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Auditing Success

The Audit Manager Playbook

A step-by-step playbook on developing trust and high performing teams!

Hey there! I'm Bryan!

Thanks for taking the time to stop by. For the last decade I have dedicated my career to leading high performing teams at Goldman Sachs, Northern Trust, Discover Financial Services, CIBC (Canadian Imperial Bank of Commerce), and Allstate Insurance Company!

I have helped these organizations develop strategic audit plans that lead to improved operations, increased market share, enhanced management reporting, greater revenue, and superior client satisfaction. I have done all this while maintaining high employee engagement scores and low employee turnover ratios!

I am proud of my personal achievements; this playbook will teach you what has helped me gain success during my career! I promise to make the two promises below.

1. I will only teach you things that have worked for me.
2. Continuously improve this workbook based on feedback and research.

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INTRODUCTION: WHY DOES AUDITING EXIST?

Why does auditing exist? It is important to understand the function the audit department plays in any organization. It is also a classic question new auditors ask when getting started in the profession.

As a manager you must be able to explain why auditing exists and the function it plays within the firm.

From the IIA Standards “Internal audit strengthens the organization’s ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and object assurance”. A succinct explanation, but it is helpful to be able to explain risk across an organization and its impact on the audit function.

This playbook provides a holistic view of risk within an organization. To start, risk occurs when an organization takes on any activities to generate revenue or value. These risk generating activities could be sales, marketing, or even compliance. To manage risk a three lines defense model is used. The first line is responsible for risk generating activities. An example of this would be a wealth management group selling financial products. The first line generates risk through the generation of a financial product. To control the risk, appropriate controls (policies and procedures) are established to mitigate the risk. The second line provides the first line with additional risk mitigation programs. This could include risk and control self-assessment, business continuity plans, and privacy policies. The second line is responsible for risk management and helping the first line implement firm wide risk management practices. Finally, audit, which is the third line, is responsible for reviewing the controls to ensure that there is no unmitigated risk.

Audits as the third line of defense promote accountability, transparency, fraud detection, risk management, and help support decision making across the firm.

Auditors play a key role in pulling back the curtains for management and creating visibility into first- and second-line programs. Audits provide opportunities for process improvements, control enhancements, or identification of business opportunities.

As audit leaders It is our responsibility to train auditors to proactively identify risk. Within this book you will learn how to establish effective teams.

The rest of this book will highlight how leaders can use a common playbook to drive highly desired qualities in our teams:

- Proactivity
- High Performance
- Positivity

NEW MANAGER OPERATING SYSTEM:

Congratulations on your promotion! Transitioning into a managerial role is a significant step, and it’s great to see you focusing on best practices to ensure success. This section will help you understand what management activities you should focus on as a new manager. The operating system will lay out practical tips to begin your journey.

As you start to look around at the organization it is time to realize being a manager comes with a whole slew of new responsibilities. Listed below are the best practices I have found when getting promoted into a manager role or joining a new organization in a managerial position.

At the starting line of the managerial role, it is time to do your homework and research on the team and your new supervisor. It helps to review the LinkedIn of your team members and have one-on-one discussions to understand their view of the team and department. You should schedule time with your new supervisor to develop a positive and professional relationship. This time should also be spent getting their perspective on the team and your role in managing the team. Meeting with the team and your new supervisor helps you understand any challenges or wins the team has had. This allows you to understand the goals of your supervisor and team members and how to start working with team members.

As the manager, your role is changing from being a sole contributor. As a new manager, your goals should be to develop positive, productive, and personal relationships. The first step in doing that is to get and stay visible. This allows you to engage the team. Asking people how they are doing and what they are working on is a great way to get connected with team members and starts to build trust across the team. As professional relationships evolve your team will start to come to you with questions. You as the manager should focus on being the facilitator and helping your team members with problem solving. You should advise and empower the team members to find a solution while supervising along the way. By taking this approach, it promotes a sense of security and safety for team members to work to tackle problems.

A common example of building professional relationships is new auditors often having questions on how to conduct productive walkthroughs. The managers on the project should let the new auditor create a walkthrough agenda. These agendas allow the auditor to gather and streamline questions before meetings with the client. These would be shared with the manager before the meeting and would be updated for any additional questions or if something was off base. This straightforward process promoted accountability amongst the staff and helped the auditors develop self-confidence to lead client meetings.

