Can Auditors & Clients Be on the Same Side of a Round Table?

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Agenda

- Auditors 101
- Clients 101
- Client Service
- 7 P's of (Internal Audit) Services Marketing
- Relationship Management
- Reporting
- Now Back Around that Round Table

SLIDO

- Go to SLIDO.COM
- Enter Event Code: PDWeek
- Answer questions on the screen

Question

1. What season would you prefer to live in year round? / *Dans quelle saison préféreriez-vous vivre à l'année longue?*

A – Spring / *Printemps*

B – Summer / *Été*

C – Fall / *Automne*

D – Winter / *Hiver*

Question

2. Who are you? / *Qui êtes vous?*

A – Client / *Client*

B – Auditor / *Auditeur*

C – Both / *Les deux*

Question

3. Where do you work? /
Où travaillez-vous?

A – Federal government / *Gouvernement fédéral*

B –Other government/ *Autre gouvernement*

C –Private sector/ *Secteur privé*

D – Non-profit & institutions / *Organismes à but non-lucratif et institutions*

Question

4. Do you believe that… /
Croyez-vous que…

A – Audit is here to help / *L'audit est là pour vous aider*

B –The client is happy that you are here / *Le client est content que vous soyez là*

C –Both of the above / *Les deux options ci-haut*

D – None of the above / *Aucune des options ci-haut*

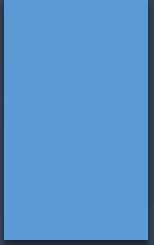Auditors 101

Raison-d'être for Internal Audit

- **Internal audit is truly here to help…**

  - Clients deliver mandate, meet objectives
  - Improve ALL aspects of operations
  - Get things out of the way for clients

Standards and Boundaries

- Independence and objectivity
  - Scope, objective, timing, findings
- Unrestricted access
- Conflict of interest
- Professionalization
- Auditors are clients too!

Clients 101

"People don't care how much you know until they know how much you care."

Theodore Roosevelt

Why Become an Internal Audit Client?

- ▶ Who is the client?
- ▶ You are the president or the deputy head
- ▶ You're very important
- ▶ Do good work but may need to improve
- ▶ Sooo happy with last experience
- ▶ Heard good things

Getting the Most Out of Internal Audit

- Know internal audit
- Auditors are people too!
- Parachute mind
- Work with me!
- The good, the bad and the not-so-pretty

Client Service

Importance of Service

- Products vs services
- Everyone is the marketing department
- Everyone is a human (for now!)
- Act like relationship will continue beyond the audit

Question

5. What is the most important for an audit client?/ *Qu'est-ce qui est le plus important pour un client d'audit?*

A – Timeliness of audit results / *Caractère opportun des résultats*

B – Footprint of the audit / *Empreinte de l'audit*

C – Accuracy of audit results / *Précision des résultats*

D – Balanced audit results / *Résultats équilibrés*

E – Usefulness of the audit / *Utilité de l'audit*

Quality Internal Audit Services

- Professionalism, competence and knowledge
- Timeliness
- Qwahlity, everywhere
- Usefulness and value-added
- Communications throughout
- Credibility

Expectation Management

Happy clients are awesome!

