t’s Monday morning and the audit is about to begin. Are you ready? Frequently, the typical auditor goes through his or her own personal checklist to determine readiness……..

- Computer – yes
- Electronic files – yes
- Client schedules – yes
- Trial balance- yes
- Conference room from which to work - yes
- Client is expecting you to arrive – yes

Of course, the list could go on.
Ready to work? Yes.
Ready to succeed? Maybe.
HOW do you define audit success, and is your audit staff set up for success? Does the audit staff go out to the field with a clear understanding of what “audit success” is and ready and able to achieve success? Without a clear understanding of success, success to one auditor may be getting the audit though the review process without any review comments while to another, it’s meeting the audit hours budget. And neither of these may be what you expect.

We all desire the audit to be a success, however, this is often based upon hope rather than by design. Relying only on chance without a concerted effort to setup the audit staff for success, is the norm and fraught with risk of failure. We may expect a different result but haven’t changed anything to impact the outcome. As Albert Einstein said, “Insanity is doing the same thing over and over again and expecting different results.” Unfortunately, this is how many audits are approached.

To ensure that your audit staff is set up for success, I recommend following the five-part ADEPT approach. Dictionary.com defines “adept” as “a skilled or proficient person.” One can easily agree that audit staff are certainly trained to be adept with their technical skills but often times lack crucial job or project management skills to keep the audit moving smoothly and achieving expected success.

**ADEPT IS AN APPROACH THAT STANDS FOR:**

- **A**ssess the staff person’s skills
- **D**efine Audit Success
- **E**stablish a communication plan
- **P**ut yourself in the staff person’s shoes
- **T**rack measures of success

We can take audit success out of the “hope” stage and move it to the “achievement” stage. Consider the ADEPT approach to reach the goal of audit staff success.

**ASSESS THE STAFF PERSON’S SKILLS**

Understanding a staff person’s strengths and weaknesses is a crucial first step in achieving success. A staff person’s skills can be categorized along the following 6 essential qualities:

1. Strong technical skills
2. Ability to develop oneself and to develop people
3. Excellent communication skills
4. Good interpersonal skills
5. Problem solving skills
6. Time management skills

Understanding a person’s skills helps the audit partner better assign roles and responsibilities. This understanding further helps establish measurable expectations that are realistic and attainable. Partners and staff in smaller firms are more likely to have day-to-day contact and, thus, a better understanding of staff skills. In a larger firm, partners may need to reach out to others to assess the skill set of the staff assigned to the audit. In either situation, taking the time to determine their skills pays dividends because an understanding of the staff strengths and weaknesses will provide you with a roadmap to the areas where the staff may need additional guidance, and training.

Finally, one’s expectations of skill level should be tempered by the staff person’s tenure in the profession. Nonetheless, the continuous development of these qualities should be expected at all levels in the firm.

**DEFINE AUDIT SUCCESS**

Audit success is a frequently talked about concept that is very rarely clearly defined and explained to the audit staff.

Audit success is often defined with statements like: “Let’s get the audit done sooner this year” or “We need to have improved fee realization on this audit this year.” Unfortunately, these statements are generally not supported with concrete action steps to meet the real goals of audit success. The end result is the audit staff is set up for failure.

Equally important is helping the audit staff with the action steps necessary to meet the goal of audit success. For example, audit success for a particular engagement may mean delivering the final audit report within ten days of leaving the field. Once that goal is set, establish action steps based upon a simple, who, what, where, when or why concept.

The most appropriate time to define audit success is during the planning stage of the audit. It is essential to repeat this definition and related action steps at the very beginning of audit fieldwork, in order to keep the goal on the top of the mind of each staff member as fieldwork is commenced. All subsequent update conversations should start with status toward meeting the audit goal.

**ESTABLISH A COMMUNICATION PLAN**

The audit staff person “in-charge” of the audit generally maintains ongoing communication with the client and the audit partner to keep them informed and to determine any changes in expectations. Throughout the process, the “in-charge” stays abreast of the degree of the audit stage
of completion. Communication must be timely, honest, and unambiguous.

Effective communication establishes credibility and builds trust. Timely feedback to the team and client that includes both good as well as bad news shared promptly is effective communication. For communication to be effective, team members receive up-to-date information, especially related to audit issues that necessitate the changes to the audit scope, budget, or schedule. To achieve this, the audit partner must facilitate an atmosphere that fosters timely and open communication without any fear of reprisal.

As the audit fieldwork begins, the partner and “in-charge” need to agree upon a communication plan to keep everyone fully informed. The plan is a commitment that establishes regular frequency at a specific time. With a plan in place, issues can be dealt with immediately and keep the audit on track for success.

**PUT YOURSELF IN THE STAFF PERSON’S SHOES**

The audit partner should not assume that the audit staff knows what needs to happen during the audit. Most audit partners can point to one or two mentors who went that extra mile to provide guidance and coaching while going through the ranks in the firm. Offering some empathy when a staff member is struggling goes a long way in building positive moral and a desire to succeed.

The audit partner uses his or her interpersonal skills to enhance the audit staff member’s desire to be a part of the team. Putting yourself in the shoes of a staff person and remembering that your audit staff will experience many of the same frustrations you had, creates more effective communication. By sharing thoughts and continuing to ask open-ended questions rather than “telling” the staff what to do goes a long way to building trust and teamwork.

**TRACK MEASURES OF SUCCESS**

Most of us have heard some version of performance measurement clichés: “What gets rewarded gets repeated” or “if you don’t measure results, you can’t tell success from failure.” Indeed, tracking and reporting on our goals is an important thing to do. However, beyond overall fee realization at the end of the audit, many firms do little to track success at the engagement level. Unfortunately, tracking a fee realization metric late in the process does little to help the audit team deliver a successful audit.

As mentioned earlier, the audit partner defines audit success for the engagement and the audit team works with the audit partner to develop the action steps to success.

Following this, establish a few performance measures that can be tracked throughout the audit to assist in evaluating whether the audit is on track to achieve success. Measurements that are easy to determine and understand are valuable tools used to stay on course.

**IN CONCLUSION**

Audit teams who apply the ADEPT approach are better prepared to achieve audit success. A successful audit team leads to a successful audit.

An “adept” auditor is an auditor who is set up for success by design and not by chance.

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**CLICK HERE TO REGISTER FOR THIS SELF-STUDY SESSION**
“SETTING YOUR AUDIT STAFF UP FOR SUCCESS”

DESCRIPTION: Very often audit staff are sent out to the client without a clear understanding of ways to successfully complete the audit on a timely basis. This session challenges the “sink or swim” approach to staff supervision and support and offers several suggestions on how to set your staff up for completing the audit successfully.

COURSE TYPE: Self-study

CPE HOURS: 2

DESIGNED FOR: Audit partners, managers and staff who want to provide high quality client service while streamlining and making their audit process more cost effective.

OBJECTIVE: This session will help you and your audit team, design, build, inspect and deliver an efficient audit that has more meaning for your client.

PREREQUISITES: Experience as a member of an audit team.

ADVANCED PREP: None.