Your vision = your future

Individual contributors often fail to recognize that their role is changing as a manager. Managers rely on their teams to accomplish the goals and strategies set forth by the organization. Managers have success by creating a vision and then sharing that vision across the organization and team.

For example, when I was working in a financial services organization, I wanted to increase the number of audits we conducted. To do that it required a review of staffing across the team. I noted that the team was not appropriately staffed at the project manager level. I wanted to be able to execute three audits continuously. Without the appropriate staffing, executing the audits on plan wouldn’t be possible. Requesting additional headcount required me to communicate the need for resources due to an increase in projects we wanted to execute. Having the vision and then focusing on tactical execution was key to communicating the vision and improving over the prior year.

One of my favorite goal setting books is *The Energy Bus* by Jon Gordon. This book focuses on a mid-level team lead who is having trouble in his personal and professional life. Until one day he gets on the energy bus. The energy bus is full of people like the main character who have decided to take part in the rules of the energy bus. The bus driver walks them through a visualization process to ensure they are all working in the right direction. See below for tips on how to ride the bus and setup your own personal vision.

The process is as follows:

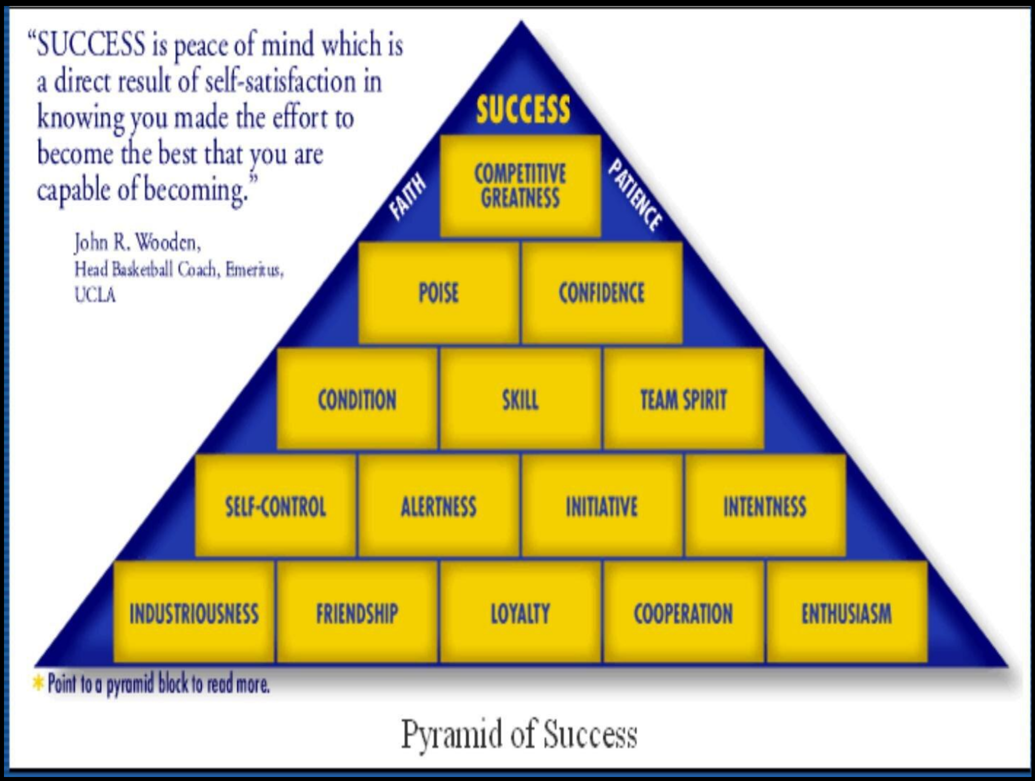
- **You're the Driver**: Take responsibility for your own energy and choices.
- **Desire**: Know where you want to go and have a clear vision.
- **Faith**: Believe in yourself and your vision.
- **Trust**: Surround yourself with positive people who support your journey.
- **Fuel**: Feed your mind with positive thoughts and affirmations.
- **Direction**: Stay focused on your goals and take consistent action.
- **Communication**: Share your vision and energy with others.
- **Encouragement**: Lift others up and foster a supportive environment.
- **Inspiration**: Seek out and create inspiration in your life and work.
- **Purpose**: Know your "why" and align your actions with your values.

