

APPRECIATIVE AUDITING

Is There Such A Thing?



Definition of Appreciation

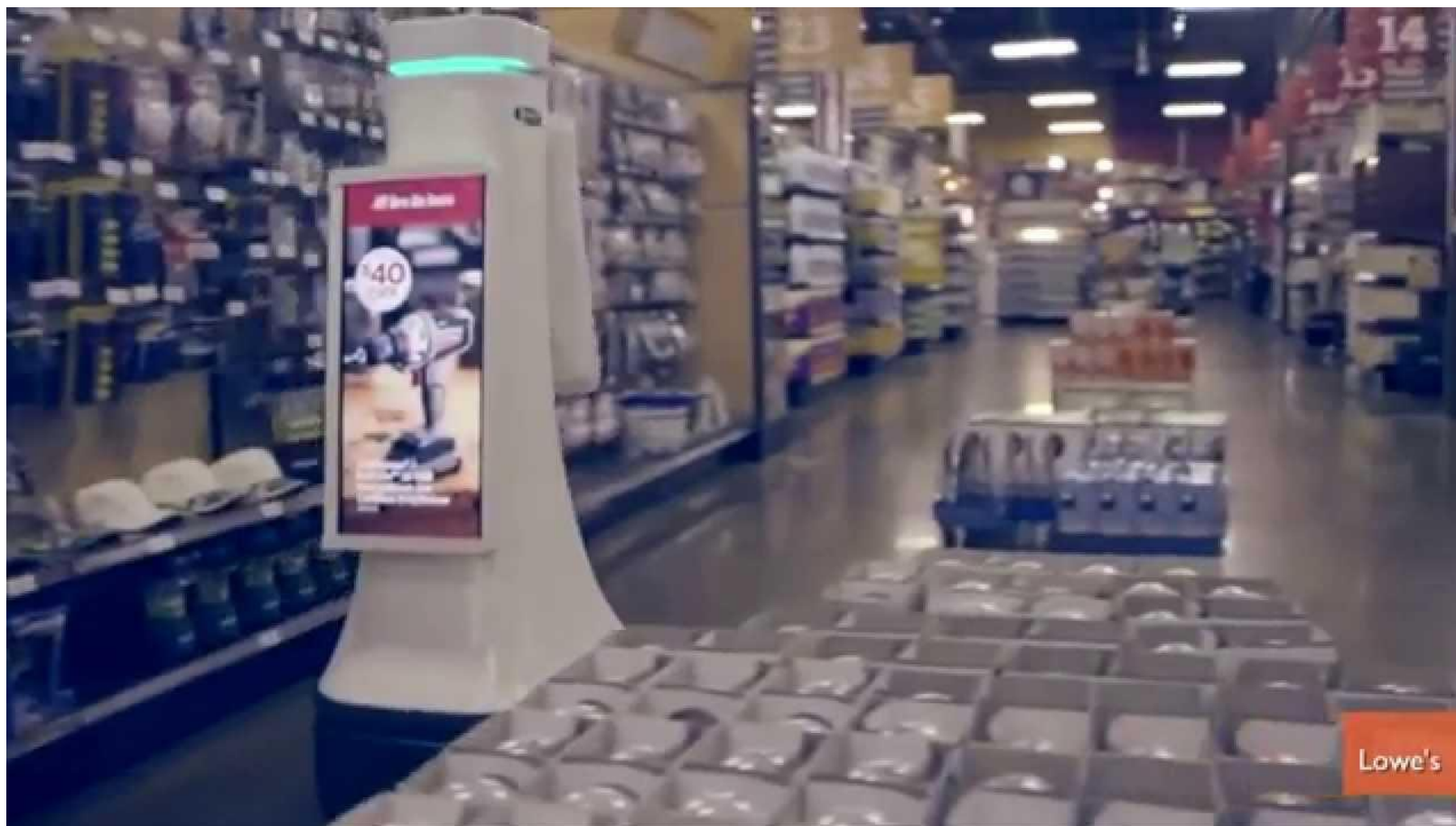
What makes You Appreciate Something?

The recognition and enjoyment of the good qualities of someone or something.

“valuing, treasuring,
admiration, respect,
regard, esteem, high
opinion”

synonyms:

**an appreciation of the
difficulties involved”**



מוקיר appreciate



Change the Mindset

We are here to help



No Appreciation



New York
6:34 PM ET

WCBS

BREAKING NEWS

CLIMBER SCALING TRUMP TOWER

Voice of Shimon Prokupecz | **CNN** Law Enforcement Producer

CNN

3:34 PM PT

SITUATION ROOM

Reasons why employees leave (Benchmark Survey results)

Lack of faith in the leadership team – 22.58%

No belief in the company's service/product – 6.45%

Lack of financial reward – 12.90%

Feeling unappreciated – 19.35%

Travel/location – 3.23%

Clash with colleague – 3.23%

Redundancy – 9.68%

Poor relationship with line manager – 3.23%

Feeling disengaged/demotivated – 19.35%

Traditional Auditing	Appreciative and Explorative Auditing
Focus on procedures and norms	Focus on improvement
Focus on the objective standards, without a great deal of consideration for those involved	Focus on appreciation inspires those involved
Focus on what is not going well	Focus on what goes well (best practice)
Can come across as a pedantic approach (policing)	Reflective
More focus on incidents	More focus on coherence

