



Communication & Report Writing

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Definition of a report

A report is:

A document containing information organized in a narrative, graphic, or tabular form, prepared on ad hoc, periodic, recurring, regular, or as required basis. Reports may refer to specific periods, events, occurrences, or subjects, and may be communicated or presented in oral or written form. (<http://www.businessdictionary.com/definition/report.html>)

The Oxford dictionary defines report (Verb) as" a spoken or written account of something that one has observed, heard, done, or investigated. It also defines report (noun) as: an account given of a particular matter, especially in the form of an official document, after thorough investigation or consideration by an appointed person or body.



Excerpts from the movie 3 Idiots – How not to report

- ▶ Books: Instruments that record, analyze, summarize, organize, debate, and explain information which are illustrative, non-illustrative, hardbound, paperback, jacketed, non-jacketed, with forward, introduction, table of contents, index, that are intended for enlightenment, understanding, enrichment, enhancement, and education of the human brain through sensory root of vision.. Sometimes touch
- ▶ Machines are any combination of bodies so connected that their relative motions are constrained, and by means of which force and motion may be transmitted and modified, as a screw in its nut, or a lever arranged to turn about a fulcrum or a pulley about its pivot etc. especially, a construction more or less complex, consisting of a combination of moving parts or simple mechanical elements, as wheels, levers, cams, etc.



Reporting that counts



- ▶ A well written report can get stakeholders' attention while raising awareness of internal auditors work
- ▶ Audit reports should get to the point quickly, rather than forcing readers to wade through a mass of overwritten text
- ▶ Winston Churchill once said, "This report by its very length, defends itself against the risk of being read"
- ▶ Many internal auditors consider report writing as a daunting task as it involves meeting deadlines, piecing work together and maintaining readability
- ▶ Larry Sawyer once observed that "the most brilliant of analysis and the most productive of audit findings seem to be forgotten during the trauma of report writing"
- ▶ An internal auditors job is not just to "throw rocks" but to help find solutions



Report - an artifact

Sally Cutler, the President of Word-Wrights Incorporated, calls an audit report an “artifact”. This is because:

- ▶ The readers can examine the same information at the same or different times, and
- ▶ In the same or different locations
- ▶ In addition, they can examine the information as many times as they wish
- ▶ Finally, the artifact remains available after the immediate need is satisfied



Good writing

In the words of Patricia T. O'Connor, good writing is:

- ▶ Writing that works
- ▶ It makes sense
- ▶ It's both comfy and elegant
- ▶ It says just enough and no more
- ▶ It has manner, not mannerism
- ▶ It has all the right words - and not too many of them – in all the right places


A number of times, effectiveness of the findings is lost because the internal auditors are lost while creating the report. Reasons?

- ▶ They don't know where to begin, and
- ▶ They get hung up on following the sacred rules of writing




Selling the solution

- ▶ All internal auditors know how to think about business problems and how to work effectively to come up with practical solutions to them
- ▶ However, the best solution is worth nothing if your clients don't buy into it
- ▶ To get your clients to buy into your solution, you have to sell it to them
- ▶ For your report to succeed, it must take the audience down the path of your logic in clear, easy to follow steps
- ▶ A report reflects the thinking of the person or team that put it together. If your report is sloppy and muddled, your audience will assume that your thinking is also sloppy and muddled
- ▶ For this, your thought process needs to be structured and logical



Communicating issues to the management

- ▶ Understand the culture of the organization
- ▶ Understand the management's perspective on the issue including the level of risk to the organization and management's commitment to control improvement
- ▶ Put the observations into context – it should clearly communicate the issue, the potential consequences, and actions management will take
- ▶ When necessary, call a “spade a spade” – report needs to clearly inform the stakeholders of both the good and the bad
- ▶ Be flexible in presenting the issue
- ▶ Patiently review the issues with the management – actions are more important than words
- ▶ Be prepared to support the facts when challenged
- ▶ Understand the management's perspective




Rules for achieving greater reporting effectiveness

- ▶ Treat clients with respect – ensure that the clients are well prepared for the audit report. Discuss items that might represent control concerns of efficiency issues directly with those responsible for the areas involved
- ▶ Give clients the benefit of doubt – Auditors need to maintain humility, recognize their own fallibility and give clients the benefit of doubt
- ▶ Pick your battles carefully – Effective auditors know when to persist with their findings and when to back away
- ▶ Accentuate the positive – Regardless of the assignment, auditors must always be able to communicate results and recommendations without using negative or accusatory language
- ▶ Be informative – To ensure clients read and clearly understand report content, auditors must pay close attention to the documents substantive content and structure



Report considerations (IIA Standard 2410)

- ▶ Structure – the logical pattern or the bare-bones of the report. Page layout, fonts, color, graphics etc.
- ▶ Purpose – why the audit was conducted, aim of the audit
- ▶ Scope – what the audit covered, inclusions and, exclusions
- ▶ Opinion – An opinion (conclusion) is not mandatory, and it is more than a summary of audit results
- ▶ Observations – these form the body of the report. They describe the conditions, incorporate the criteria, and describe the causes of the conditions and their effects
- ▶ Rating of observations – rating may be done based on the residual risk presented by the conditions and the causes
- ▶ Recommendations – these tell us what the auditors think needs to be done
- ▶ Action Plans – these tell us what the auditee plans to do




Components of audit report as per the IPPF (International Professional Practices Framework)

- ▶ The **criteria** – these tell the readers the standards against which the conditions were tested. Criteria may be internal or external to the organization
- ▶ The **condition** - It tells the readers what you have found. These are the facts, evidence, and test results and are irrefutable
- ▶ The **cause** helps to explain any deviation from the criteria and account for why these deviations exist. It tells the readers what is creating, underlying, or sustaining the conditions. These are usually the actions that are absent or deficient. You may need to ask the “why” question several times if you aim to identify immediate causes and, ultimately, root causes
- ▶ The **effect** tells the readers the consequences of the causes and the condition – these may be actual or potential
- ▶ The **recommendation** and **action plans** tell the readers what actions are necessary to address the causes, correct the current conditions, prevent future conditions, and prevent or mitigate effects



Report summary

- ▶ Internal auditors must keep their audience in mind when summarizing their reports
- ▶ The summary should contain the auditor's conclusions and opinion and convey the essence of the detailed comments
- ▶ Auditors should keep the summary brief, ensure that the content is accurate, and focus on presenting solutions, not problems
- ▶ Summary should provide an overall picture of the findings and action plans
- ▶ Avoid suffocating the executive summary readers with excessive details, numbers, and data



A fairy tale...

An internal auditor's small son asked his mother, Mummy, why do all fairy tales begin with "Once upon a time"?

'Not all of them do', his mother replied.

The ones your father tells start with "Sorry I am late, dear, I was held up at the office completing an urgent report"

Hope none of us present here has a story like this to tell.



Thank you.

Enjoy writing