



# **Internrevisjon i krevende situasjoner Auditing tough waters – Maintaining integrity**

**by Annette Olofsson,  
CAE of the Swedish Transport Agency**

# The Swedish Transport Agency



Government agency formed 2009.

Goals: efficient, accessible and sustainable transport systems; rail, air, sea, road.

## Tasks:

- formulate regulations
- examine/grant permits
- conduct supervision
- keep registries of operators and means of transport, including 11 million vehicles and 6.5 million driving licences.



The scandal

IT-SKANDALEN I TRANSPORTSTYRELSEN

# Internrevisorn talar ut efter Transport-gate



## Internrevisorn varnade styrelsen om it-skandalen

Publicerad 10 aug 2017 kl 08.27

Rekommendera 37

Tweeta

Dela

Mejla

Transportstyrelsens internrevisor Annette Olofsson såg till att myndighetens styrelseordförande, och senare hela styrelsen, fick



# The scandal

- Registry:
  - Personal data of secret agents, witness protection program, secret identities etc.
  - Military secrets regarding infrastructure
- IT-operations were outsourced without security clearance and enough safeguards to 3rd party in several other countries

# The scandal

”It is like giving away the keys to the kingdom”

”A serious threat to the security of the nation”

”The information has been severely compromised and there is no way to know what damage has been made”

# Government mistrust declaration



# Government ministers are dismissed



...along with the leaders of Transport Agency

- The entire board
- The head of the organization

and later:

- The Prime Minister's secretary



The dismissed CEO in Constitution Committee:  
"I did not understand how serious it was"



# Serious criticism of the Government by the Constitution Committee



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Internal auditor in the spotlight



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# What happened?

2009: The agency is formed

2012: Annette starts as CAE. Identifies risks of short-term thinking and communication challenges within agency, lack of compliance regarding complex projects and information security risks. Risks and recommendations from internal audit 2012-2014 are left with insufficient action.

