



ISACA Audit Conference 2022
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“Agile in Internal Audit – does that work?”

Deutsche Telekom AG
Head of Internal Audit T-Mobile Poland, Slovak Telekom
& T-Mobile Czech Republic
Carsten Pietschmann



Your speaker – Who is Carsten Pietschmann?

- Responsible for Internal Audit “Region Europe North”
- Since 2015 responsible for Internal Audit of T-Mobile Poland
- 15 years Internal Audit in DT Headquarters
- 52 years old, currently living in Prague (until 2019 in Warsaw)
- Dimension-Leader “Agile” in DT Europe

Content - What can you expect?

- Short view on Deutsche Telekom's strategy and how Internal Audits supports achieving it
- Organization of Internal Audit in Deutsche Telekom Group
- Internal Audits transformation dimension agile and “Why going agile?”
- The agile model of Internal Audit in DT Europe: “Roles”, “Events” and “Artifacts/Templates/Tools”

Deutsche Telekom – our Keyfacts



Customers

- **248.2 mn** mobile customers
- **26.1 mn** fixed-network lines
- **21.6 mn** broadband lines
- Approx. **8.0 mn** TV customers



Markets

- Present in > 50 countries
- **Germany, Europe and the USA:** with own infrastructure
- **T-Systems:** global presence & alliances via partners



Employees & responsibility

- Employees worldwide: **216,528** (Reporting date Dec. 31, 2021)
- **5,375** trainees and cooperative degree students
- Pioneer of social issues (climate protection, data privacy, diversity, etc.)



Numbers

- Revenue **€ 108.8 bn**
- Adjusted EBITDA AL **€ 37.3 bn**
- Free Cashflow AL **€ 8.8 bn**

Figures based on annual report 2021.



Audit Role Regulations

- IT – **less** regulated
- Telco – **medium** regulated
- Banking – **strongly** regulated

Deutsche Telekom wants to become **Leading Digital Telco** – our strategy

Grow

Lead in digital life & work

Best convergent networks+
& perfect service

Lead in business productivity

Software-defined, secure, global
networks, IoT & digitalization

Magenta Advantage

New business models
based on DT assets

Build & scale Telco as a platform

Cloud-based customer and network-service platforms

Best-in-class integrated network infrastructure – DT & partners

Save for growth investments

Simplify, digitalize, accelerate & act responsibly

With our **#nexTlevelaudiT transformation** we create benefit to DT's journey to Leading Digital Telco and unleash audit potential.



#nexTlevelaudiT

Catalysts for transformation – supporting the business to balance risk and achieve sustainable business results.

Digital. Agile. Value Driven.

#auditbenefits4DT

1

Higher assurance level & more reliability in DT

2

More valuable contribution to DT business

3

Faster reaction to business assurance needs

4

Paying into our Leading Digital Telco journey

Our organization with a **central/decentral setup** is affected by DT's shareholder structure with several minority interests.

Audit HUB HQ



Deutsche Telekom AG 
 HQ, Holding Company 



Telekom Deutschland GmbH 
 100% subsidiary company 

T-Systems International GmbH 
 100% subsidiary company 

Magenta Telekom 
 100% subsidiary company 



Audit HUB's Europe



Hrvatski Telekom 
 DT holds 52,17% of the shares 



& Crnogorski Telekom 
 belongs to Hrvatski Telekom 



Magyar Telekom 
 DT holds 59,21% of the shares 

Makedonski Telekom 
 belongs to Magyar Telekom 

T-Mobile Polska 
 100% subsidiary company 



& Slovak Telekom 
 100% subsidiary company 

& TM Czech Republic 
 100% subsidiary company 


OTE Group 
 DT holds 48,29% of the shares 

DTSE HUB Romania 
 belongs to OTE Group 

Audit HUB US

T-Mobile US 
 DT holds 46,75% of the shares 

approx. 150 employees in total (central/decentral setup due to shareholder structure)



