



Communication skills: leading from the top

Internal auditors are constantly communicating, researching and scoping engagements, gathering evidence, testing, sharing findings and publishing reports. It is a foundation skill that we often take for granted and as such can be easily overlooked. This briefing paper will explore the skills that internal auditors can use to communicate effectively with stakeholders.

Head, body, heart and soul

We often think of decisions being made with the head or the heart and the same is true of our response to information. It is frustrating after the effort of audit fieldwork when audit findings are misconstrued, agreed actions are negated or the business hasn't seen the value of the assurance being provided. Is this due to the content of the message or in its delivery?

Communication is essentially a simple function, coding and decoding across a channel, however unlike computers humans overlay that data with the complexity of emotion and feeling.

The head, as the computer, deals with the data, the content of the communication which the heart then assimilates drawing on feelings. Content when accurate and complete rarely leads to conflict by itself, moreover it is more the way the content is managed; the relationship dynamics, hidden agendas, intentions, personal values, attitudes and experiences. It is the reaction of the heart, body and soul that more often lead to communication issues.

Failure to address these important aspects of communication can provide a home to the elephant in the room by avoiding difficult conversations, controversial issues and sensitive topics.

In our time pressured environments how often do internal auditors rely on instinct and unconscious decisions rather than really thinking about the best way of communicating with stakeholders? Is it always the internal audit client that cannot see the obvious or didn't understand the point? It is easy to forget that whilst rationale for the head, receiving constructive criticism can still be challenging for the heart, body and soul to accept.

To be effective in communicating the audit message, it is essential to understand the process, use the right method (channel), and understand the roles of sender and receiver so that, like any process, it can be worked with rather than against.

Communication process

Whether text (written), video (verbal) or smile (non-verbal), communication is about one party providing a message to another party; a sender and a receiver.

For auditors, one of the challenges is balancing communication models with efficiency. If the communication is about more than obtaining audit evidence then feedback options should be taken into account.

It is quicker to send a standard survey to 100 people rather than interview them, likewise issuing a report to stakeholders ensures consistency and timely receipt of information but does it deliver the message as well as a face to face conversation? Feedback loops are not present in all models and one could argue that a published audit report is a linear method with feedback at the receivers' discretion. Which communication methods do your auditors use? Auditors avoiding transactional channels may need coaching on negotiation, conflict management or lack self-confidence.

All of the models are subject to the concept of noise.

Noise is a communication barrier and refers to the distortion that takes effect between sending and receiving a message. There are four types of noise that stakeholders are subject to:

Physical: avoiding meetings in locations playing music, sitting next to loud machinery, even the hum of an air-conditioner can be distracting.

Physiological: mumbling, talking fast/slow, putting hand over mouth, forgetting to breathe/pause, articulation issues.

Semantic: sender and receiver have different meaning systems for jargon, abstract ideas.

Psychological: mental interference from wandering thoughts, biases, prejudices, preconceived ideas, personal values and experiences.

The first three are ones that can be managed through planning and coaching, the psychological noise is the hardest to overcome and we will come back to this.

Communication channels

The rise of digital communications has considerably increased the channels (communication media) available to use. 20 years ago for instance writing skills focused on the printed word, now the skills required are much broader encompassing messaging, tweeting and blogging.

For internal auditors the 21st century opens up opportunities to use communication channels that best suit a particular message or audience. As individuals we expect to receive information in different formats from those we received ten, five or even two years ago and internal audit's stakeholders are no exception. What are the channels that your key stakeholders use? Do you also use them?

Chief audit executives (CAEs) must be mindful that skills and preferences will differ between generations. Without prejudice, the younger generation are less tolerant of PowerPoint presentations and even written reports as their expectations are for short bursts of absorbable information via tweets and videos. We would not advocate a tweet instead of an audit report, however, we do encourage CAEs to regularly consider the media used by auditors.

What channels could your auditors exploit to gather evidence, deliver audit findings and publish reports? When did you last change your reporting format?

Communication roles

At all levels from CAE to internal audit administrators, the roles of sender and receiver in the communication

process are interchanged.

Whilst there will be hierarchies associated with the environment, such as corporate or political, there is also an informal hierarchy in the communication process as it is incumbent on the sender to direct and manage the exchange. This calls on broader interpersonal skills such as confidence, assertiveness, negotiating and politicking to overcome the challenges it can present. Auditors need to be aware of and work with the communication culture of their organisation. Developing these skills are something that CAEs need to be mindful is not overlooked in favour of technical skills when planning training budgets.

The sender, initiator of the message, is ultimately accountable for ensuring it is not only received but also understood. Thinking back to the head, heart, body and soul, this conundrum can be is most problematic for internal auditors when using non-transactional communication channels due to the absence of feedback. In these situations psychological noise surrounding the internal audit client may lead to content being perceived as political or adversarial if managed incorrectly.

Head

Of the four facets of communication, the head is the most straightforward for the auditor to manage as it seeks out rationale content. The **International Standards** for the professional practice of internal auditing outline the characteristics for effective written and verbal communications (**Performance Standard 2420** and **Implementation Guidance IG2420**):

Accurate	Free from errors and distortions and are faithful to the underlying facts.
Objective	Fair, impartial, and unbiased and are the result of a fair minded and balanced assessment of all relevant facts and circumstances.
Clear	Easily understood and logical, avoiding unnecessary technical language and providing all significant and relevant information.
Concise	To the point and avoid unnecessary elaboration, superfluous detail, redundancy, and wordiness.
Constructive	Helpful to the engagement client and the organization and lead to improvements where needed.
Complete	Lack nothing that is essential to the target audience and include all significant and relevant information and observations to support recommendations and conclusions.
Timely	Opportune and expedient, depending on the significance of the issue, allowing management to take appropriate corrective action.