# What happened?

March:  
new CEO

2015

2016

2017

2018

March:  
CEO signs contract  
outsourcing IT-  
operations



# What happened?

March:  
new CEO

May-June:  
CEO decisions to  
bypass laws

2015

2016

2017

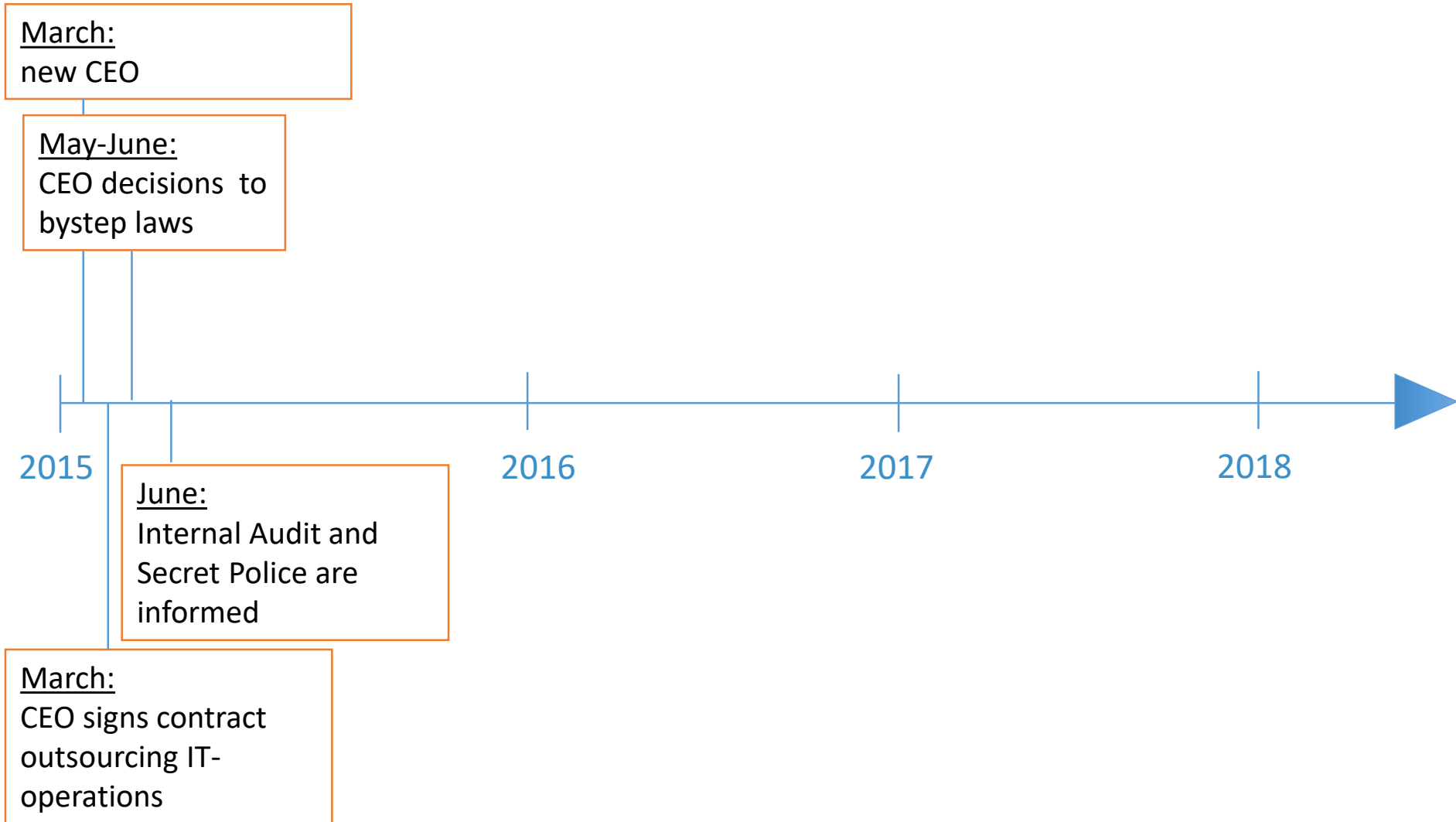
2018

March:  
CEO signs contract  
outsourcing IT-  
operations



