COMMUNICATION IN INTERNAL PUBLIC AUDIT

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Abstract:
Communication represents a key aspect of the internal public audit, contributing to the effectiveness, credibility, and overall value of the audit function. This paper examines the role of communication in internal auditing, focusing on the principles of effective communication, such as clarity, conciseness, relevance, objectivity, timeliness and engagement of stakeholders. The role of professionalism, integrity, confidentiality and consistency was further underlined in the study for audit communication. Additionally, the paper examines the relationship between auditors and auditees, focusing on the role of communication in facilitating cooperation, understanding audit findings, and supporting organizational improvement and governance. The research highlights the growing importance of communication competency in the context of the evolving internal audit function, digital communication trends, and the dynamics accelerated by the COVID-19 pandemic. The paper concludes that effective communication is essential for strengthening stakeholders' trust, improving audit effectiveness, and enabling the audit function to move beyond its traditional role as a provider of information.

Key words: internal audit, communication, professionalism, integrity, stakeholders, audit findings.

INTRODUCTION

The term "communication" is derived from the Latin verb *communico*, *comunicare* and means to transmit a message, to consult, to connect or to make common. "Interpersonal communication" is associated with the process of communication between people and has its origins in the works of mathematician Claude Shannon and cybernetician Warren Weaver (1949).

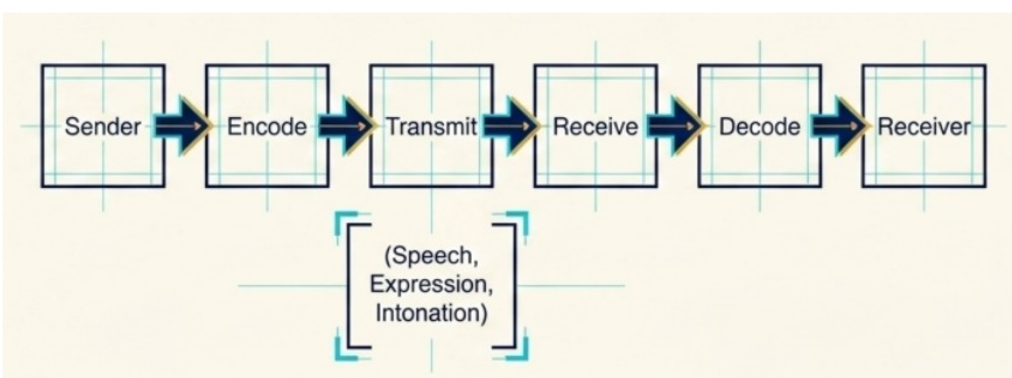

Figure 1 – The Process of Interpersonal Communication
Source: Augustynek, A. (2015). *Psychologia. Jak ślimak piął się pod górę*

"Interpersonal communication is a psychological process through which an individual transmits and receives information during contacts with other people. We convey specific information to one another through speech, facial expression, pantomime and the intonation of the voices" (Augustynek, 2015).

The "7 Cs" rule of effective communication, formulated by Scott M. Cutlip and Allen H. Center (1953), states that communication should be:

- Clear – it involves focusing on a single purpose of the message and avoiding attempts to achieve too many objectives simultaneously,
- Concise – expressed in as few words as possible, without neglecting its completeness,
- Concrete – a concrete message is detailed and clear, not vague or general; specificity strengthens confidence and credibility,
- Correct – the message must not contain any grammatical or spelling errors,
- Considerate – the sender must take into account the recipients, in particular their points of views, background, way of thinking, emotions, problems, level of education etc. and has to treat them with respect,
- Complete – the sender of the message must transmit all the information necessary for the recipients; also, the sender should take into account of the receiver's attitude and deliver the message in an appropriate manner,
- Courteous – the message must be sincere, polite, well thought and expressed with enthusiasm; it should reflect sender's respect for the receiver.

The Audit and Communication

The Global Internal Audit Standards formulated by the Institute of Internal Auditors (IIA) represents a legal and professional framework for conducting internal audit activities in order to evaluate and enhance the quality of the internal audit function. In order to develop effective communication, the Institute of Internal Auditors established several distinct standards: Standard 11.1 – Building Relationships and Communicating with Stakeholders, Standard 11.2 – Effective Communication, Standard 11.3 – Communicating Results, Standard 11.4 – Errors and Omissions, and Standard 11.5 – Communicating the Acceptance of Risks.