Your vision = your future

Develop a positive and high performing team

Teams require core values and principles to set the tone. Setting values is an intentional process that involves agreeing shared values and expectations of team members. These values help clarify the guiding principles expected from the team. In most organizations there are firm wide principles that can be leveraged by the team for setting values. Common values include integrity, respect, collaboration, innovation, inclusivity, or transparency. All values are expected to guide behavior, interactions and decision making.

John Wooden pyramid is an often-referred roadmap of what a culture framework would look like. The pyramid was used to guide personal development and success for the UCLA men's basketball team. The pyramid emphasizes values like discipline, hard work, and character.



The pyramid has four levels and is built from each section. The foundation focuses on core competencies around friendship and relationships. The next level focuses on self-control and initiative. The third level focusses on skill and health. While the fourth is confidence. Then the top of the pyramid is focused on competitive greatness. Building off each level allows provides a framework that can drive success in any organization.

Setting shared values allows for guiding principles on how you and your team will approach each and every day!

Create and communicate clear expectations

Once clear values and principles have been established it is important to use your leadership to set the tone. Leaders must embody values and behaviors they want to see from the group. Modeling desired behaviors such as collaboration and active listing should be demonstrated to team members.

Regular reinforcement of these practices can be informal or formal. A formal way would be around annual events, meetings, or celebrations. Informal would be daily check-ins, team lunches, or community gatherings. Regular engagement in these activities helps solidify the desired culture.

Creating a sense of belonging is also critical for establishing an effective culture. Inclusivity allows for all team members to feel like they are involved. It makes individuals feel accepted, valued, and supported. Encourage the formation of connections and relationships. This can happen through team building, mentorship, or simply a friendly and open environment where people can interact.

Setting expectations makes the expected behavior required from team members. It is typically in relation to work ethic, communication style, and attitudes toward innovation. Clear expectations give everyone a sense of direction and a framework for action.

Enforcing accountability holds people accountable for their values and behaviors that are central to the culture. This can be done through constructive feedback, rewarding positive behavior, and addressing any actions that undermine the culture of the team.

Creating a culture—whether within a company, community, or broader society—is an intentional, ongoing process that involves setting shared values, norms, practices, and behaviors that help define how members of that group interact, work together, and pursue common goals. Culture is not something that can be created overnight, but rather evolves through deliberate actions and consistent reinforcement over time.

Great managers are built on leverage.

As a manager, you should spend your time collaborating with your team. Your team is responsible for delivering projects to specific deadlines to ensure organizational goals are achieved. Managers can achieve these goals through delegation, engagement, resource management, motivation, and talent development. These are all skills that new managers can learn to increase effectiveness.

Delegate:

Delegation is a key skill for managers. Leveraging team members' time, skills, and talents allows you, the manager, to focus on higher-level strategic activities. Delegating tasks helps improve efficiency and promotes employee development.

Engagement:

Providing team members with autonomy and authority to make decisions can help amplify the team's work. Empowered employees are more engaged and productive, which benefits the whole organization.

Resource Management:

Time and resources are limited within an organization. Knowing how best to target and deploy resources produces better outcomes for managers and their teams. Advocating and planning the usage of employee time ensures that resources are used effectively.

Motivation:

Managers can inspire, motivate, and align team members to focus on a common goal.

Effective communication and leadership are essential to create a positive environment. This positive environment encourages high performance and engagement from the team.

Talent development:

Managers can increase leverage even further by developing the skills of their team members. By providing relevant training, mentoring, and coaching team members can see their skills improve. Talent development improves the skills of the team which improves the tasks that the team can take on.

The more leverage you can get from your team the bigger the impact!

Developing your autopilot priorities systems

Goal setting was covered in the Your Vision = Your Future section. This section is focused on setting day-to-day and tactical goals and objectives. For current managers, we recommend that you set long-term and short-term goals.

- **Long-term goals**: What do you want to achieve in the next 6 months to a year or beyond? These can be career ambitions, personal development, or long-term projects.
- **Short-term goals**: What are the immediate tasks or deadlines that contribute to your long-term goals? These may include daily, weekly, or monthly tasks.

It is important to write down all the tasks, responsibilities, or activities you need to complete. This will help you see everything in one place and avoid overlooking anything important.