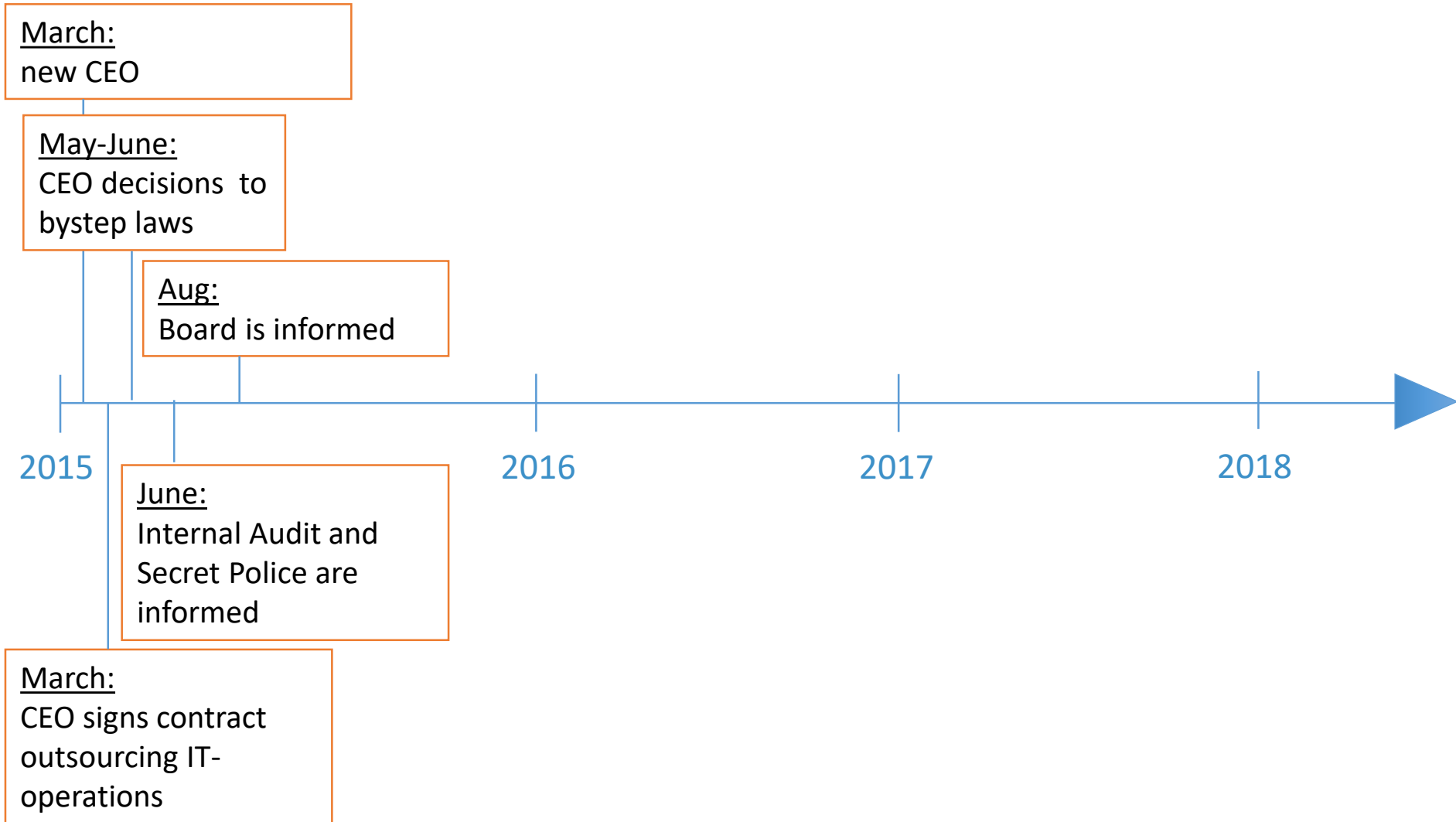


# What happened?





# What happened?



# Internal Audit reports to the audit committee and board

Upprättad av  
Annette Olofsson  
Internrevision

## Minnesanteckningar från möte

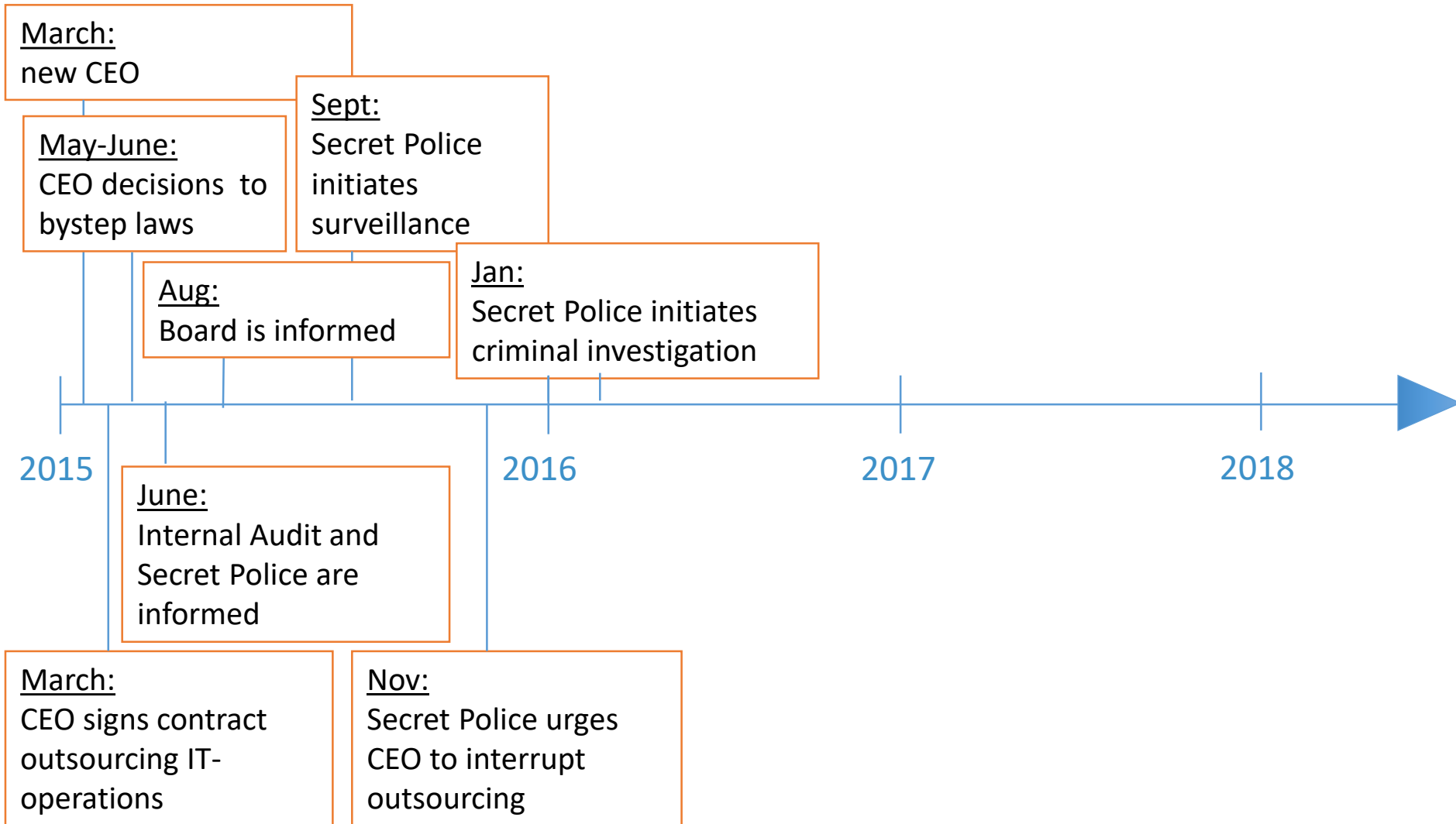
**Deltagare:** Rolf Annerberg, Ann-Katrin Berglund, Annette Olofsson.