Body

Internal auditors should be trained to observe their own body language and that of their internal audit clients, from the obvious folded arms and eye contact through to feeling cold, a tight chest or a knot in the stomach.

These primitive responses to emotion provide good indications as to how communication is being dealt with subconsciously, the physical clues of the heart and soul responding to the rationale brain.

Heart and soul

Stakeholder management is fundamental to the awareness of psychological noise affecting internal audit clients. Internal auditors can share insights into senior colleagues and internal auditors should be encouraged to discuss learning experiences with each other.

There are also questions that internal auditors can ask themselves before initiating or responding during the process:

- **Listening:** Did I listen actively? Am I being open-minded?
- **Acumen:** What am I learning?
- **Choice:** Do I want to respond? How do I want to respond?

In potential conflict scenarios it is also important to ask:

- **Purpose:** Am I saying this to provoke a reaction?
 - **Choice:** do I need to say this? At all? Here and now?
 - **Empathy:** can I see a different point of view?
 - **Concern:** how is the other party feeling?
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Active listening

Arguably, the most important communication skill is active listening; one of **Steven Covey's seven habits** is to 'seek first to understand, then to be understood'.

This concept takes us back to the quote at the start of the briefing; the language that speaks to the heart is not necessarily about linguistics but about making a connection. The greater an internal auditors understanding of their stakeholders and environment, particularly the different cultures they interact with and are part of, the more likely it is that their audit findings will be constructively received.

There is a natural tendency to listen with the intent to reply, not to understand. As we listen we prepare in our mind what we are going to say, the evaluating and probing questions to achieve the audit objective.

Active listening is a technique that all internal auditors should be inspired to use all the time as it builds rapport and encourages learning. It is different to reflective listening which requires auditors to repeat back what they have heard for confirmation. At the end of active listening it should still be possible to confirm understanding but at the end of reflective listening rapport and learning may not have taken place.

It requires full concentration on the part of the receiver to pay attention, follow directions of thought, visualise what is being said, not interrupt and look at the speaker; interactions to show interest and seek clarity of understanding should be made at an appropriate juncture in conversation not to interrupt a train of thought.

CAEs should challenge their internal auditors and themselves on the extent to which active and reflective listening techniques are used during different stages of engagements.

There are many other communication skills such as writing, presenting and understanding body language

which can be read about in detail specific to internal audit on the Chartered IIA website and more generally via a good search engine.

It goes without saying that being skilful with words is akin to breathing for an internal auditor; as powerfully said by Samuel Beckett 'words are the clothes thoughts wear'.

Key communication skills

Consider for a moment, great leaders, people you admire. Invariably they are great communicators, delivering their ideas in a way that resonates directly to their audience in an emotional way, to their heart. The key attributes they possess are:

- **Integrity** is essential as people must be able to trust their internal audit, always being constructive and not betraying confidences.
- **Interpersonal skills** make connections with people, not being distant, personalising the corporate message and building meaningful relationships.
- **Sharing thoughts** with the focus on leaving something behind as much as taking something away.
- **Open minded thinking**, seeking out different views, learning, debating rather than challenging.
- **Brevity and clarity** are critical commodities given the value of time, be simple and precise.
- **Empathy** enriches communications with authenticity whereas arrogance and ego build barriers.
- **Silence is a powerful tool**, knowing when to create a buzz and when to create calm, allowing people time to think and process, taking time to do the same.
- **Indirect communication**, reading between the lines, hearing what was not said, awareness of body language, understanding these cues helps leaders go from good to great.
- **Targeted messages to individuals**, even when giving mass presentations, talk to the person not the room.
- **Credibility of content**, communicate from a sound knowledge base, intelligent, articulate.

In addition to the leadership skills for a CAE, these are also the skills of internal auditors; intellectual leaders offering powerful insight, stimulating new ways of thinking and contributing to the future of their organisations.

Assessing communication skills

Soft skills are notoriously challenging to assess due to subjectivity although there are opportunities to observe them within the day to day exchanges between team members and immediate colleagues. Team meetings, one to one conversations all provide the opportunity for the team to share insights and reaction to communications in a safe but more candid environment than with internal audit stakeholders. They also allow heads of internal audit to observe the skills within the team. Do some individuals always revert to email or floor walking? Who is the go to person because of their great network of contacts? Why do some auditors spend longer on planning than others?

Issues arise in the audit process for a variety of reasons, applying root cause analysis may be useful in considering the effectiveness of communications and also in helping resolve issues and learn from the root causes outlined below:

- **Cancelled meetings:** lack of clarity over purpose and output, arranged at short notice, dealt with via another method such as email or skype.
 - **Missed deadlines:** difficulty engaging with stakeholders, inefficient meetings, repeated requests for information.
 - **Disputed findings:** misunderstanding during fieldwork, lack of empathy, misunderstanding during findings, ineffective communication channel, inflammatory words, inaccuracy.
 - **Overdue actions:** understanding of issue lost over time, agreed under pressure.
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Closing thoughts

Communication is the essence of internal auditing; what is an internal auditor without an opinion? And yet, it is often regarded as one of a suite of interpersonal skills taken for granted and deprioritised in favour of the latest thinking and technical competences. We leave you with a challenge, over the next few days take note of the communication skills you and your team use and ask yourself...Do they aim at the head, heart or both? Do they embed into the soul? Are they good or great?

"If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart."

- Nelson Mandela