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FLEXIBLE METHODS OF COMPANY AUDIT PROJECT MANAGEMENT

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The article highlights the peculiarities of the project management process of an audit of an enterprise based on a flexible Agile approach. On the basis of the conducted research, the advantages that can be obtained by the subjects of audit activity when using the Agile approach to the audit project were revealed. Identified the changes that need to be made in the key concepts of the audit during the implementation of flexible Agile technology during the audit. Based on the experience of the subjects of audit activity, who apply a flexible Agile approach during the audit, its advantages in the conditions of martial law are highlighted. It is emphasized that in the conditions of martial law, it is necessary to conduct audits, which must take into account the high level of risk in a timely and adequate manner, and the most optimal in such a situation will be the application of a flexible Agile approach. A number of specific audit areas have been identified that are best suited to the application of a flexible Agile approach: monitoring of critical controls; change programs; internal audit taking into account data analysis; disaster recovery and business continuity. Recommendations were given to specialists who are participating in the audit project on the practice of applying a flexible Agile approach in order to monitor and control, identify key risks, identify and coordinate critical controls, and implement a continuity procedure to ensure the continuous work of audit entities. To improve the quality and one of the possibilities of preventing the risks of project implementation for enterprises that provide audit services, it is proposed to calculate the coefficient of assessment of the level of strategic maturity of project management at the enterprise.

ГНУЧКІ МЕТОДИ УПРАВЛІННЯ ПРОЄКТУ АУДИТОРСЬКОЇ ПЕРЕВІРКИ ПІДПРИЄМСТВА

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зрілості управління проєктами

У статті висвітлюються особливості процесу управління проєктом аудиторської перевірки підприємства на основі гнучкого Agile-підходу. На основі проведеного дослідження виявлено переваги, які можуть бути одержані суб'єктами аудиторської діяльності при використанні Agile-підходу до проєкту проведення аудиторської перевірки. Визначено зміни, які необхідно здійснити у ключових концепціях аудиту під час впровадження гнучкої технології Agile під час перевірки. На основі досвіду суб'єктами аудиторської діяльності, які застосовують гнучкий Agile-підхід під час проведення аудиторської перевірки, виділено його переваги в умовах воєнного стану. Підкреслено, що в умовах воєнного стану необхідно проводити аудиторські перевірки, які повинні своєчасно та адекватно враховувати високий рівень ризику, а найбільш оптимальним у такій ситуації буде застосування гнучкого Agile-підходу. Виділено низку певних областей аудиту, які найкраще підходять для застосування гнучкого Agile-підходу: моніторинг найважливіших засобів контролю; програми змін; внутрішній аудит з урахуванням аналізу даних; аварійне відновлення та безперервність бізнесу. Надано рекомендації фахівцям,

які є учасниками проекту аудиторської перевірки, з практики застосування гнучкого Agile-підходу з метою здійснення моніторингу та контролю, визначення ключових ризиків, виявлення та узгодження критичних засобів контролю, впровадження процедури безперервності з метою забезпечення постійної роботи суб'єктів аудиторської діяльності. Для покращення якості та однієї з можливостей запобігання ризиків реалізації проектів для підприємств, які надають послуги з аудиторських перевірок, запропоновано розраховувати коефіцієнт оцінювання рівня стратегічної зрілості управління проектами на підприємстві.

Statement of the problem

The modern business environment since the beginning of the military aggression of the Russian Federation in Ukraine requires companies that provide auditing services to adapt to the new challenges of today. There was a need to adjust the analysis and audit methodology. Institutions that provide audit services are faced with the task of finding new methods of organizing their activities for sustainable competitive advantages, which will allow the realization of unused reserves to improve the quality of auditing. One of the directions for improving the activities of such enterprises is the transition to a project approach to providing their services.

The main feature of the project approach to management is a business process, which is essentially a clear algorithm of actions that can adapt to various risks, changes in external and internal environmental factors, in which all the resources of the organization are involved, and which, in turn, is aimed at satisfaction consumers and profit maximization of audit activity subjects. Subjects of audit activity must quickly react and adapt to today's changes at a time when traditional methods of organizing audits do not work. Presenting the audit as a short-term project will allow auditors to apply methods and models of project management, to move to a more pragmatic and flexible approach in managing the audit project.

Analysis of recent studies and publications

The study of the essence and specifics of the agile approach in project management is devoted to works of many researchers, the most famous of which is the work of Y. Appelo, Director of Information Technology at ISM eCompany "Agile Management. Leadership and Team Management", written as a result of the practical application of this approach in the management of in software project management [1]. The methodology of agile management is also disclosed in the scientific publications of V. Lalsing, P. Lencioni, S. Sawyer, M. Cohn, M. Petren, and D. Sazerlend [2]. Practical aspects of implementing the agile approach to project management are also presented in the works of Ukrainian researchers: S. Bushuiev [3], V.V. Danchuk, S. Voitko, B. Kozyr, V. Molokanova, N. Riabokon, D. Smolych, Yu. Sylkina, V. Chukhlib, O. Chaikovoi, I. Yakubenko and others. The main characteristics and principles of the agile approach are also summarized in the following publications [4; 5]. Ukrainian experience of the use of agile methods in project management is presented in the works of M. Hvozdz, O. Zhmai, I. Kohut, I. Tkachenko, K. Syvokoz,

V. Pryimak, A. Tserkovna, and others. At the same time, it is worth noting that the existing scientific literature does not pay the necessary attention to project management in the organization of audits in Ukraine. The key problem in this situation is the imperfection of models of project management systems and their risks in domestic entities of audit activity. Therefore, the problem of implementation of flexible agile approach to audit project management in domestic enterprises of audit subjects arises.