**Tid:** 2015-09-08 kl. 8.15- 9.45

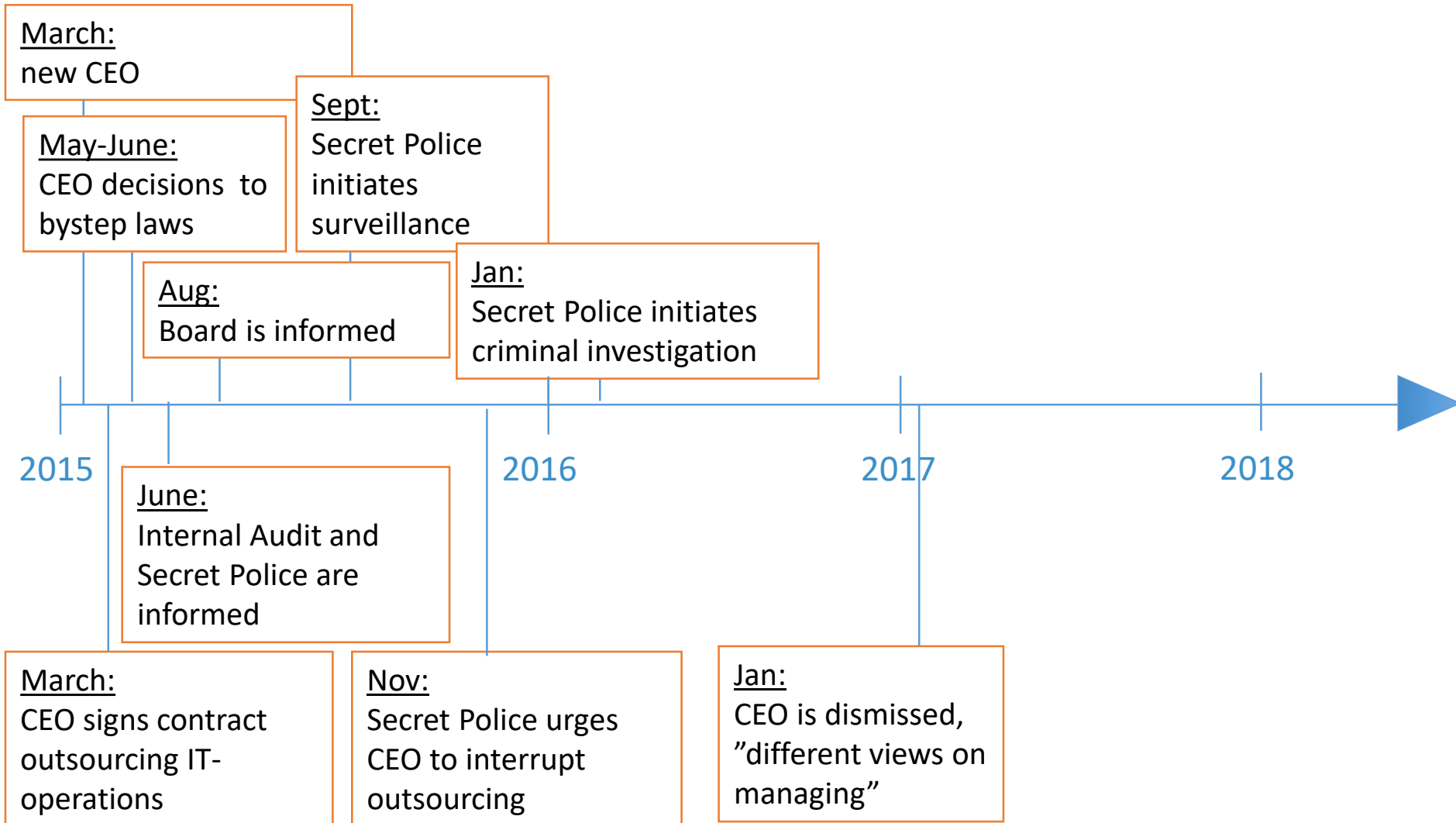
**Plats:** Målargatan 7, Stockholm

Annette frågade om Rolf och Ann-Katrin, som företrädare för styrelsen, kunde intyga om styrelsen informerats om att myndigheten gjort **avsteg