Learning Objectives

You will learn:
• how to write with readers in mind.
• reader expectations for report structure.
• why clear messages matter more than pretty reports.

Topics
• Reader Needs & Expectations
• 7 Deadly Audit Report Mistakes
• The Audit Observation
• Clarity & Conciseness
2420: Quality of Communications

Communications must be:
- Accurate
- Objective
- Clear
- Concise
- Constructive
- Complete
- Timely

Mistake #1

Writing with Internal Audit in mind

Correction

Write with the readers in mind.

Mistake #2

Assuming they will read the entire report

Correction

Make your reports easy to navigate.
Mistake #3
Providing lengthy background information

Correction
Only provide information that adds context.

Mistake #4
Skimming the surface

Correction
Identify the root cause.

Mistake #5
Writing overly detailed, uninspiring reports

Correction
Write concise, compelling findings.
Mistake #6  
Using insider language

Correction  
*Use everyday business language.*

Report Messaging  
Readers want wording that is:
- concrete
- impactful
- actionable
- clear

Generic vs. Precise Messaging  
**Generic**
- Inadequately managing the system implementation could increase financial risk.

**Precise**
- For each day we miss the system implementation deadline, we owe the client $10,000 in contract penalties.
Mistake #7
Thinking that pretty reports wow

Correction
Focus on clear messaging.

Report Structure
Readers want:
— Consistency
— Commensurate detail
— The main point first
— Layered messaging

Sally Cutler, Clarity, Impact, Speed: Delivering Audit Reports that Matter
IIA Research Foundation

Observation Components
• Condition
• Criteria
• Cause
• Effect
• Recommendation
**Condition**
- The world as it is
- Is opposite the criteria
- Infers risk
- Quantify where possible
- Focus is yesterday & today
- May include background info

**Criteria**
- The world as it should be
- Is opposite the condition
- Has an authoritative tone

**Cause**
- The difference between condition & criteria
- Includes root & peripheral causes
Effect
• Answers “so what?”
• Frequency
• Size
• Likelihood
• Focus is today and tomorrow

Recommendation
• Must address the cause
• Should be practical & achievable
• Should not simply repeat the condition or criteria

Impacting Clarity
• topic sentences
• simple words
• parallelism
• jargon
• transitional words
• active/passive voice
Voice

Active
The boy kicked the dog.

Passive
The dog was kicked by the boy.

Example

Instead of:
Bonds will be withheld in cases of non-compliance with all permits and conditions.

Try:
To obtain your bond, please comply with all permit terms and conditions.

Example

Instead of:
The topics that are considered most important by conference attendees are those that have been shown to be useful to them at work.

Try:
Conference attendees value topics that help them at work.
<table>
<thead>
<tr>
<th><strong>Impacting Conciseness</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sentence length</td>
</tr>
<tr>
<td>• Excessive prepositional phrases</td>
</tr>
<tr>
<td>• Wordy phrases</td>
</tr>
<tr>
<td>• Redundant words</td>
</tr>
<tr>
<td>• Hidden verbs</td>
</tr>
</tbody>
</table>

Contact Information & Tools

www.auditreportwriting.com

• 7 Deadly Audit Report Mistakes
• The Actionable Audit Report

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EXERCISE: ANALYZING THE AUDIT OBSERVATION

Time Allocated: 15 minutes

1. On the following page, read the audit observation for Fleet Preventive Maintenance.

2. Analyze the observation sentence by sentence. *Then label each sentence as either condition, criteria, cause, effect, or recommendation.* Below is a recap of the five components.

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**Recommendation**
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FLEET PREVENTIVE MAINTENANCE (PM)

Audit Observation

CONDITION: Past due PMs are defined as more than 15 days late or more than 15% of the mileage interval recommended for PM cycles. Last year, 4% of PMs were past due and 16% of PMs are past due for the first 6 months of this year. They showed 177 vehicles had missed their scheduled PMs the previous month. Some had missed for more than one year.

CRITERIA: The primary objective of a fleet maintenance program is to establish PM practices that are consistent and compliant with schedules specified by vehicle manufacturers. This helps to ensure vehicle safety and aids in extending the useful life of vehicles. The goal for the Fleet Division is to perform 90% of all PMs on time.

CAUSE: Users do not bring in vehicles for PM when they are due. This may be because operators prioritize the use of vehicles over their timely maintenance. Additionally, there appears to be a perception that maintenance may not be completed timely. However, failure to provide vehicles for timely PMs can result in more extensive and costly repairs that take more time to complete.

EFFECT: If PMs are performed in a manner that is noncompliant with manufacturer guidelines, the result may be the deterioration of performance and safety of vehicles. The useful lifecycle of the equipment may also be shortened. Also, there is a risk for incurring higher repair costs in the long run.

RECOMMENDATION: In order to improve preventive maintenance compliance for vehicles, we recommend that Fleet continue to work with department heads, vehicle coordinators, and vehicle operators to formulate a more effective approach to improve the rate at which operators bring in vehicles for their scheduled PMs. Items that may be considered include modifying work hours so that PMs can be performed when vehicles are not needed by the departments, elevating past due reporting to the Administration level, and the possibility of utilizing additional tools to ease scheduling.

Note: This observation comes from an actual municipal report.