

Effectively *Communicating* Audit Results—



A Formula for Success

By: Carol S. Lessans, CGFM, and Thomas D. Roslewicz, CGFM, CPA

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After spending months performing painstaking field work, the audit team has finally filled in the last piece of an exceptional audit finding—one that will likely have a significant impact on the organization being audited. At the U.S. Department of Health and Human Services, Office of Inspector General (HHS/OIG), we recognize that maximum impact can be achieved only if the results of the audit are communicated effectively to our auditees and other interested readers of our reports. Thus, to ensure this goal is achieved, we have developed a "Formula for Success" that can be methodically applied by both audit report writers and reviewers alike. This article describes the five elements that HHS/OIG auditors strive for in their quest to best communicate their audit results, and discusses the role of the reviewer in ensuring that the audit team has drafted an effective report.

The Elements of an Effective Audit Report

In 1994, prompted by the total quality movement, HHS/OIG began examining its report-writing process by forming a quality action team. Chaired by Joe Green, at the time a regional inspector general,

and with the assistance of Wayne Knoll, Ph.D., a professor of English at Georgetown University and a writing consultant to several federal government auditing organizations, the Quality Action Team on Reports examined the pros and cons of the reports previously issued by our organization in order to identify the key factors of our most effective reports. The team then devised a methodical framework for producing timely and effective audit products.

Specifically, the Quality Action Team on Reports recognized that audit findings were most effectively communicated in reports embracing five key elements:

- solid audit substance;
- sound logic;
- balanced tone;
- visual clarity; and
- good mechanics.

Checklist for Report Writers and Reviewers

- **Solid Substance:** Does the report have all the attributes of a finding?
- **Sound Logic:** Does the report make sense, and is it easily readable?
- **Balanced Tone:** Does the report present a

balanced tone, one that is respectful of the auditee?

- **Visual Clarity:** Does the report's appearance guide the busy reader through the logic of the material?
- **Good Mechanics:** Do the report's words and sentences clearly and effectively communicate the message?

Each of these elements can be viewed as occupying steps on a ladder—to move up, one must take the first step, then the second step and so on. When the audit team concerns itself with one element at a time—in a step-by-step manner—the report writing process becomes methodical and manageable. What follows is a description of the five elements that the audit team needs to focus on to effectively communicate its message.

Element #1: Solid Audit Substance

The first, and thus foundational, element is solid audit substance. In drafting the report, the audit team should ensure that each audit objective is addressed by an audit finding whose

attributes can be readily identified. The attributes of a finding are:

- *Criteria* "What should be?"
- *Condition* "What is?"
- *Cause* "Why the condition happened?"
- *Effect* "What is the difference between the what is and the what should be?"
- *Recommendation* "What actions are needed to correct the cause?"

As part of the audit process used by the HHS/OIG, the audit team develops the attributes of a finding throughout the audit. As a result, the content of the audit report should be substantially developed during the course of the audit field work. The HHS/OIG "Formula for Success" provides further assistance in draft-ing, fine-tuning and reviewing the substance of the audit report. For example, the audit team is encouraged to actually use the attribute names to label the draft report text. This technique reminds the team that they have indeed addressed all necessary areas and avoided redundancy.

Element #2: Sound Logic

Once the team is assured that the report contains solid audit substance, the second concern is that the report makes sense and is immediately readable. The principal way to achieve these goals is to write in a deductive manner.

Unfortunately, the deductive method is not always an easy

proposition for auditors because we perform our field work in an inductive manner (for example, fact plus fact equal conclusion) and tend to write in the same manner. Even worse is the "shovel" approach, which has no semblance of logic, just a listing of details without summary. A report written in "shovel" style is taxing to read and difficult for report reviewers. In contrast, the deductively written report, in which the conclusions are stated first and then supported by facts, is the easiest to read and review. Such a report highlights the main points for the busy reader and presents only the most pertinent details to prove or support the main points. The deductively written report prevents the reader from becoming irritated, confused and, ultimately, a critic of the overall audit. The essence of successful deductive writing is to "promise and deliver." In other words, in each component of the report, the writer must promise up front what information will be delivered later and then follow the same order in presenting the information. The report must track down visually-from executive summary to the findings to the recommendations. A report written in this manner can be read or skimmed by the busiest readers in our audience.

Element #3: Balanced Tone

Once the audit substance and report logic have been hammered out in the report, the third element-balanced tone-should be addressed by the audit team. Like so much in

life, the way we present information is often as important as what we say. This idea is extremely relevant to the audit environment where we are frequently conveying critical information to officials who may be reluctant to accept what they perceive as a negative message. Because it is likely that the auditee has done something noteworthy or positive in the area under review, the HHS/OIG audit team is encouraged to convey such information along with the negative audit findings.

Report tone cannot realistically be perfected at the end of the audit life cycle. In reality, the report's tone begins early in the audit when the team meets with the auditees, and carries on throughout the assignment as the team shares with the auditee its findings, conclusions and recommendations. In the report itself, as early as possible, the team is advised to provide positive observations and findings. A resourceful audit team can, for example, use the background section to give the auditee credit where it is due, especially if management requested the audit. In addition, if the audit team uncovered a positive finding, this should be noted, preferably before the negative findings. Giving credit early can help soften the impact on the auditee of a seriously negative finding. The truly accomplished writer is in command of tone throughout the audit and in the report writing process. A skilled writer will strive to use a variety of

writing techniques to achieve an appropriate tone-even taking great care in selecting the captions, verbs, adjectives and adverbs to "balance" the text.