Figure 2 – The Global Internal Audit Standards

Source: Institute of Internal Auditors (IIA) — Global Internal Audit Standards (2024)

For auditors, the ability to communicate represents one of the competences necessary for carrying out their professional responsibilities. During the audit process, the auditor is in permanent contact with the audited entity or the auditee. This relationship aims at good cooperation, so that the audit process can be conducted smoothly (Hogard & Ellis, 2006).

The auditor must be capable to create a comfortable atmosphere for the auditee during the performance of professional audit engagements. The comfort created by the auditor may constitute a starting point for the auditee’s openness in the process of identifying and providing the information necessary for the auditor (Saiewitz & Kida, 2018).

Communication is audit is very important, as it represents the first step through which the auditor can communicate their professional responsibilities to the auditee. Well-developed communication between the auditor and the auditee contributes to the smooth conduct of the audit activity, particularly in the identification and analysis of the necessary audit evidence (Hogard & Ellis, 2006).

The principles of effective communication in auditing focus on clarity, transparency and relevance. Auditors must communicate their findings in a manner that is easy for stakeholders to understand, avoiding jargon and technical language as much as possible. Maintaining professionalism and integrity throughout the communication process contributes to building trust and credibility. Auditors must present their findings objectively, without bias or undue influence, while maintaining ethical conduct throughout all professional interactions.

Establishing a communication plan for audit engagements facilitates the timely delivery of relevant information to the appropriate stakeholders. Such a plan should define the communication objectives, identify the target audience, determine the communication channels, and specify the frequency of communication, thus ensuring effective interaction throughout the audit process.

The principles of effective communication in auditing ensures that stakeholders understand and act upon the audit findings, recommendations, and overall conclusions. By respecting these principles, internal auditors can amplify the impact of their activities and support organizational improvement and governance.

Efficient communication refers not only to transmitting information, but also to doing so in a way that leads to understanding, agreement, and action, thereby contributing to the overall success and value of the internal audit function.

The principles of effective communication in auditing are based on clarity, conciseness, relevance, objectivity, promptness and engagement.

Clarity represents the foundation of efficient communication. Audit reports and communications must be drafted in a manner that is easy to understand. This means avoiding technical jargon and using clear language that can be understood by all stakeholders, regardless of their level of expertise. When technical terms are necessary, they must be clearly defined. Clear communication helps prevent misunderstandings and ensures that stakeholders can quickly grasp the audit findings and recommendations.

Concision is also essential. Audit communications must be succinct, avoiding unnecessary details that can overwhelm the reader. This means focusing on the most important findings and recommendations and presenting them in a structured manner. Bullet points and executive summaries can be useful tools for highlighting key aspects without overwhelming the reader with information. A concise report respects stakeholders' time and increases the likelihood that important messages will be read and understood.

Relevance is another essential principle. Information included in audit engagements must relevant to stakeholders’ needs and interests. This means adapting the content to the target audience, focusing on aspects of great interest to them. For example, senior management may be more interested in strategic risks and the overall effectiveness of controls, while operational managers may need detailed findings related to specific processes. Relevance ensures that the information communicated is valuable and applicable to its recipients.

Objectivity is fundamental for maintaining the credibility in the audit function. Audit communications must be impartial and based on evidence collected during the audit process. Personal opinions or unverified information must be avoided. The objective presentation of findings contributes to building trust among stakeholders and supports the integrity of the audit process. Objectivity also implies a balanced presentation of both positive aspects and areas requiring improvement, giving a full picture of the audited area.

Timeliness is essential for audit communication to have an impact. Findings and observations must be communicated as soon as possible after the completion of the audit work. Delayed communication may lead to missing opportunities for improvement and correction. Timely communication allows stakeholders to react to problems quickly and demonstrates the ability of the audit function to act efficiently and responsibly.