Perception > Reality

**Reality
- Expectation
= Happiness**
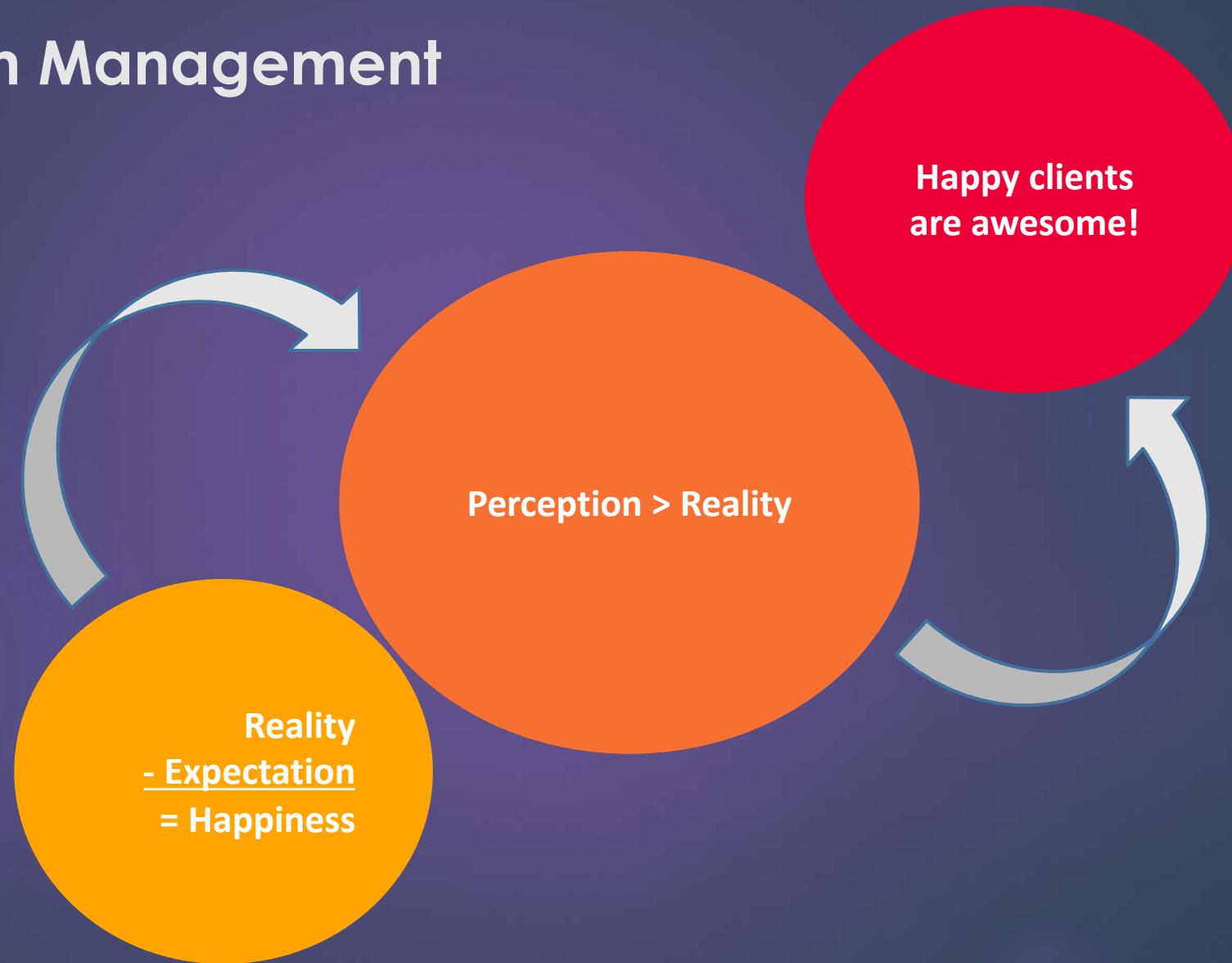
7 P's of (Internal Audit) Services Marketing

The 7 P's

Process

People

Physical evidence

Product

Promotion

Price

Place

Process

- Explained and understood
- Clear and logical
- Audit standards
- Flexible and scalable
- Authority and judgment
- Efficient and effective
- Survives value-added test

People

- Everyone is the marketing department
- Audit team
- Professionalism
- Competence
- Attitude
- Teamwork

Physical Evidence

- Service is intangible
- Tangible clues
- Professional attire
- All communications

Product

- The process is the « product »
- Communications and deliverables
- Perishable
- Quality content
  - Accuracy
  - Completeness
  - Right level
- Positive impact

Promotion

- Demystifying internal audit
- Internal audit brand
- Making audit results visible
- Relationships & reputation
- Outreach

Price

- Federal Accountability Act
- From value-added to Michael Porter's value chain
- What is the price of an audit?

Place

- Convenient
- Conducive
- Sufficient
- For clients
- For the audit team

Relationship Management

Question

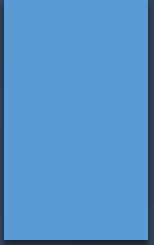**6. What is the role of the audtor / *Quel est le rôle de l'auditeur?***

A - Help you meet your objectives / *Vous aider à rencontrer vos objectifs*

B - Help you do things even better / *Vous aider à faire les choses encore mieux*

