

# Address your internal communications first when preparing for an audit

**W**hen an auditor asks for information, the best course of action is to provide it. But it isn't always as simple as that.

Providing information for an audit often requires a certain level of organization and a history of documentation. Much of this process can be streamlined with effective internal communication, which will help alleviate stressful situations during an audit.

Here are some common scenarios: Financial teams may receive word from operations that a job is nearly closed while the auditor hears a different story. Accountants may realize the calculation estimates they spent hours completing are based on outdated information. And operations personnel may fail to track a necessary piece of data.

Fortunately, there are best practices in communications that encourage the flow of information between departments. The major components are simple:

- Hold in-person meetings
- Communicate with coworkers continually
- Understand the root causes of communication breakdowns
- Bring flexibility and awareness of these causes to the communication process

In this article, I'll provide an overview of how to implement these components so you can streamline your audit process and be prepared with accurate and timely information when the auditor makes inquiries.

### Hold in-person meetings

In-person meetings give accountants the opportunity to provide information to coworkers and address common hurdles that arise during the audit process.

These meetings are particularly useful for discussing significant work orders that have been open for a long time. While operations teams are expected to notify accounting teams when work orders need to be closed, they commonly don't, making a thoughtful check-in necessary in many cases. These meetings can be held monthly, quarterly, or annually. By working towards a common goal, you'll create a team environment that encourages, rather than shies away from, communication.

Beyond work orders that are still open, in-person meetings are also an opportune time to discuss any challenges that need to be addressed. Consider creating a detective control, which is an internal control mechanism used to detect problems with internal processes. For example, you may choose to pull reporting of all work orders that haven't

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had any activity for two to three months; this enables you to focus the discussion on the riskiest work orders.

### Keep lines of communication open

Keeping lines of communication open is key — not only between the accounting and operations teams, but also with all individuals involved in providing or synthesizing information for audits.

Communicating continually can be a particularly helpful tool for accountants. One of the most common challenges they run into is receiving late or incomplete information, such as a late invoice or miscellaneous checks when working through year-end closing procedures or analyzing key management estimates in financial statements.

With open lines of communication, accountants can provide a consistent explanation to coworkers about why receiving this information on deadline is important. If people understand their requests are necessary and important, then they're more likely to respond to them in a timely fashion.

### Understand the root causes

Communication breakdowns often arise from differences in communication styles, which can vary so greatly between departments and individuals that it may seem as though people are speaking different languages. There are also significant variations in preferences for communication modes — be they for email, phone, or in-person meetings.

On top of those different styles and preferences, varying perspectives can create communication hurdles. Accountants bring a different viewpoint to the table than engineers, and engineers have a different perspective than human resources professionals. Getting beyond these differences to a place of common ground is an instrumental piece of effective communication strategies. However, it takes awareness and flexibility from all parties.