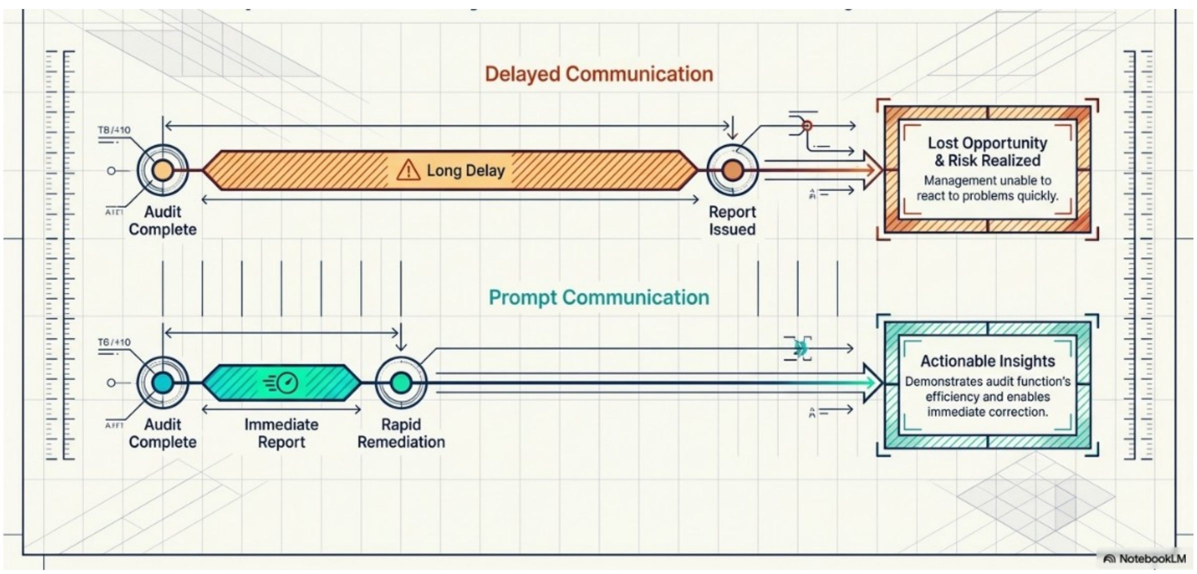

Figure 3 – Speed of delivery

Source: author's own projection

Stakeholders' engagement is an important principle strengthens the effectiveness of audit communication. This involves actively engaging stakeholders throughout the entire audit process, from planning to reporting. Their involvement contributes to understanding and addressing their concerns and expectations. It also promotes a collaborative approach, in which stakeholders are more willing to accept and implement the auditors' recommendations. Engagement can be encouraged through regular meetings, feedback sessions, and maintaining open communication channels.

Maintaining professionalism and integrity in audit communication is essential for building trust, credibility and respect. This requires consistency, attention to detail, honesty, ethical behavior, and respect in all forms of communication.

Beyond the mere transmission of information, effective communication in auditing means building trust, transparency and a constructive relationship with stakeholders. Therefore, auditors can ensure that their findings and recommendations are understood and implemented, contributing to achieving the organization's objectives. To effectively fulfill this role, auditors must respect high standards of professionalism and integrity in all their communications.

In audit communication, professionalism involves presenting information in a respectful, well-structured manner and aligned with the organization's standards. This includes the use of appropriate language, tone and format in all forms of communication, both oral and written. Professionalism encourages stakeholders to treat audit reports and finding with seriousness. It also reflects the auditor's commitment to their role and the value they bring to the organization.

Another essential aspect of professionalism is consistency. Audit communications must follow a standardized format and structure to be easy to read and understand. A consistent format helps recipients know what to expect and where to find the necessary information. This also refers to the effective use of headings, subheadings, bullet points and executive summaries to guide readers through the document. Consistency also applies to terminology, ensuring the use of the same terms throughout the report in order to avoid confusion.

Paying attention to details is another key aspect of professionalism. Audit reports must be free from spelling mistakes, grammatical errors or inaccurate facts. Reviewing and proofreading documents before submitting them are essential. Attention to details demonstrates that auditors value precision and accuracy, which are fundamental for earning the stakeholders' trust.

Maintaining respect and diplomacy are also important, especially when sensitive or critical findings are communicated. Auditors must pay attention to how their messages may be perceived and ensure that they are formulated in a constructive and supportive manner. This involves respecting the stakeholders' perspectives and addressing issues in a way that promotes collaboration and positive change.

Continuous improvement is a principle that auditors must adopt in order to maintain professionalism. This involves seeking feedback regarding their communications and remaining open to learning and development. By continuously improving their communication skills, auditors can enhance their effectiveness and the value they bring to the organization.

Integrity in audit communications refers to honesty, ethics, and transparency. Internal auditors must present their findings and recommendations truthfully, without distortion or bias. This involves objectively reporting both positive and negative aspects and providing a balanced view of the audit results. Integrity also requires auditors to disclose any limitations or constraints encountered during the audit that could influence the findings.

