

1. LEARNING OBJECTIVES & INTRODUCTIONS

At the conclusion of the seminar, you will be able to

- Communicate audit observations effectively
- Sell audit observation to management

Seminar Agenda

1. Introductions & learning objectives
2. 5 Elements of audit observations refresher
3. Determining your message
4. Generating alternatives to resolve deficiencies
5. Selecting corrective actions
6. Communicating recommendations and action plans
7. Selling observations
8. Wrap-up & learning review

Understanding Your Current Communications/Audit Reports

<u>3 Things I Like About the Current Process</u>	<u>3 Improvements/Opportunities I See</u>
<u>1</u>	<u>1</u>
<u>2</u>	<u>2</u>
<u>3</u>	<u>3</u>

2. 5 ELEMENTS OF AUDIT OBSERVATIONS

I must know all the facts of the observation

I must ensure the observation is accurate and factual



I can use these 5 elements to better understand the observation

Condition:

Criteria:

Cause:

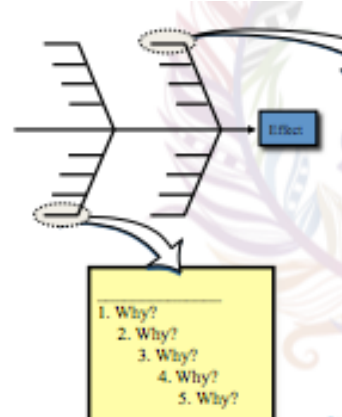
Concern:

Corrective Action (what is your role for management action plans?):



5 Whys

- Why is it the case – 5 times!
- Keep going until your answer is:
 - I don't know
 - I don't care
- Don't allow an early plausible answer keep you from continuing to ask "why?"
- Reconcile your logic
- Try to use multiple why paths (don't just stop at one)



3. DETERMINING THE MESSAGE

What Is My Message?

Begin each writing by determining your primary message

Write down your message (topics sentence)

Everything you write must support your message (supporting sentences)

Planning Your Written Communication: Content and Detail

- Emphasize the important and de-emphasize the unimportant
- Decide on using facts and figures, examples, descriptions, narration & references
- Consider use of visuals to help clarify, simplify, emphasize, summarize, reinforce, impress, or unify thoughts

Audience Analysis: Ask these questions for each report

Who reads the report?

What does each reader want to know?

What is each reader's level of understanding of the business process and audit process?

How might the readers use the report?

When and how will they access the report?

Does the reader have bias?

My readers need **a)** high-level info on risk and root cause **b)** detailed info **c)** extremely detailed info down to who did what and how often. Make sure you are thinking about your audience needs and not your internal audit desires!



My 3 Nuggets for 5 Elements and Message

1

2

3

4. GENERATING ALTERNATIVES

Our end goal is to correct problems. Here are some tips.

- Get owner to identify the problem
- Have owner determine the best course of action
- Assess action plans for adequacy
- Help set deadlines (short-term and long-term)

Corrective Actions must resolve the condition and the cause.

Use Critical Thinking...

Consider

Is it a pervasive issue

Is it a repeat issue?



5. SELECTING CORRECTIVE ACTIONS

Who is in the best position to select corrective actions?

Why?

6. COMMUNICATING RECOMMENDATIONS AND ACTION PLANS

Clarity

In addition to defining or eliminating jargon and watching your word choices and endings, clarity is built through

Repetition of key terms

Parallel structure

Transitions



Readability & Visual Appeal

- Use simple words
- Reduce the length of sentences
- Reduce the number of sentences per paragraph
- Use more white space
- Use bullets
- Consider boxes and shading instead of underlining and *italics*
- Kill jargon or technical language
 - Recognize you are using jargon
 - Explain it
 - Define it
 - Delete it

Tone

Tone must be balanced, objective, and non-judgmental.

Be alert to connotation versus denotation.

- *Positive benefits*

- Money-saving
- Performance
- Time-saving
- Results
- Preferred
- Benefit
- Easy
- Proven
- Recommended
- Powerful

- *Negative consequences*

- Inefficient
- Failure
- Neglect
- Careless
- Deny
- Unacceptable
- Wasteful
- Useless
- Wrong
- Impossible



Word selection

Terminate	Stop, end
Optimum	Best
Institute	Begin
Initiate	Start
Initial	First
Purchase	Buy
Facilitate	Ease, simplify
Demonstrate	Show
Subsequent	Next
Expedite	Hasten, speed
Prior to	Before
Accordingly, consequently	So
Furthermore	Then, also
Nevertheless	But, however
Adhere	Stick, follow
Likewise	And, also
Conducted, effected	Made
Utilize	Use
Informed, indicated	Told
Implemented	Carried out
Reflect	Show
Numerous, innumerable	Many
Comprehensive	
Excessive	
Clearly	
Adequately	
Protocol	Standard
Policies	Guidance
Procedures	Manuals

Concise writing [Prune!]

Say only what needs to be said in the fewest words possible!

Convey the idea(s) fully in the fewest words possible

Promote nouns into verbs

Active voice is usually more concise

Count your words and try to save 15% with each draft

- Remove passage that do not support your message
- Remove weak quotes, anecdotes, and scenes
- Eliminate prepositional phrases that repeat the obvious
- Eliminate redundant or unnecessary words



Watch out for redundant phrases. Here are some examples of redundant phrases I am guilty of using:

Watch out for cluttering phrases. Here are some examples of cluttering phrases I use:

My 3 Nuggets for Communicating

1

2

3

7. SELLING OBSERVATIONS

Essential Elements to Sell Observations

Credibility

Trust

Empathy



Two Factors that affect my ability to sell a message:

1. Tone: Say it so people can hear it!

Connotation

Word Choices

2. Making it meaningful



Notes

My Top 10 Take-Aways

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4

5

6

7

8

9

10

