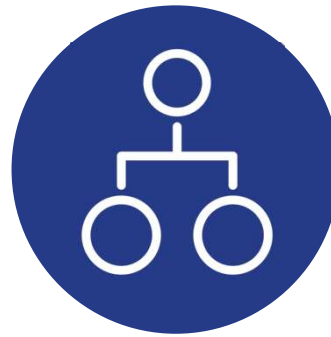
Explicitly but planned: 'Team, I have some observations on how we work together, I would like to plan a meeting to..'

On a personal level: give team members a call if you think something is going on and discuss your observations.

ON THE AGENDA TODAY



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THANK YOU

*“On a mission to reveal audit quality
drivers, one insight at a time”*

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