Objectives of the article

The purpose of this article is to study the implementation of a flexible Agile approach during the implementation of an enterprise audit project to ensure flexible and dynamic planning due to the constant monitoring of risks arising under the unstable conditions of the wartime period and the timely introduction of adjustments to the audit process.

The main material of the research

All project management methods can be divided into rigid and flexible. Rigid methods are used in conditions of strict formal project management with reduced trust and increased responsibility of the customer and executor. As a rule, they are a consequence of the influence of political risks. Flexible methods of project management are based on the division of management work, which is horizontal in nature: the distribution of specific managers at the head of individual units. Different techniques are used in these methods. For example, the so-called «iterative waterfall», in which each stage is a sub-project, the implementation of which is implemented according to fixed iterations. But the essence remains the same – the project is divided into stages, which are performed in a strict sequence. In this approach, calendar-grid planning tools are used. The most common tool for such planning is the Gantt chart. There are many tools for its construction – from simple Excel tables to professional software packages, such as Microsoft Project [2].

Not all projects can be structured in such a way that they can be implemented according to the classic project approach, then the use of Agile techniques comes in handy. Agile is a family of flexible iterative-incremental project management methods. According to this approach, the project is not divided into successive phases, but into small sub-projects, which are then combined into a finished product [6; 7]. This makes it possible to transfer the results of these mini-projects (increment) faster, and when starting a new sub-project (iteration), changes can be made to it without large costs and impact on other parts of the project.

Flexible methods in the management of the audit service project allow applying a timely and purposeful approach to ensuring the effective operation of the enterprise. The audit project is based on Agile technology, i. e. flexible project and change management technology, created taking into account changing circumstances. Because the flexible Agile approach is based on repetitive operations, it provides high flexibility and has a stronger impact when new conditions or significant changes in work arise.

In today's environment, companies increasingly use the Agile approach to achieve planned goals. At the same time, the flexible audit project management process ensures cost reduction, efficient logistics, and increased efficiency. An agile approach to audit project management also allows audit entities to achieve the following benefits:

- shortening and speeding up the stages of the audit project;
- timely understanding of the situation;
- close interaction with stakeholders and stakeholder needs;
- reduction of processes and documentation;
- establishing communication;
- improving the quality of the audit.

An Agile approach helps to set priorities during an audit of an enterprise, taking into account the existing or expected risks and the readiness of the organization to conduct an audit. At the same time, the Agile report focuses on providing analytical information, as well as shorter and more timely feedback with a lot of visual elements.

The implementation of a flexible Agile approach during the implementation of an audit project of an enterprise makes it possible to look at the implementation of audit plans and monitoring the status of audits in a different way in the long term. At the same time, auditors who seek flexible implementation of the Agile approach during audits should take into account the changes required in key audit concepts [8; 9]:

- a) audit orientation:
 - traditional audit: audit objectives;
 - a flexible Agile approach to auditing: certain value expectations;
- b) audit team:
 - traditional audit: a specially created team for auditing;
 - flexible Agile approach to audit: collective work of all employees;
- c) the sequence of auditing operations:
 - traditional audit: linear cycle;
 - flexible Agile approach to auditing: sequential work cycles;
- d) audit planning:
 - traditional audit: carefully planned activities and established general audit plan;
 - flexible Agile approach to auditing: quick actions, short iterations (sprints);
- e) communication during the audit:
 - traditional audit: communication during the completion of analytical work and preparation of reports;
 - flexible Agile approach to auditing: frequent communication, daily meetings;

- g) updating the status during the audit:
 - traditional audit: as needed or in accordance with the methodology of auditing the enterprise;
 - a flexible Agile approach to audit: daily and step by step with the participation of key stakeholders;
- e) compilation of audit reports:
 - traditional audit: a single report provided after the audit of the enterprise is completed and often requires a time-consuming verification process;
 - a flexible Agile approach to auditing: small summaries created throughout the audit process, with an emphasis on value and visualization;
- g) documentation (working documents) of the audit:
 - traditional audit: a significant amount of documentation;
 - flexible Agile approach to audit: streamlined short document flow.

For enterprises that apply a flexible Agile approach to audit project management, the following advantages can be identified especially during martial law:

- flexible and dynamic planning of the audit project due to constant monitoring of risks arising under unstable conditions of martial law;
- short iterations (sprints) help to make timely adjustments to the audit process;
- creating value by focusing attention on the result;
- iterative reporting;
- continuous optimization of the Agile approach taking into account the changes occurring in the conditions of martial law.

