

Communication skills for Internal Auditors

Course Outline

Day 1 Effective communication – the goal of all auditors

The importance of effective communication

- Research results from the IIA
- Why communication is inherently difficult
- Why internal auditors need to spend time planning their approach
- The need for regular and consistent communication
- Why communication is successful when the intended recipient takes the desired action.
- How to ensure success
- The need for many and varied communication channels
- The key aspects
 - Encoding – giving the ideas and facts as a message
 - Decoding - evaluating the message
 - Perception - Why the message received may not be the one intended
 - Filtering – picking out the key issues
 - Feedback – to achieve mutual understanding

Exercise 1 Chinese whispers

The benefits of good communication

- Any improvement in communication will improve the overall effectiveness of internal audit
- Stakeholders will better understand the role and responsibilities of internal audit.
- Audit managers and lead auditors will be able to manage engagements better
- Productivity and effectiveness should improve
- Auditors will reduce errors and problems in communications and therefore increase credibility
- The profile and value of the function will be enhanced

Exercise 2 The bamboo pole

The need to engage senior management

- Senior management are extremely busy
- Risks and controls may not be top of their agenda.
- The tone at the top will influence everyone else
- The need to demonstrate the positive benefits of managing risk and having effective controls
- Present the benefits of better risk management in ways which management can identify.
- Hold a meeting with the CEO and influential members of the Board (with a clear but short agenda).
- Use the opportunity to argue for the importance of tone from the top.
- Point out the key risks facing the organization, and show how a well-designed control structure can help
- Don't expect everything to be achieved with just one meeting.
- Be prepared to keep going back with the same messages until they are not only accepted, but also acted on.

Exercise 3 The senior management meeting (role play)

Characteristics of effective communication

- Why all communications should be :-
 - Accurate providing facts and evidence
 - Objective - fair, impartial, and unbiased
 - Clear - using simple language; avoiding jargon and technical terms
 - Concise - avoiding unnecessary information or too much detail
 - Constructive - useful, positive, and well meaning
 - Complete - including all significant and relevant information
 - Timely
 - Organised and structured
 - Logically sequenced

Exercise 4 The communication dilemma

Interpersonal skills for auditors

- Diplomacy
- Open-mindedness
- Persuasiveness

- **Negotiation ability**
- **Self motivation and self confidence**
- **Decision making ability**
- **Flexibility and ability to co-operate**
- **Time management**
- **Flexibility and ability to co-operate**
- **Self control**
- **Practicality**
- **Results focus**

Exercise 5 The jigsaw game

Influencing

- **Influencing styles**
 - **Directive**
 - **Persuasive reasoning**
 - **Collaborative**
 - **Visionary**
- **Responses to influencing**
 - **The customer agrees with your views and commits to promoting it**
 - **The customer agrees but only because they value the relationship**
 - **The customer agrees verbally but has no real buy-in**
 - **The customer opposes your views**
- **Dealing with the responses**

Exercise 6 Influencing exercise

Time management

- **The barriers to effective time management for auditors**
 - **Not receiving information in a timely manner**
 - **Managers not available to meet you**
 - **Trying to cover too much**
 - **Being side tracked by issues identified during the audit**
 - **Unrealistic fieldwork schedule**
 - **Staff lacking experience**
- **Dealing with the issues – tips and advice**

Exercise 7 Time management exercise

Day 2 The auditor is someone who listens and convinces

Listening – the most important audit skill?

- **Why listening does not just involve the ears**
- **The 6 elements of listening (The Hurier model)**
 - **Hearing**
 - **Understanding**
 - **Remembering**
 - **Interpreting**
 - **Evaluating**
 - **Responding**
- **Types of listening**

Exercise 8 Listening exercise

Negotiation

- **Why negotiation is much more than persuasion**
- **The need to reach agreement**
- **Negotiating during each audit phase**
 - **Planning**
 - **Fieldwork**
 - **Reporting**
 - **Follow up**
- **Trying to achieve a win-win situation**
- **The problems with win-lose situations**
- **Negotiation strategies**
 - **Dividing the ‘pie’**
 - **Making ‘the pie’ bigger**
- **Determining the objectives**
 - **What are the boundaries?**
 - **How long do you have?**
 - **How will you open and close the negotiation?**
 - **What might the other party ask?**
 - **What information do you need?**

Exercise 9 Practical negotiation

Working with stakeholders

- **The benefits of face to face meetings**
- **How to ensure stakeholders want to meet with you**
- **Internal and external stakeholders**
- **Developing an induction programme for new audit committee members, senior managers and external stakeholders.**
- **Put together an intranet site that contains useful and relevant information for stakeholders**

- Prepare and issue an internal audit newsletter or brochure containing information about the service.
- Prepare short guides relating to the internal audit process, internal audit involvement in projects etc
- Schedule periodic meetings with key stakeholders, even when there is no direct engagement activity in their area

Exercise 10 Stakeholder meetings

Coaching and mentoring

- The role of coaching and mentoring to develop internal auditors
- What is coaching?
- Development based on conversations between the coach and learner over a period of time
- Group coaching
- Difference between coaching and training
- One to one coaching for internal auditors
- Team coaching

Exercise 11 Coaching and mentoring exercise

Presentations to management

- Determining the audience and preparing an appropriate approach
- The need for impact
- Deciding the form of presentation
- Use of visual aids
- How many notes should you use
- Use of humour – is this a good idea?
- Education or decision seeking – the different techniques

Delivering a presentation

- How to combat nerves
- Keeping in control
- How to deal with questions
- Keeping the flow
- The need not to over prepare
- Use of simple language
- How to keep the audience's interest
- Use of props
- Anticipating the questions
- Considering what the audience will expect
- Assessing the results
- Getting feedback

Exercise 13 Delegates prepare and deliver a 3 minute presentation on a current business issue

- Evaluation and feedback from the group
- Learning points discussed
- Development of personal action plans

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