A critical aspect of integrity is confidentiality. Auditors often have access to sensitive and confidential information. They are responsible for protecting this information and ensuring that it is not disclosed improperly. Confidentiality must be maintained in all types of communication, both internal and external. This includes paying careful attention to the way in which information is presented in audit reports, meetings and discussions. Auditors must comply with organizational policies and legal requirements regarding confidentiality and data protection.

Effective communication also reflects integrity. It requires the use of clear, direct and concise language in all interactions. Auditors must avoid ambiguous formulations and ensure that their messages are easy for the intended audience to understand. Clear communication helps prevent misunderstandings and enables stakeholders to make informed decisions based on the audit findings.

CONCLUSION

Communication is increasingly considered by internal auditors as an important professional competency. Its relevance is determined both by the transformations that have occurred in the internal audit paradigm and in the role of the auditor, as well as by changes in the field of communication, which is becoming increasingly oriented toward the online environment and social media platforms. In this context, the COVID-19 pandemic of 2020 and its resulting effects significantly contributed to accelerating these changes.

Internal auditors acknowledge that the requirements for the development and consolidation of communication skills will become increasingly demanding. This context encourages them to continuously improve their professional competences, including those related to communication. Some of the negative aspects associated with internal audit activity could be prevented from the professional certification stage or through the involvement of professional organizations by introducing additional training programs.

When the communication process is analyzed by distinct components, such as information gathering, processing, and feedback delivery, a significant competency gap can be observed. Furthermore, this gap does not manifest uniformly, as perceptions regarding one's own abilities differ by gender and target distinct areas.

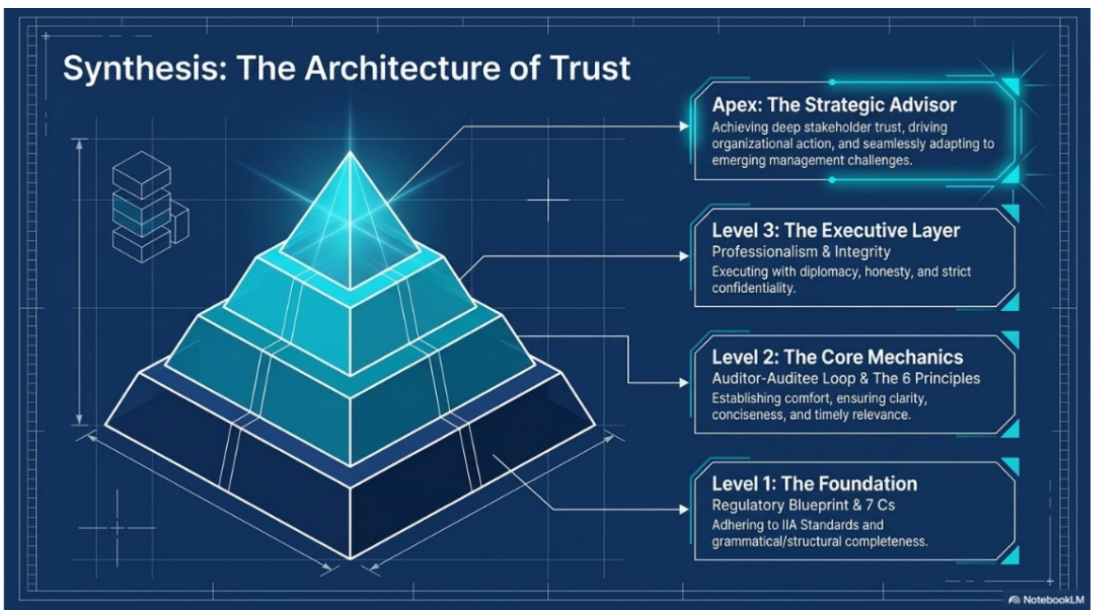

Figure 4 – The Arhitecture of Trust

Source: author's own projection

Regarding the competencies required in internal auditing, there is a strong connection between the audit function's ability to continuously adapt to changes and new developments, its capacity to respond quickly and effectively to emerging management challenges, and its role in strengthening stakeholders' trust. Considering the dynamic nature of this field, further research is needed through the development of studies aimed at evaluating the audit function's ability to go beyond its traditional role as a simple provider of information.

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