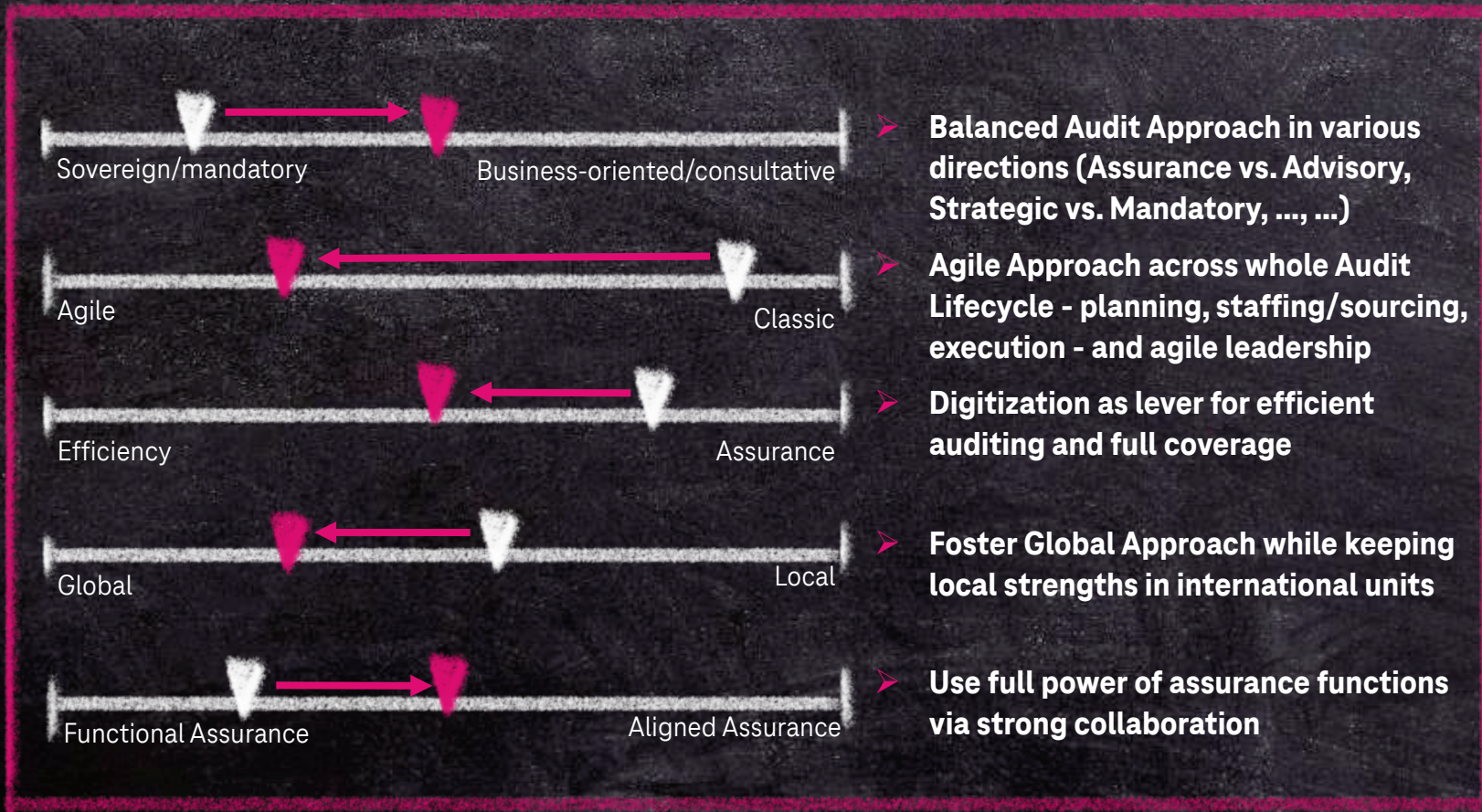
Global Functional Areas

- HR & Compliance
- Finance
- IT & NT
- Commercial



**Any Questions
so far?**

Our transformation is built on good foundation but necessary as the **potential is not fully leveraged yet.**



In 2021 we started developing the **#nexTlevelaudit** roadmap with 3 phases ...



... and 8 Dimensions ...

We cover our transformation journey with 8 Key Dimensions.

#nextLevelaudit



Digitization enables us to ...

