

OPENING AND CLOSING CONFERENCE STRATEGIES

DALLAS IIA

CORE AUDIT SKILLS TRACK

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INTRODUCTION

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Independent Consultant in Internal Audit

- 25+ years
- 6 employers
- 4 continents
- 250+ closing meetings

- audited five times in two years

INTRODUCTION

... to provide solution-oriented assurance and advisory services to support stakeholders and executives in the evaluation of business risk, the achievement of operational objectives and the discharge of their stewardship responsibilities to shareholders.

It's all about people.

- Len Mullen, GSX

INTRODUCTION

Textbook

- Auditors use ... memoranda for ... preliminary communication. ... also telephone or visit with auditee management.
- The internal auditor should discuss conclusions and recommendations ... before issuing final reports.
- ... it is essential that auditors establish constructive relationships with other people in the organization.
- The best way to ensure effective communication is to plan encounters and to be aware of the communication process as these exchanges develop.

INTERNAL AUDITING Principles and Techniques
- Ratiff, Wallace, et. al.

INTRODUCTION

■ Professional Standards

- 2200 develop a plan
- 2210 objectives should be established
- 2400 communicate engagement results

➤ There's no guidance on meetings.

OPENING MEETING – OBJECTIVES

- Manage Expectations
- Explain the Audit Process
- Obtain Management Buy-in
- Address Protocol Items
- (Follow-up on) Document Requests

➤ *Auditors audit every day, auditees get audited every three years.*

OPENING MEETING – ATTENDEES

- Process Owner
- All Affected
- Authority Figure
- Sponsor
- ?? Others

OPENING MEETING – AGENDA

- **Audit Objective and Scope**
- **Audit Process**
- **Closing Meeting (discuss and schedule)**
- **Define Communication Lines**
- **Requests for Documentation, Resources, Personnel, etc.**

OPENING MEETING – AGENDA (CONT'D)

■ Auditee Education

- Audit Process
- Internal Controls
- Corporate Policies
- Sarbanes Oxley

■ Issues and Concerns

- About the Audit Process
- Other Items that Audit Can Address

CLOSING MEETING – OBJECTIVES

- **Accomplish Audit Department Mission**
- **Agree on Facts**
- **Agreement on Recommendations**
- **Obtain Management Responses and Action Plan**
- **Obtain Commitment**
- **Facilitate Report Process**
- **No surprises**

CLOSING MEETING – ATTENDEES

- Decision Making Authority
- Process Owner (who are receiving findings)
- Knowledge of Procedures / Systems
- Line Managers
- Procedure Writer
 - Invite the right people.
 - How many is too many ?
- Limit Number
- Organizational Parity

CLOSING MEETING – AGENDA

- **Introduction of Participants**
- **Thank You**
- **Reporting and Follow-up Process**
- **Overall Conclusion**
- **Findings**
- **Open Items / Next Steps**
- **++**

CLOSING MEETING – TIMING

- Evening Before / Last Day AM
- Ample Time for Discussion.
- Time for Follow-up.
- Shorter = Better

➤ ‘So, when’s your plane?’

CLOSING MEETING – CONSIDERATIONS

■ Rehearse Presentation

- Anticipate Responses
- Think from Auditee's Viewpoint

■ Watch What / How You Write

■ Value Added Recommendations

■ Who Talks and Presents

- Exposure for Staff
- Allows for Escalation

CLOSING MEETING – CONSIDERATIONS

■ Food

- Donuts and Coffee in AM
- Over Lunch
- Prep over Dinner

■ Discuss / Forward Findings in Advance

- Get Responses Ahead
- Loyalty to Own Management

CLOSING MEETING – CONSIDERATIONS

■ Seating

- We / They
- Round Table

■ Site

- Theirs / Ours / Neutral
- Away from Distractions

■ Start with Chit-Chat

CLOSING MEETING – CONSIDERATIONS

■ Publish an Agenda

■ Communication Media

- Paper – Findings
- Paper – Report
- Presentation
- Projector
- Web-Ex Conference

■ Auditee Input into Recommendations

CLOSING MEETING – CONSIDERATIONS

- **Judicious Intimidation**
- **Highlight Positive**
- **Dress Code**
 - “When in Rome”
 - Power Clothes
- **Fragrances / Hairstyles**
- **Hygiene**

CLOSING MEETING – CONSIDERATIONS

■ Discuss Risk and Exposure

- Value in Dollars
- Define Population
- Risk and Consequence
- Cost / Benefit

■ Approach as Sales Meeting

■ Negotiation

CLOSING MEETING – CONSIDERATIONS

■ Authority

- Auditee
- Auditor

■ Order of Findings

- Focus on Acceptance
- Never, **EVER** Give in on the First Point
- Throwaways

■ Emotional Arguments

CLOSING MEETING – CONSIDERATIONS

■ Know When the Discussion Ends

■ Language / Wording

- Do Not Embarrass**
- Do Not Editorialize**
- Do Not Generalize**
- No Inflammatory Language**
- Precision in Findings**

■ Auditee Signs Off on Findings

CLOSING MEETING – CONSIDERATIONS

■ Encourage Questions / Dialogue

- Leave No Questions Unasked
- Take Advantage of Meeting

■ ++++

CONTACT INFORMATION

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