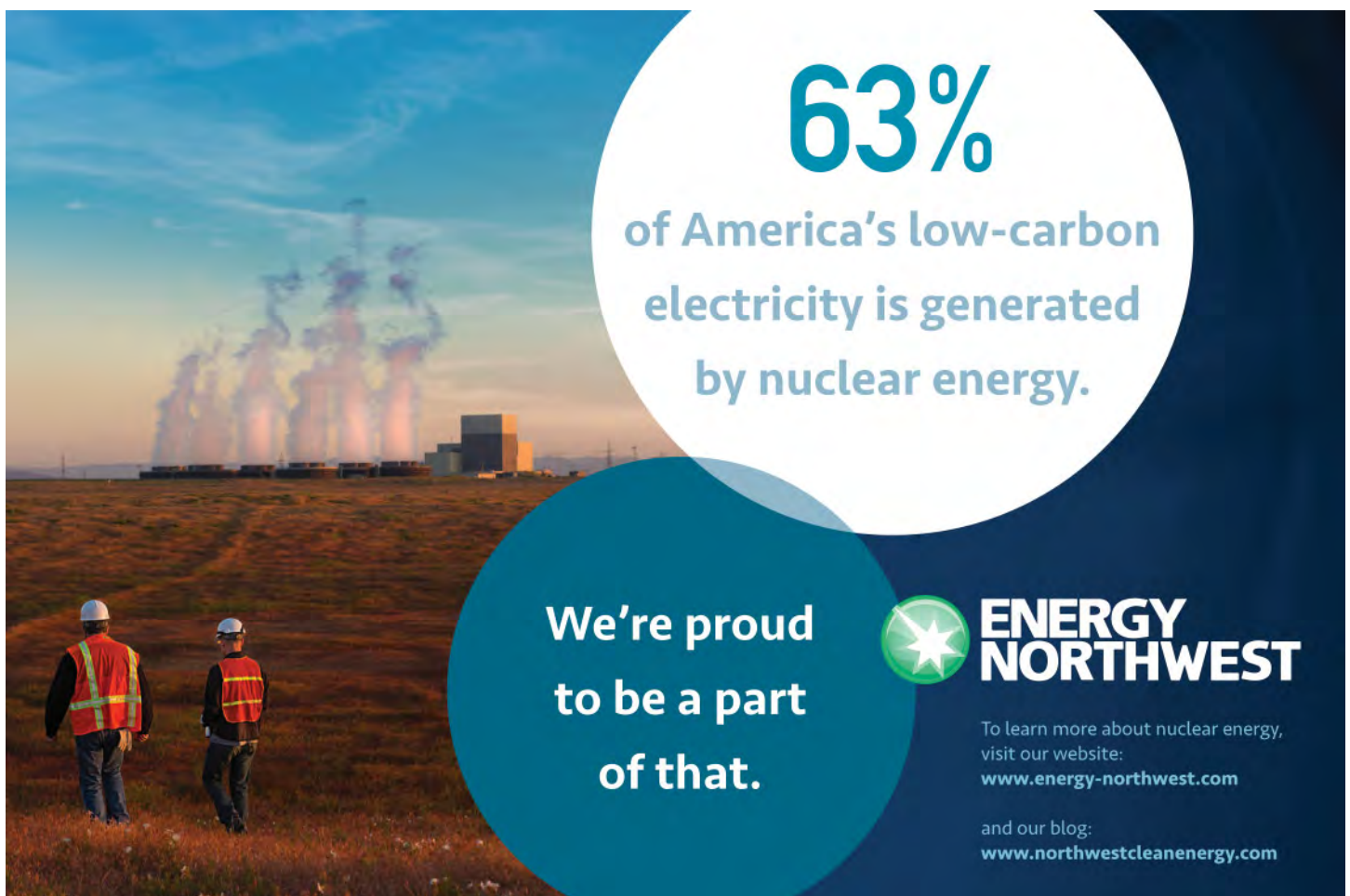
### Be flexible

A lack of time — or willingness to take the time — to bridge these gaps can create issues when key players are left out of important discussions. It takes a flexible approach to navigate the waters between different communication styles. Some important considerations are:

- **Remember everyone communicates differently.** This will help you consider colleagues' communication in context and understand the meaning better.
- **Respect that each person has an important skill set.** When discussing information relevant to audits, it's important to make sure that all the relevant team members have a seat at the table.
- **Understand your own communication style and those of others.** If you know you have a tendency to simplify information as much as possible while your coworker has a need for detail, then you can better equip yourself with the supporting facts and figures needed to make conversations with that coworker as productive as possible.


The need for timely, detailed information that arises during the audit process makes it particularly important to have effective communication strategies in place. Like any strategy, improving communication practices should begin at the top. For organizations with leaders that aren't familiar with these practices, informing them is an integral part of improving your communication practices. Doing so will enhance the effectiveness of your communications and, in turn, streamline your audit process. **NWPPA**

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