... work **more efficiently** through minimizing administrative and manual tasks (e.g., RPAs for automation)

... **safeguard audit's role and mandate in the future;** we must understand digitalization technology to be able to use and audit it (e.g. AI, Blockchain)

... increase **implementation and execution speed** (e.g., via agile development, agile mindset and partnering internal/external)

... extend the **audit coverage** (e.g., via data analytics instead of sample testing)

... come to a **significant appreciation** of our services (e.g., live-auditing, full coverage instead of sample-testing)

... increase **quality and reliability** of audit results (e.g., via digitized/automated quality checks and reporting solutions)

What drives us to go for *agile* Audits?



WHY

“We act as a trustful partners and “demystify” Internal Audit!”

Regular meetings in the Team and with the Auditees/stakeholders, makes our work transparent, predictable, builds trust and avoids bad surprises. The progress of an Audit is clearly visible by intermediate deliveries, and all clarifications needed happen immediately.

“We organize ourselves flexible, disciplined and transparent!”

Audit delivery derives out of prioritized Backlogs within transparent iterations; adjustments regarding content & timing are always clearly visible. Using Kanban tools and sprints help us to deliver the audit outcome stepwise and allows flexibility to react on changes.

“We communicate often and openly - internally and externally!”

Daily Scum meetings, (bi-weekly) Reviews, Backlog refinements and internal Retros improve our communication, interaction and collaboration constantly. This enables us to react fast on changes and new demands.

“We act openly, and stakeholder orientated!”

Scope is oriented on outcome value, is discussed openly* and can flexible be adapted according to concrete insights of any iteration. We maintain an intensive iteration with Stakeholders. A Scrum Master (not AIC) helps the Audit Team and Audit Owner follow Agile practices consequently.

„Audits that incorporate...



“ARTIFACTS”



“EVENTS”



“ROLES”

...can be called „agile“.



* Without any compromise of Audit objectivity and independence

**Any Questions
so far?**

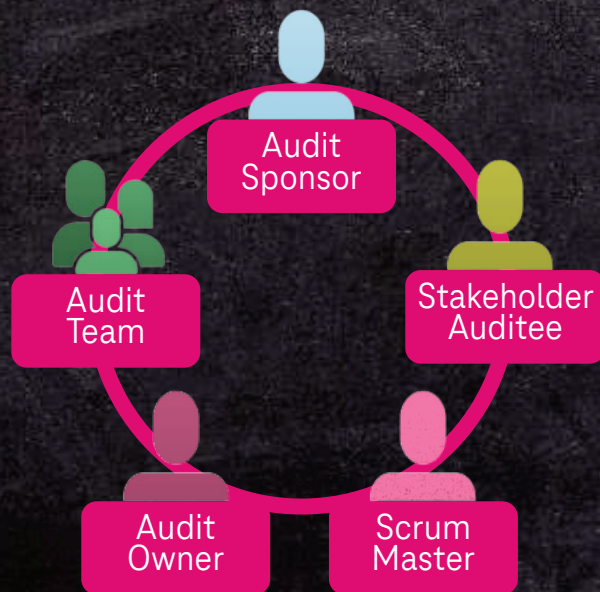
agile
MODEL



Group Audit *agile* Model.

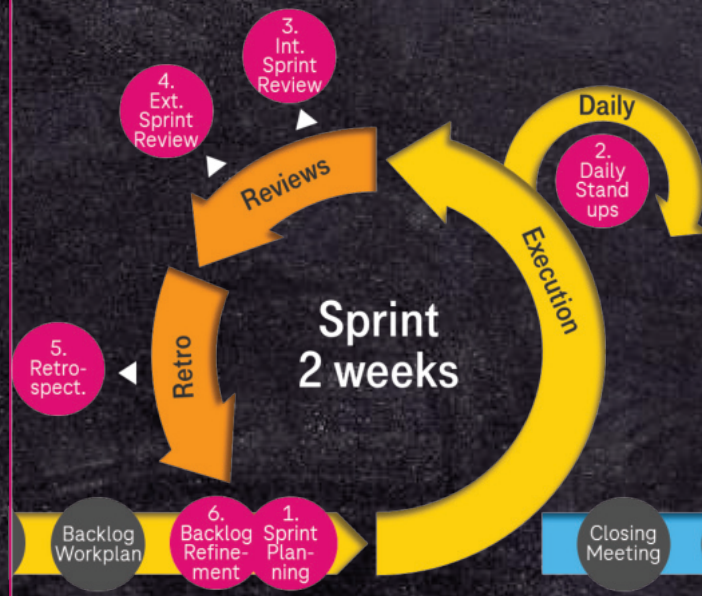
WHO IS DOING WHAT?