Once all the goals have been set it is useful to use a prioritization matrix to help identify the urgent and critical tasks that will lead to improvement of you and the team. I recommend using the Eisenhower Matrix.

Eisenhower Matrix (Urgent vs. Important):

- **Important and Urgent**: Do these tasks immediately (crisis situations, deadlines).
- **Important but Not Urgent**: Schedule these tasks to work on over time (strategic planning, personal growth).
- **Not Important but Urgent**: Delegate these tasks if possible (meetings, minor requests).
- **Not Important and Not Urgent**: Consider eliminating these tasks (distractions, time-wasters).

Remember the Pareto Principle (80/20 Rule) that 20% of your tasks will drive 80% of the results. In addition to prioritization, deadlines need to be worked on to make sure the urgency of tasks is appropriately reflected.

Rember to delegate whenever possible. It frees use your time to focus on high priority items while giving your team the opportunity to gain experience their skills. By taking this approach to setting objectives you will have your priorities set for the week ahead.

Acquire, retain, and ascend.

Acquiring competent employees is a critical job function of a manager. Talented employees allow for resource leverage across the team and unlock critical time for the manager to focus on key organizational activities. Focusing on developing clear and efficient job descriptions, leveraging recruiting channels, establishing an employer brand, and targeting passive candidates are all critical for attracting solid contributors.

Starting with clear job descriptions puts the employment relationship on the right track. Detailed, clear, and attractive job descriptions allow for candidates to identify roles that would fit their work experience. Specific criteria and qualifications help attract the relevant candidates into your potential talent pool.

There are a variety of different ways to recruit potential employees. The usage of platforms like LinkedIn or Indeed allow for targeting of specific individuals. Social media provides allow for candidates to share the job posting with their network and expand their reach and network. Employee referrals also open the candidate pool to drive talent into the firm.

Having a strong employer brand allows for the firm to identify and attract potential candidates. Company culture promotes workplace and team activities help drive candidates to the pool of candidates.

Networking to build professional relationships helps strengthen relationships with potential candidates in the industry. Maintaining a database of previous applicants helps drive talent that could be selected for future roles. The ability to reach out for new roles keeps them in the pipeline for new opportunities.

Retaining talent through providing targeted training and detailed career development plans allow for increased retention of talent. A manager should focus on each individual employee and target specific training to help that individual grow. The training should be specific to the role and improve the individual’s effectiveness within the organization. Career development plans are additional ways in which retention of employees can occur. Focusing on building out a career path encourages engagement with the organization and encourages ongoing commitment to the firm.

Leveraging these skills allows managers to develop a high potential pool of candidates. The usage of clear job descriptions, leveraging recruiting channels, establishing an employer brand, and targeting passive candidates are all critical for attracting solid contributories.

Why your brand matters

First Impressions: Your personal brand shapes the initial impression others have of you. Whether it's through your appearance, social media presence, communication style, or expertise, the way you present yourself can leave a lasting impact on potential employers, clients, colleagues, and even friends.

Credibility and Trust: A well-defined personal brand helps establish your credibility and fosters trust. When people understand what you stand for, your values, and your expertise, they're more likely to trust you, whether you're selling a product, leading a team, or simply sharing advice.

Opportunities and Career Growth: A strong personal brand can open doors to new opportunities. When you stand out as an expert or thought leader in your field, you may be approached for career opportunities, speaking engagements, collaborations, or partnerships that align with your goals and values.

Differentiation in a Competitive Market: In a world where many people offer similar services or have similar skill sets, a personal brand can help you stand out. It allows you to highlight your unique skills, experiences, and passions, making you more attractive to employers, clients, or collaborators.

Self-Awareness and Confidence: Developing your personal brand helps you clarify your values, strengths, and purpose. This self-awareness can build your confidence, making it easier to navigate challenges, set clear goals, and communicate effectively.

Influence and Leadership: A strong personal brand can give you a platform to influence others. Whether it's through social media, writing, or public speaking, a personal brand allows you to share your voice, lead discussions, and inspire others with your vision and ideas.

Long-Term Success: Personal branding is a long-term strategy that grows over time. As you continue to develop and maintain your personal brand, you're creating a foundation for sustained success. It becomes easier to adapt to changes, seize opportunities, and evolve within your industry.