Element #4: Printed Visual Clarity

Now that the team has adequately addressed the report's substance, logic and balance, it can turn to the fourth element-printed visual clarity. For this element, the audit team's concern is that the report's appearance guides the busy reader through the logic of the printed material by providing instant visual understanding. Essentially, the audit team assumes the responsibility of the hard work in the visual area so as to guarantee that the reader will have an easy time understanding the report. To discuss complex material, the audit team can be creative-yes, even auditors!-by imaginatively using the word processor. For example, readers can be visually assisted by:

- Conveying the logic of the report through a table of contents and an executive summary;
- Separating report sections with descriptive subcaptions;
- Listing information using bullets, numbers, letters or dashes;
- Using italics, underlining, bold and capitalization for key words and phrases;
- Incorporating visuals such as tables, charts, flow chart, graphs and photographs to illustrate key points; and

- Reserving "white space" on each page to make the text more appealing to read.

The audit team must always be mindful that lapses in the report's visual appearance could cause the reader to be intimidated, or worse, irritated, thereby turning off our audience. Because visual appearance plays such a pivotal role, the HHS/ OIG audit team is advised to have a separate rewrite phase just to fine-tune the appearance of the printed report. During the rewrite, the team puts itself in the reader's shoes and asks whether the report is an easy read or a distasteful chore.

Element #5: Good Mechanics

The audit team, now confident that it has developed a written product with solid audit substance, sound logic, balanced tone and visual clarity, is prepared to tackle the fifth element of an effective report: good mechanics. For this element, often referred to as line editing, the audit team should be concerned that the report's words and sentences clearly and effectively communicate the message.

This element requires the audit team to pay close attention to the verbal weaknesses of the report, aiming to avoid the problems that often plague government writing.

To create the most effective reports, the HHS/OIG audit team attempts to avoid overuse of certain types of words, including jargon (meaning complex accounting terms), acronyms, legalese, prepositions, and weak

nouns with hidden verbs (such as when determine becomes "make a determination"). We are also warned against other language pitfalls, such as misplaced modifiers, prepositional overuse, non-parallel structure and subject/verb disagreement.

While spelling and grammar can now be checked electronically through software packages, the audit team should not depend fully on the computer as the magic elixir for line editing. Thus, it is incumbent upon all of us who write, review or read reports to recall all of the grammar lessons from our past and also obtain a good writing style manual for easy and frequent reference.

Applying the Five Elements to Further Improve Audit Reports and Build the Audit Team

The audit team has finally drafted its report and delivered it to the report reviewer. What is the reviewer to do now with the report? In many audit organizations, this can become a contentious period, often characterized by negative feedback, personal attacks and frustrating rewrites. Within the HHS/OIG, we see the audit report reviewer, often the audit manager, fulfilling a pivotal role in the report writing process. The reviewer is responsible for accomplishing two critical objectives: ensuring that the report is the best product possible under the constraints of the audit; and

fostering professional development of audit team members.

The reviewer can judge the quality of the report by subscribing to the same five elements that the audit team used to write the report. Specifically, the reviewer should concentrate on one element at a time, in a step-by-step process, starting with the first element-audit substance. The logic for this is that it makes little sense for the reviewer to be concerned about line editing problems if the report does not contain all of the elements of a finding. Following this process, if the reviewer is able to identify the audit substance in the report, then attention can be turned to determining if logic is sound. In applying this process, the reviewer will likely read the report-in a deliberate, methodical manner- at least five times to correspond with each of the report elements.. The report reviewer should also capitalize on the review process as an opportunity to develop the audit team's writing skills. It is recommended that all members of the audit team apply the five report elements and refer to them when discussing the written product. Both the reviewers and writers benefit by sharing a common vocabulary concerning writing. Such a common framework contributes to quality control, reinforces the principles of good writing and provides the writer with a forum for on-going training. The reviewer should also be cognizant of his or her reviewing style, mindful that the most preferred style is one where the

reviewer provides the writer with specific, constructive strategies for improvement.

The framework presented in this paper, based on the five elements of an effective report, depersonalizes the review process, thereby allowing all parties involved to focus objectively on improving the report's quality in the most timely manner.

Conclusions

At HHS/OIG, we have developed a methodical process for effectively communicating the results of our audits to the readers of our reports. This process-our "Formula for Success"-contains five key elements: solid audit substance, sound logic, balanced tone, visual clarity and good mechanics.

Both the audit team that develops the report and the report reviewer are advised to apply these elements in carrying out their respective responsibilities. To ensure that all audit professionals understand and are aware of these elements, HHS/OIG has offered training classes on report writing nationwide and has compiled an accompanying report manual. These activities have been vital to our office's overall efforts to communicate to our staff that auditing and reporting are not separate activities but instead represent a single integrated process.

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