5 ROLES



HOW WE DO THE THINGS.

6 EVENTS

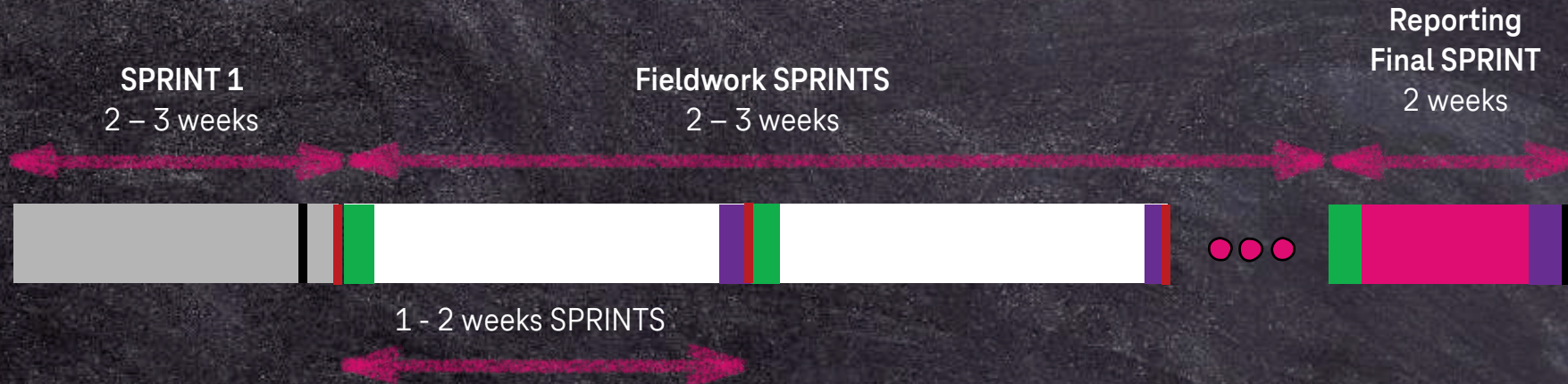


OUR RESULTS & TOOLS

7 ARTIFACTS



Agile Audit Execution, How it looks like ?



SPRINT 1 (Planning)

Meetings, Data Analysis, Planning, Walkthroughs, etc.

Deliverables

1. **Agile Audit Scoping** and Kick-off Communication with short planning documentation
2. **Audit Work Plan/Backlog – Lean version** for approval (audit areas, audit objective & test objectives **and agile SPRINT schedule**).
3. **KANBAN board** – for SPRINT planning and transparency.

Fieldwork SPRINTS (2-n)

Planning for the specific SPRINT, fieldwork testing completion and results communication to auditees.

Deliverables

1. **Updated Backlog** – Backlog refinement
2. SPRINT planning and KANBAN board update
3. Testing documentation uploaded to TeamMate+
4. Intermediate Report – What accomplished, what should be shifted or cancelled, first concerns & recommendations
5. SPRINT Review meeting (with auditees)
6. SPRINT Retrospective

Final SPRINT (Reporting)

Wrap-up all the observations and recommendation for all SPRINTS. Evaluate and consolidate all in one report Draft Audit Report