från lagar:** PUL, OSL och säkerhetsskyddslagen, i maj-juni, och ev. senare. Ann-Katrin och Rolf svarade att styrelsen blivit väl informerad av GD i inledningen av styrelsemötet i augusti.

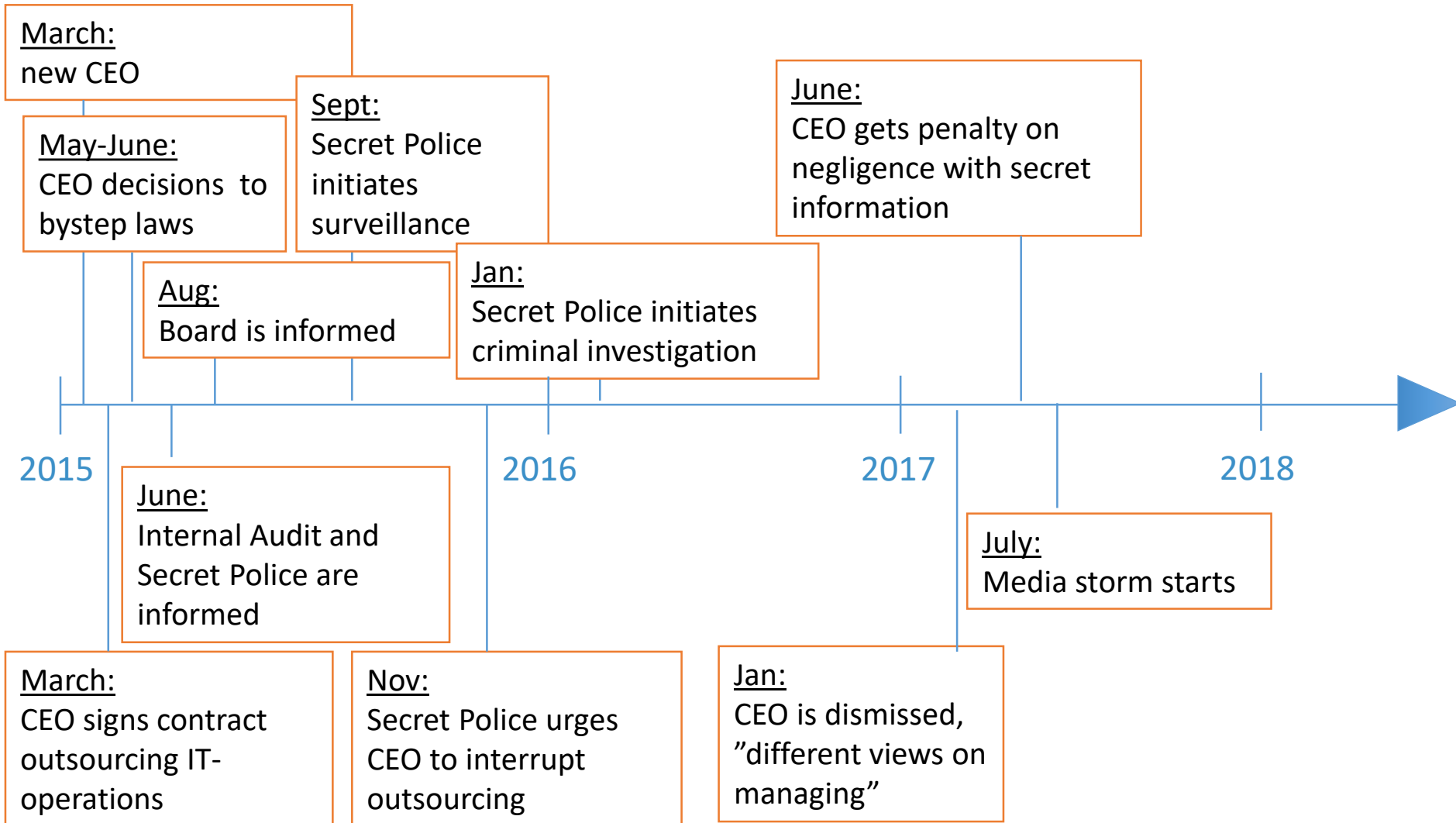
# What happened?



