7 DEADLY AUDIT REPORT Mistakes

You desire to create positive change in your organization. You spend countless hours planning, conducting, and documenting the audit. You communicate often with the client from the opening conference to the closing meeting. All is well!

Then something happens when you issue the report.

Your client meets your report with pushback, or worse, disinterest. Stakeholders don't receive your report in the way you intended. You ask yourself, "How can this be? I've worked so hard on this report." Frustrated and confused, you feel like the entire exercise was a waste of time.

Thankfully, things don't have to be this way. By avoiding the ***seven deadly audit report mistakes***, you'll significantly improve the chance that clients and stakeholders will read and act upon your findings and recommendations. Furthermore, your stakeholders will have proof — in writing, no less — that you are a valuable and trusted advisor!

MISTAKE #1:

WRITING WITH INTERNAL AUDIT IN MIND

In the report, you might be tempted to include extensive information on the audit objectives and scope, the audit team, and every audit finding. You even might consider highlighting specific testing procedures. Don't do it!

CORRECTION:

WRITE WITH THE READERS IN MIND

Communicate what your readers need and expect to learn. Generally, audit clients and stakeholders expect to read about significant audit findings, actions taken to date, and further actions needed. If you're not sure what they need, just ask them! Then tailor your report to meet those needs.

MISTAKE #2:

ASSUMING THEY WILL READ THE ENTIRE REPORT

In our information-saturated age, attention spans are short. Report reviewers are not going to sit down with a cup of tea to read your report from cover to cover. Most likely, they will skim it, focusing only on what interests them most.

CORRECTION:

MAKE YOUR REPORTS EASY TO NAVIGATE

Don't bury your most sought-after, compelling content in the body of the report! Instead, organize your audit report in a way that helps readers readily find what they are looking for. Place essential information, as well as your key messages, up front. Finally, use clear headings and subheadings to make report navigation easy.

MISTAKE #3:

PROVIDING LENGTHY BACKGROUND INFORMATION

Most readers neither want, nor need, lots of background information.

CORRECTION:

ONLY PROVIDE INFORMATION THAT ADDS CONTEXT

Think about it. Your audit client already knows the department's history. In addition, executives and other higher-level readers only want essential information that provides context. So, give them what they want, while remembering the adage "less is more!"

Be sure to provide key analytics and disclose major changes in the audited entity. If unusual circumstances prompted the audit, or if major items from the last audit are unsettled, say so. Otherwise, keep background information brief.

MISTAKE #4:

SKIMMING THE SURFACE

If you pinpointed the proverbial missing policy as the root cause of your audit finding, you probably did not dig deeply enough.

CORRECTION:

IDENTIFY THE ROOT CAUSE

The auditor's job is to create positive, long-lasting change in the organization. If you don't identify the root cause, the problem will recur. Be sure to ask "Why, but why, but why did that happen?" Then with your client's assistance, develop a report recommendation that addresses both the root cause and solves the problem.

MISTAKE #5:

WRITING OVERLY DETAILED, UNINSPIRING REPORTS

Whether gathering audit evidence or testing controls, you know that the devil is in the details. Those lower-level details may be great for your workpapers, but they can wreak havoc in your reports. Too much detail not only obscures your audit findings and the related risks, but also confuses and frustrates your readers.

CORRECTION:

WRITE CONCISE, COMPELLING FINDINGS

No one wants to read a lengthy report, so make your case in the fewest words possible. Tell your readers what you found and why they should care.

Compelling audit findings answer risk-related questions like: How big is the problem? How often could it occur? How likely is the problem to recur? Be sure to quantify the risks so that stakeholders understand the potential impact. Where possible, provide financial impact, activity levels, and other operational measures.

MISTAKE #6:

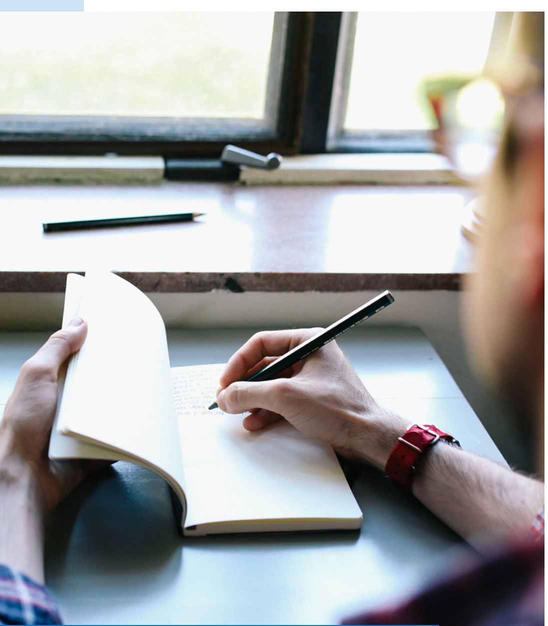
USING INSIDER LANGUAGE

Think about the acronyms, buzz words, and jargon you use in your reports. Are these words meaningful and helpful to your readers? Do they really make you appear more knowledgeable or professional? Probably not. Insider language may work if all readers know the issues at hand. Otherwise, it only creates confusion and wastes time.