Deliverables

1. Draft Audit Report
2. Final Review (Closing Meeting)
3. Final Audit Report
4. Closing Teammate+ activities
5. Retrospective feedback meeting

agile ROLES



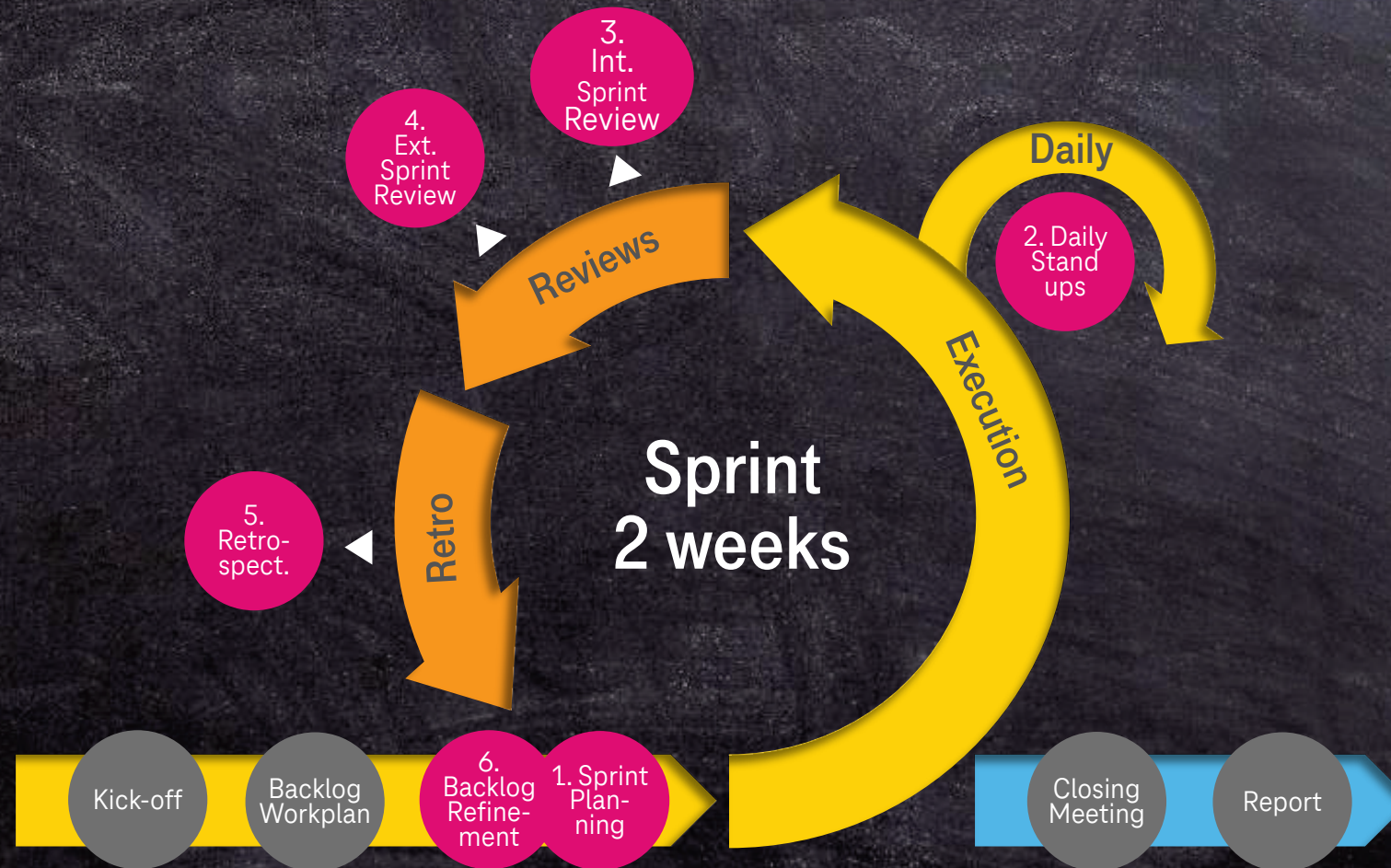
Agile Roles (a person can run multiple roles)