C - Acknowledge your successes / *Reconnaître vos succès*

D - All of the above / *Toutes les options ci-haut*

E - None of the above / *Aucune des options ci-haut*

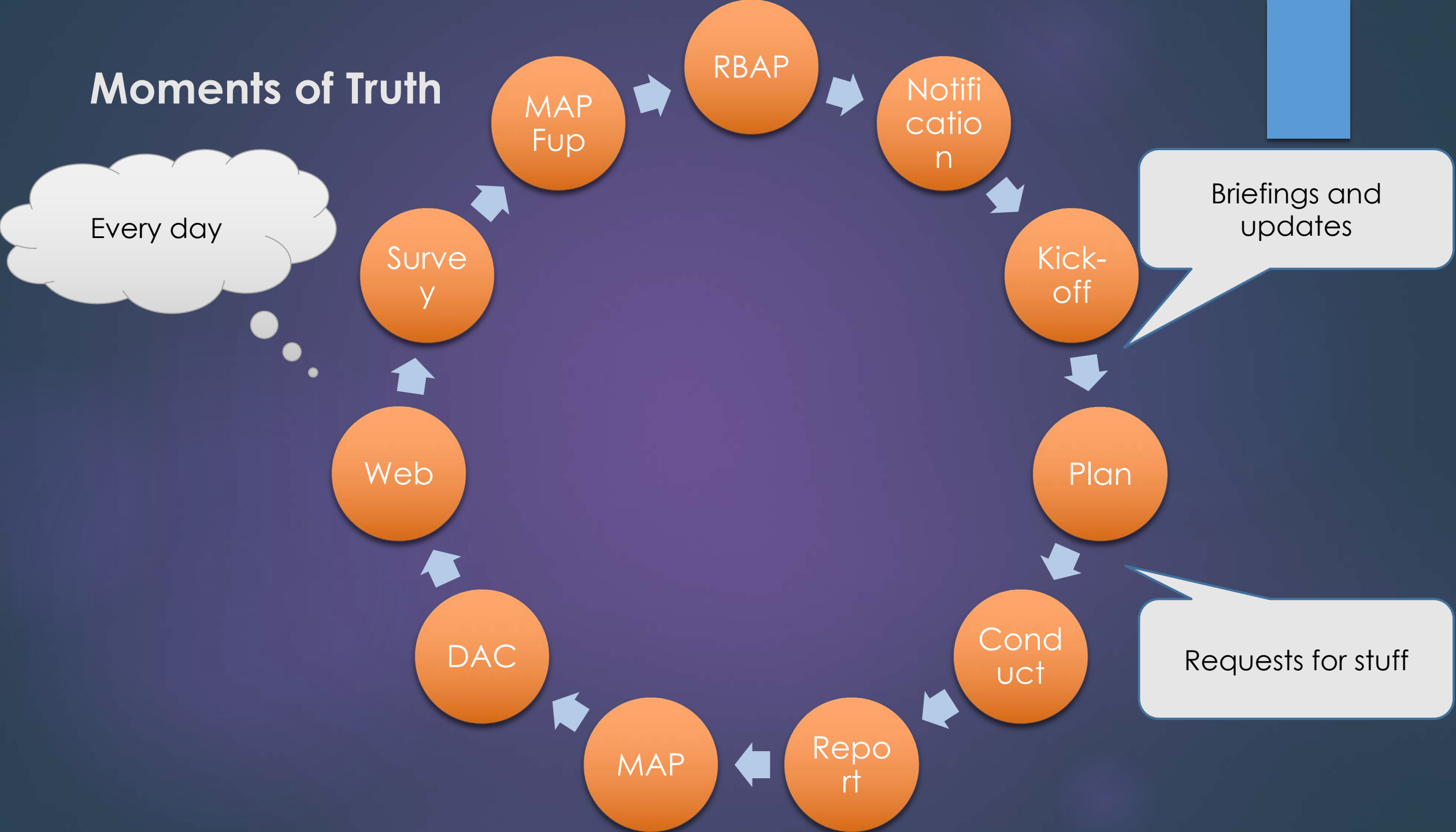" Your most unhappy customers are your greatest source of learning. "

Bill Gates

Ingredients

- Solid foundation
- Respect and empathy
- Homework
- Trust and credibility

Approach

- Be nice, it's a long term thing
- Communicate a lot
- Pick battles
- Problem-solving partnership

Moments of Truth

Independence and Objectivity

- CAE reporting to the Deputy Head
- Audit shops independent, auditors objective
- Conflicts of interest
  - Audit scope, objectives, timing
  - Delay
  - Nuancing yes, diluting no
- Some lines just cannot be crossed

Who Is a Difficult Person?

- There are so many reasons
- Past experience
- The audit
- The job
- The day
- Health
- Something else…
- Handle with care
- Not a threat, but an opportunity!

Working with a Difficult Person

- Let cool
- Hear them out (but draw the line)
- First, understand
- Zenful, high-road professional…
- Care and show it!
- Problem solve
- Communicate
- Follow-up
- Opportunity to SUPER SHINE !!
- Courage in adversity

Reporting

Decks, Briefings, Infographics, Emails, Letters and Reports

- No kitchen sink
- Tone and persuasiveness
- Walk in readers' shoes
- Context, blaming, credit
- Shout-outs and "Likes"!
- Change. Period.

Question

7. What to do when the client is not happy with the draft report? / *Que faire quand le client n'est pas content avec l'ébauche du rapport?*

A – Don't issue to the audit committee until full agreement / *Ne pas émettre au comité d'audit jusqu'à plein accord*

B – Issue the report anyway / *Émettre le rapport quand même*

C – Resolve what is possible before issuing to the audit committee / *Résoudre ce que vous pouvez avant d'émettre le rapport*

Question

8. Best way for client to prepare a management action plan? / *Meilleure façon pour les clients de préparer un plan d'action de gestion?*

A – Prepare and finalize MAP without consulting the auditors / *Préparer et finaliser le PAG sans parler aux auditeurs*

B – Drag your feet so you can resolve the issues raised before the report is issued / *Se traîner les pieds pour résoudre les enjeux avant que le rapport soit émis*

C – Ensure feasibility of recommendations and MAP with auditors / *S'assurer de la faisabilité des recommandations et des PAGs avec les auditeurs*

Question

9. What are your key takeaways from the session? / *Que retenez-vous de cette session?*

Write them in SLIDO and vote / *Écrivez dans SLIDO et votez*

Now, Back Around that Round Table

What Does this All Mean?

- Audit's fundamental purpose is to help clients meet their objectives.

- Round tables only have one side and everyone contributes to delivering the same BIG objective!

- Relationship management is a lot of EFFORT for everyone around the table.

- Expect value-added and balanced results.

Thank you!!

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Also on LinkedIn