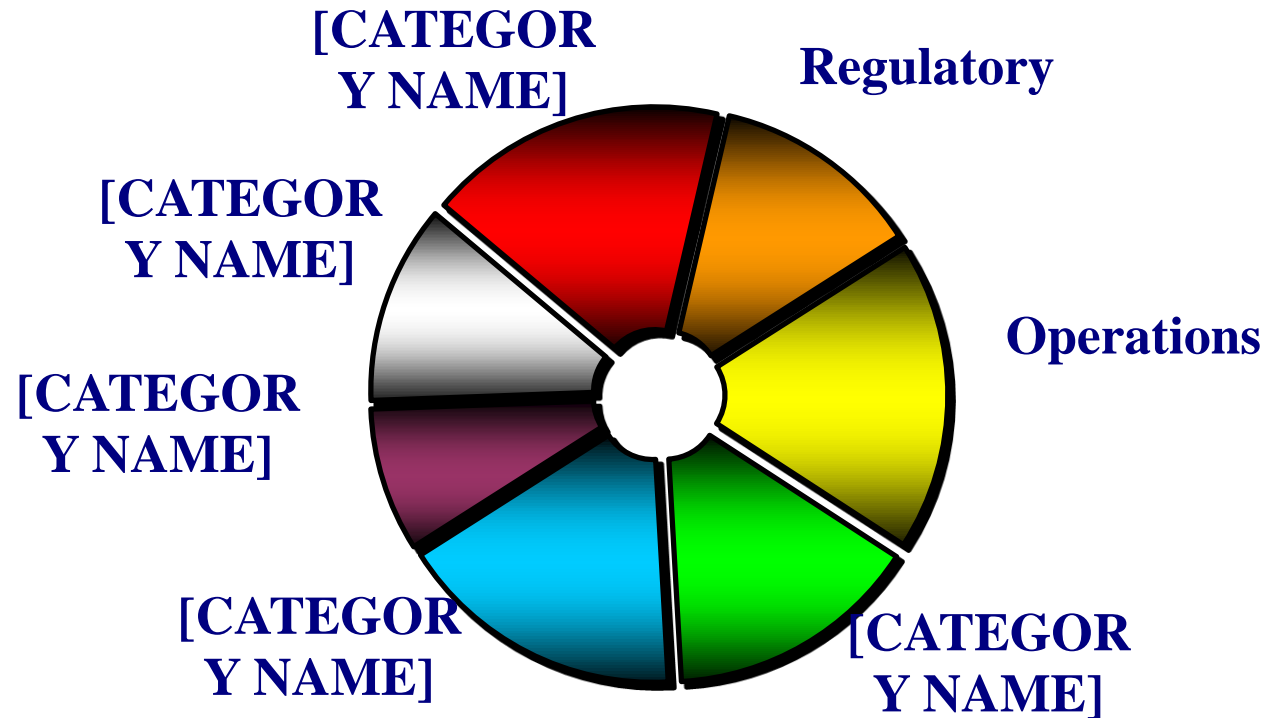
A Person Who Feels
Appreciated
Will Always Do More Than
Expected

*Modern internal auditing, to be successful, must be **grounded on management support and acceptance** and on imaginative service to management The auditor must mount continuing campaign to sell his product to executive management and the products he sells must be of the quality that will **capture and keep management's interest***

Larry Sawyer 1973

What is a Company?

Where is Governance, Risk & Control



Can You Quantify Impact?

Division	Audits	Cost Savings	Cost Savings
Finance/Operations	64	\$14.9 M	\$17.9 M
Compliance/Operations	53	\$15.8 M	\$13.2 M
Revenue/Technology	58	\$11.5 M	\$8.2 M
Contracts	265	\$22.6 M	\$49.1 M
Totals		\$64.8 M	\$88.4 M

***“Noted and
thanks. Your
continued pursuit
of cost savings is
truly appreciated.”***

**Chairman and Chief Executive Officer
7/28/16**

Quantify Impact

Accenture	\$23 Million
McKinsey	\$30 Million
Internal Audit	\$88 Million

Why the need...

Accenture	\$23 Million
McKinsey	\$30 Million
Internal Audit	\$0 Million

Internal Audit Definition

- “Internal auditing is an independent, objective assurance and consulting activity designed to **add value** and **improve** an organization’s operations.
- It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

Traditional vs. Appreciative

- Traditional audits are often an exposé of everything that's wrong with a company.
- They can be viewed by those responsible for business processes as a “necessary evil” and a disruption to work.
- The “Appreciative Internal Audit”, adds value by approaching process-based audits in a different way.

It's How You Ask the Question

- Unlike typical audit questions, Appreciative Audit questions were crafted to fundamentally change the audit experience.
- Appreciative Audit questions are open-ended but composed.

Appreciative audit questions

It's How You Ask

- Appreciative auditing by no means implies that non-conformities are being ignored and that problems ought not to be defined. Instead, they are investigated in an appreciative manner For example: 'This ISO-condition has not been met. What would be the risks of this, and how could they be dealt with?'
- A non-conformity is also considered as a finding and subsequently placed in the perspective of points for improvement and opportunities.

Have to Appreciate Your Staff Too



The worst person to
be around is someone
who **complains** about
everything and
appreciates nothing



You Can Do It
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