 Audit Sponsor	<p>Key Objective: Consults to meet the audit expectations. Ensures overall audit direction. Reviews and approves the audit program and the audit report. Overall responsible for the audit results.</p> <p>Who: Someone empowered to make independent decisions, setting the audit objectives, e. g. Audit Director, Chief Audit Executive or delegate.</p>	
 Audit Owner	<p>Key Objective: Creates, manages and prioritizes the Backlog Items. Confirms that the Definition of Done is reached. Conducts “senior” Meetings.</p> <p>Who: Someone empowered to make decisions to reach the audit goal, e. g. Auditor in Charge, Teamlead.</p>	
 Scrum Master	<p>Key Objective: Facilitates the relevant events, enabling smooth running, resolve impediments.</p> <p>Who: Whoever is a good facilitator, e. g. Senior Auditor or/and Auditor In Charge. The SM is also a member of the team.</p>	
 Team	<p>Key Objective: Does all the usual work of the audit, is self-organized and works in iterations.</p> <p>Who: All auditors assigned to the respective audit, including the scrum master.</p>	
 Stakeholder	<p>Key Objective: Assigned from the business side to support the audit with his knowledge, ensures that the audit result has a high value for the business. The audit status is always transparent to him/her/them.</p> <p>Who: Responsible or deputy of the audited area, NOT necessarily an auditee on fieldwork level.</p>	

agile
EVENTS



Agile Events in a Sprint cycle



Agile Events

1: SPRINT PLANNING

- Achieve transparency about the committed activities and goal of the next sprint
- The team decides what can be achieved in the next sprint

max. 1 hour

Team, SM, AO

4: SPRINT REVIEW EXT.

- Keeping in sync with the business/external stakeholders and share very early first concerns
- Strong improvement of acceptance for later/final findings

1 hour

Auditees,
Stakeholders, Team,
SM,AO, (Sponsor)

2: DAILY SCRUM

- Each team member commits on his specific work for today
- Each team member shares the results of yesterday

max. 15 min

Team, SM, AO

5: RETROSPECTIVE

- Improvement of team collaboration and communication
- Focussing on HOW the team worked together NOT on audit results

30 min

Team, SM, AO

3: SPRINT REVIEW INT.

- Informing the audit sponsor about the current sprint status and results
- Preparation for the external sprint report

max 1 hour

Team, SM, AO,
Sponsor

6: BACKLOG REFINEMENT

- Stories are understood and effort estimated
- Translation of Funnel into Backlog Stories

30 – 60 min

Team, SM, AO

agile
ARTIFACT
S



Artifacts / Templates / Tools

SCOPE DOCUMENT ¹



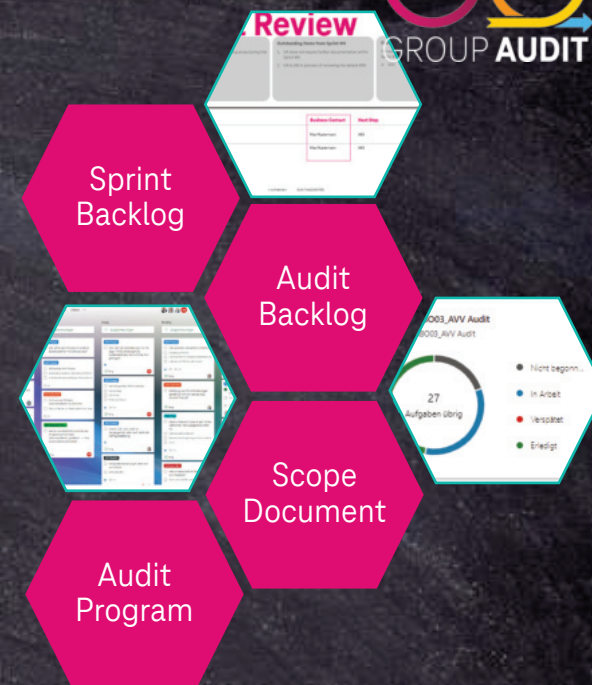
Scoping

KANBAN BOARD

Recommendation:
MS Planner ([link](#))
 based in MS365 and
 Teams

AUDIT BACKLOG

Audits steps from Audit
 Program sliced into
 pieces, which can be
 chosen for a sprint



SPRINT BACKLOG

Stories from Audit
 Backlog selected by the
 team for the next sprint

SPRINT REVIEW TEMPLATE ¹



Intermediate
 Report



Microsoft
 PowerPoint Presentat

AUDIT REPORT



Audit Report

AUDIT PROGRAM



Microsoft
 Excel-Arbeitsblatt



Microsoft Excel
 Worksheet

Questions & Answers

Thank you!