CORRECTION:

USE EVERYDAY BUSINESS LANGUAGE

Your readers are inundated with reports, documents, and email. Don't make them struggle to decipher your writing. Instead, use simple, everyday business language that an eighth-grader could understand. Also, rid your writing of those five-dollar words when a nickel-word will do. *Ramification* is a five-dollar word. *Result* is a nickel-word. Which one do you prefer?



MISTAKE #7:

THINKING THAT PRETTY REPORTS WOW!

Reports with pretty design elements and visuals are certainly appealing to readers. But, if your readers must burn too many calories to understand the written content, you'll lose credibility. What's pretty about that?

CORRECTION:

FOCUS ON CLEAR MESSAGING

The human brain is drawn to clarity and away from confusion. Written content that is clear, concise, and impactful will WOW your readers.

Clear *and* pretty is a winning combination! Be sure to use lots of white space, attention-grabbing headings, and appropriate visuals throughout the report.

Conclusion

When you correct the ***seven deadly audit report mistakes***, your writing will come alive and your clients and stakeholders will be more receptive. Stakeholders will read your reports with heightened interest and act sooner to mitigate the reported risks.

After all, isn't that the purpose of reporting on audits in the first place?

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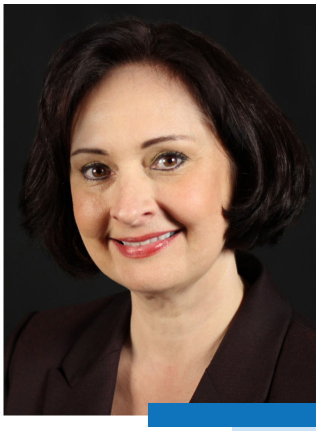
About the Author



Margie is Principal of Margie Bastolla Facilitations. She is a trainer and consultant who helps audit departments write clear, impactful reports, reduce excessive rewriting of report elements, and quicken report issuance. She has trained hundreds of organizations in over 40 countries. Her clients include the United Nations, the U.S. military, Fortune 500 companies, IIA Chapters, and many private and public-sector organizations globally. Prior to forming her training company, Margie spent 20 years as an executive and director for The Institute of Internal Auditors, Inc.

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FOUR WAYS TO SELL YOUR AUDIT FINDING

Creating Risk-Centric Effect Statements so That Management Acts

Guideline	Not this* (ambiguous; audit-focused)	But this (business-focused)
1. Write about potential risk using impact and likelihood. Consider: How big? How often? How likely?	Testing the hospital's generator only once a year (condition) increases the risk that critical systems may not function as intended (effect).	If backup generators are not tested quarterly, the hospital cannot ensure reliable emergency power. A generator failure, even though uncommon (2–5% annually when improperly maintained), could result in a total power loss during patient surgeries. On average, local power outages last one to four hours, placing patients at serious risk and disrupting critical operations.
2. Describe actual impact. Provide numbers, dollars, or other descriptive information. Be specific.	An undisclosed conflict of interest (condition) increases the risk of unfair procurement practices.	Because the conflict of interest was not disclosed, the integrity of the procurement process was compromised. The appearance of favoritism can erode trust among other bidders, reduce vendor participation in future procurements, and damage the agency's reputation for fairness.
3. Write realistically, not theoretically. Include real-world consequences, not audit concepts (segregation of duties, misappropriation, noncompliance.)	By not removing system access for terminated employees (condition), the department is not compliant with the IT policy. Furthermore, the company's data is not properly safeguarded from unauthorized access (effect).	Terminated employees have access to customer and company data, including customers' personally identifiable information, the company's financial records, and its intellectual property **(realistic)**.
4. Add relevant context. Include activity levels, averages, ranges, or dollar amounts when possible.	By not removing system access for terminated employees (condition), the department is not compliant with the IT policy. Furthermore, the company's data is not properly safeguarded from unauthorized access (effect).	Terminated employees have access to customer and company data, including customers' personally identifiable information, the company's financial records, and its intellectual property **(realistic)**. On average, the company terminates 25 employees per month **(relevant).**