Obviously, the provision of audit services will always be necessary. At the same time, in current realities, it must adequately take into account the high level of risk. The same teams that carry out the audit project must carefully study the application of a flexible Agile approach, thereby ensuring the achievement of the relevant audit objective.

In martial law, normal business processes change and it is important for audit specialists to monitor critical controls. By now it is clear that the consequences of military aggression have led to a devastating impact on almost all businesses, and as management pays attention to the business response to the challenges of war, audits based on the Agile approach should serve to monitor key risks and support critical control operations. In times of crisis and uncertainty, when normal business processes may be weakened or less transparent, the scope for using these controls is much greater, as employees may access enterprise systems in different ways (e. g. remote access), delegation may change to to cover absent workers and workload changes, and there may be less effective control and supervision. All these changes bring new risks.

Common business processes and risks that should be considered can be systematized as follows:

- cash and capital management, taking into account cash flow monitoring, forecasting, budgeting;
- technologies, taking into account the availability of the basic system, cyber security, change control;
- asset management, taking into account capacity planning and availability of resources, maintenance, change management;

- personnel management, including redistribution of personnel, succession planning, compilation of candidate lists, performance management;
- distribution of responsibilities taking into account cyber security risks and clarity of delegation of authority, changed access to the management system;
- calculation of wages, taking into account the control of basic data, hiring and firing of employees, compliance with the requirements of the job description, working hours and attendance, allowances, vacation management;
- changes in the supply chain, taking into account security and continuity of supply, identification and management of key suppliers;
- basic means of financial control, payables and receivables, credit cards;
- regulatory and licensing requirements.

An audit project in this case, based on a flexible Agile approach, can monitor critical controls, confirm new and existing key risk areas, identify and align critical controls, and implement continuity procedures to ensure ongoing operations.

To do this, the following procedures can be recommended according to the flexible Agile approach:

- a) confirmation of new and existing key risk areas – auditors cooperate with the risk management department to identify:
 - new risks arising in wartime conditions, as well as the development of measures to manage emerging crises and recovery after them;
 - risks that have been or may become heightened in current wartime conditions, such as, for example, cyberattacks during remote telecommuting;
 - existing risks, which have always been and remain key for the enterprise and its business operations.

Such analysis should be supported by the results of the crisis management and business continuity teams, the available information about the risks and the discussion of the results with the management.

- b) definition and coordination of the most important means of control. For identified key risks, the status of existing controls should be analyzed, which controls are critical during these wartime disruptions, and ongoing monitoring should be performed.

At the same time, critical control tools that help identify key risks during the wartime period should include:

- preventive and automated controls, such as system workflows and segregation of duties;
- tools for monitoring and detecting failures in business processes;
- points of control and decision-making, such as checking reports, plans and forecasts;
- means of control aimed at eliminating multiple risks.

The critical importance of ensuring the continuity of critical audit project management functions for the enterprise is the rapid mobilization and execution of regular inspections, therefore, any gaps in the control elements must be eliminated in a timely manner.

To quickly correct any gaps, you should implement constant and thorough monitoring of controls, use data analytics.

To improve quality and one of the opportunities to prevent project implementation risks for enterprises that provide auditing services, an assessment of the level of strategic maturity of project management at the enterprise can be:

$$KC3_{yn} = 2 * \frac{OALL}{1 + CAAL}, \quad (1)$$

where $OALL = \sum_{i=1}^n \frac{m_i}{M}$ (Over all Average Alignment) – the overall average level of compliance of the project management system with the long-term success strategy;

$$CALL = \frac{\sum_{i=1}^n \frac{m_i}{M}}{N} \quad (\text{Categorized Average Alignment}) -$$

the average relative level of compliance of the project management system with the strategy of long-term success by category; M – the total number of categorized project management best practices; m_i – the total number of best practices, according to the category i ; N – the total number of characteristics of long-term success; n_i – the total number of best practices, according to the category and the concept of long-term success [10].

In the complete absence of the principles of the concept of long-term success in project management practices, the value of the coefficient is 0, in the case of complete compliance of the project management system with the concept of long-term success, the coefficient is 1.

The implementation of the above recommendations will significantly increase the efficiency and effectiveness of project management of auditing services at the enterprise. The project management system will make it possible to significantly shorten the implementation period and increase the profitability of projects.

Conclusions

To manage the audit service project, the study considered the implementation of a flexible Agile approach during the implementation of the enterprise audit project, which provides: flexible and dynamic planning of the audit project due to constant monitoring of risks arising under unstable conditions of martial law, short iterations (sprints), which help to make timely adjustments to the audit process, value creation by focusing on the result.

In order to improve the quality and implementation of projects for enterprises that provide auditing services, a coefficient for assessing the level of strategic maturity of project management at the enterprise is proposed.

The implementation of the recommendations for the management of audit services projects mentioned in the work will allow to significantly increase their efficiency, significantly shorten the implementation period and increase the profitability of the projects.

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