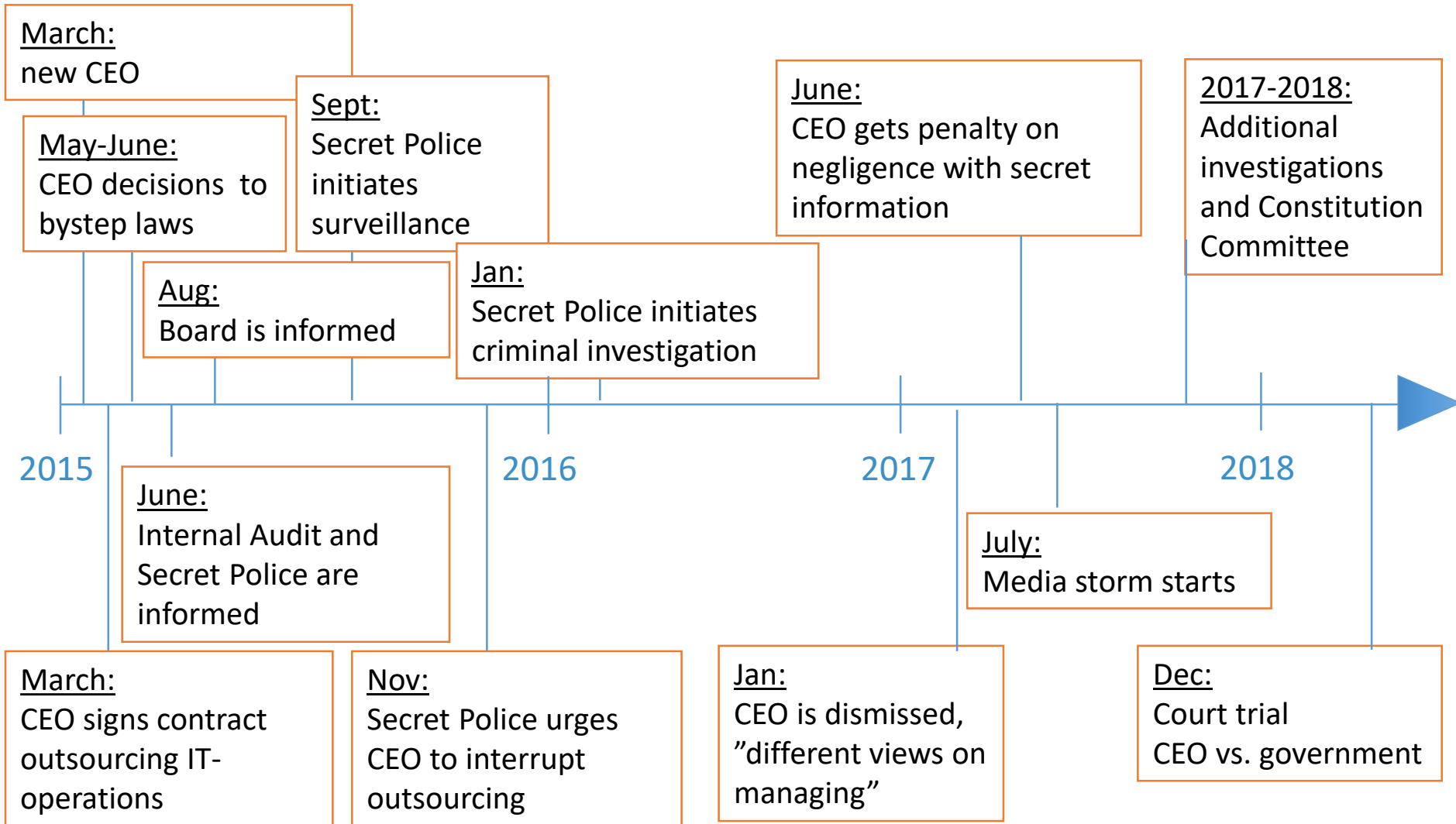
# What happened?



