


**Transforming the
Audit Report**

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Objectives

To discuss:

- *The 7 Deadly Audit Report Mistakes* and transformative changes you can make today
- reader expectations for report structure
- messaging for high-level readers
- the audit observation
- practical ways to improve your writing

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*What's difficult about the
report-writing process?*

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7 Deadly Audit Report Mistakes

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Mistake #1

Writing with Internal Audit in mind

Correction

Write with the readers in mind.


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Who reads your reports?

What do they want to know?


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Reader Categories

- Experts/Familiar
- Experts/Unfamiliar
- Not Experts/Not Familiar

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High-Level Readers

- Need precise, high-level statements
- Messages must include:
 - actionable root causes
 - effects and their severity
 - assurance that management address causes
 - necessary executive-level actions

The IIA Research Foundation, Sally Cutler, *Clarity, Impact, Speed: Delivering Audit Reports that Matter*, 2011, Pages 17-18

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Avoid Generic Messages

- They lack precision, telling the executives little or nothing.
- They do not raise the message to a high enough level.

Sally Cutler, 2011

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Mistake #2

Assuming they will read the entire report

Correction

Make your reports easy to navigate.

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Report Structure

Readers want:

- The main point first
- Consistency
- Commensurate detail
- Layered messaging

Sally Cutler, 2011

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Mistake #3

Providing lengthy background information

Correction

Only provide information that adds context.


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 **Mistake #4**

Skimming the surface

Correction
Identify the root cause.


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 **Mistake #5**

Writing overly detailed, uninspiring reports

Correction
Write concise, compelling findings. Clarify the risk.


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 **Mistake #6**

Using insider language

Correction
Use everyday business language.

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Mistake #7

Thinking that pretty reports wow

Correction

Focus on clear messaging.

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Messaging

Readers want wording that is:

- impactful
- actionable
- clear
- precise

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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.

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Observation Components

- Condition
- Criteria
- Cause
- Effect
- Recommendation

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Condition

- The world as it is
- Is opposite the criteria
- Infers risk
- Quantify where possible
- Focus is yesterday & today
- May include background info


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Criteria


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

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**Cause**


- The difference between condition & criteria
- Includes root & peripheral causes
- Why? But why? But why?

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**Effect**


- Answers “so what?”
- Frequency
- Size
- Likelihood
- Focus is today and tomorrow

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**Recommendation**

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


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Impacting Clarity

- topic sentences
- simple words
- parallelism
- jargon
- transitional words
- active/passive voice


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Impacting Conciseness

- Sentence length
- Excessive prepositional phrases
- Wordy phrases
- Redundant words
- Hidden verbs

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Two-Day Workshop: *Mastering Report-Writing Essentials*

- Customized – includes your department’s reports, templates, and guidelines
- Writing exercises based on current audits & previous reports
- Expert feedback & coaching

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Contact Information & Tools

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www.auditreportwriting.com

- 7 Deadly Audit Report Mistakes Brochure
- Videos featured on *Audit Channel*