# What happened?



# What happened?



# Awards to CAE for integrity



...and common appreciation

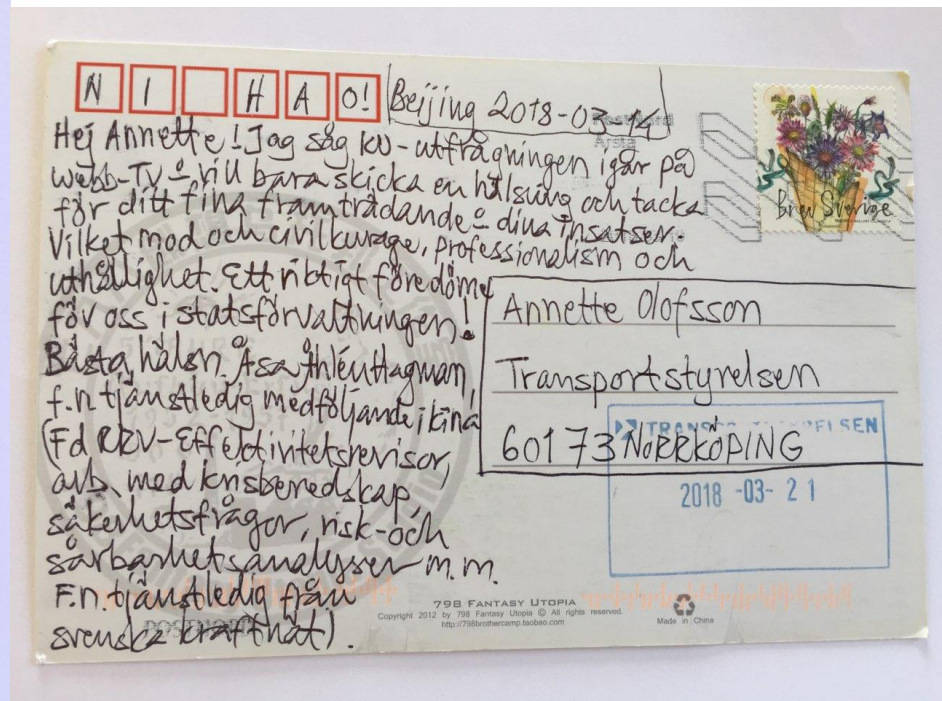


不想當公務員的熊貓不是中國熊貓!

—拿破侖.大熊貓

He who doesn't want to be a civil servant isn't a real chinese panda

— Panda.Napoleon





# Lessons learned (1)

Solid risk analysis and audits – not *“Where was Internal Audit?”*

- Solid risk analysis is the most important shield to the question we must avoid, or at least have an answer to: Where was internal audit? Are you where you are supposed to be, and could you answer that question if you find yourself in the centre of the next scandal?

# Lessons learned (2)

## Documentation routines:

- When you find yourself in a media storm, the time for preparing has passed. Make preparing a part of your daily routine, and make sure to never skip on documentation. It may be the only thing that separates you from looking like part of the problem to a proven part of the solution.
- If you are steady in your risk analysis, documentation and communication, do not fear the media. Getting severe problems out in the open might lead to important changes if you stand your ground.

# Lessons learned (3)

## GRC communication:

- When the leaders of the organization refuse to listen, it is even more important for the GRC professionals to lean on each other. Leverage the power you have with your colleagues in the second line, it will make you all stronger against internal politics.

# Lessons learned (4)

## Progress Through Sharing

- Seek guidance and discuss with IIA, a mentor, colleagues, coach etc. through tough and trying times. Consider the possible consequences of each step you take – or don't take – now and later.

# Advocacy

Internal Audit's role as a vital part of organisations has been highlighted and appreciated

# Aftermath and what now?

- Generally enhanced awareness in boards and by CEOs
- Changes in legislations
- Expanded authority of the Secret Police
- Ongoing government analysis:
  - obligatory training and enforced accountability regarding gov. officials
- IIA Sweden: enhanced awareness regarding politics of internal auditing





**Tack för visat intresse!**